



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Dé Máirt, 18 Nollaig 2012*

*Tuesday, 18 December 2012*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 14.00 p.m.

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*Paidir.*  
***Prayer.***

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## Ceisteanna - Questions

### Priority Questions

#### Children's Rights Referendum

60. **Deputy Robert Troy** asked the Minister for Children and Youth Affairs her response to the Supreme Court judgement that her Department acted in breach of the Constitution during the recent Children's Referendum; and if she will make a statement on the matter. [56975/12]

**Minister for Children and Youth Affairs (Deputy Frances Fitzgerald):** I wish to inform Deputies that the High Court is currently hearing an application for leave to petition the court under the provisions of the Referendum Act 1994 to question the validity of the provisional referendum certificate issued by the referendum returning officer in respect of the children's referendum poll held on 10 November. That petition stands adjourned until January 2013. The application relates specifically to the provision of public information by the Government and the decision of the Supreme Court regarding that information.

In light of these matters, it is prudent not to make comment that would be prejudicial to proceedings. As a respondent in the proceedings, I am particularly constrained as regards further comment and, at this stage while proceedings are ongoing, it is necessary and prudent for me to restrict my comments.

I participated fully in a Seanad Éireann debate on the Supreme Court decision on 8 November, the day of the decision. I made a detailed statement as part of that debate. No other proceedings were under way at the time. I refer Deputies to that detailed statement. My statement

of 8 November acknowledged the errors that had taken place. I reiterate my acknowledgement and regret that these errors took place. I explained in the Seanad that the Government's information provision was well intentioned and that in preparing information materials, it was considered that appropriate regard had been paid to the McKenna principles.

The full Supreme Court judgments, which are now available, find that the Government acted at all times in a bona fide manner. All the publications were issued with a view to informing the electorate about the referendum. The McKenna judgment stated that the Government has a duty to give information to the electorate as well as to clarify issues which may arise in the course of the campaign, and must do so without advocating a particular position. Governments have carried out this role in other referenda since the McKenna judgment, including in the Lisbon and stability treaty referenda.

The Supreme Court has unanimously acknowledged that the principle enunciated in the McKenna judgment stands as firm as ever. The Government welcomes the fact the court has, for the first time since the judgment in 1995, set down guidelines on the application of this important principle. The modes through which information is now conveyed are very different to those operating in 1995. The court has found that the Government, in attempting to fulfil this duty to inform the people, strayed beyond the boundary of the provision of information to the electorate.

*Additional information not given on the floor of the House*

I readily accept that we have to look at and implement the lessons to be learned from the successful legal challenge to our information campaign. The Government has stated that it is carefully studying the Supreme Court judgment which clarifies how we can make information available to the electorate during a referendum. I have no doubt that at the appropriate time, there will be considerable debate on these matters in the House. I look forward to participating fully in such a debate when the constraints that currently apply are no longer relevant.

**Deputy Robert Troy:** It is deplorable that it has taken the Minister six weeks to give a response in this House to queries regarding the Supreme Court ruling. The argument that she has responded in the Seanad is interesting given her party's commitment to abolish that House. It is only now, six weeks after the ruling, that we in this House are being given an opportunity to obtain some measure of feedback on this very serious issue. The court issued a declaration that the respondent, that is, the Government, had acted wrongfully in expending or arranging to expend public moneys on a website, booklet and advertisements for the purposes of promoting a particular result in the referendum on the 31st amendment to the Constitution. The Chief Justice, Mrs. Justice Denham, and her fellow judges found that on applying the correct test to the material published by the Minister, there was a "clear disregard" by the respondents of the McKenna principles. The Chief Justice found, moreover, that the material "failed the test of being fair, equal and impartial, failed to be neutral, and failed to hold the scale equally between both sides". This is a damning indictment by the most senior judicial figure in the land of the Government's role in the referendum.

I have several relevant and direct questions which I hope the Minister will answer in a similarly direct fashion. Who took the decision to publish the booklet? Who took the decision to hive off the €1.1 million that should have been allocated to the independent referendum commission? Who signed off on the content of the booklet? Shortly after the Supreme Court decision, there was an effort by certain Ministers to dump the responsibility on the Attorney

General, but the Supreme Court judgment does not reflect that claim. What are the cost implications for the State, apart from the direct expenditure of €1.1 million, of all of this? Finally, who will take responsibility and be held accountable for this deplorable situation?

**Deputy Frances Fitzgerald:** I remind the Deputy that the Government is defending a petition in the High Court. Recognising the separation of Parliament and Judiciary, moreover, I have no wish to, and will not, prejudice the upcoming hearings. I am sure my parliamentary colleagues will respect and accept the position I am in.

Ms Justice Denham stated in regard to the case: “In all the circumstances of this case, as have appeared before the court, I am satisfied that the respondents acted in a bone fide manner.” Mr. Justice Fennelly observed: “I have no doubt that this was done bona fide and with consciousness that the decision in McKenna had to be respected.” Likewise, Mr. Justice O’Donnell stated: “It should be said that the plaintiff made it clear that he was prepared to accept that the Department had acted in good faith in preparing the campaign and did not challenge it on that ground.” I refer the Deputy to those aspects of the Supreme Court’s findings.

**Deputy Robert Troy:** In his verdict, Mr. Justice O’Donnell pointed out that some of the language used in this so-called independent literature was the same language used in the Minister’s speech at the launch of the Fine Gael campaign for a “Yes” vote. As a Fine Gael parliamentarian the Minister was entitled, as I was as a Fianna Fáil parliamentarian, to advocate a “Yes” vote, but why was it the same language? If there was bona fides in terms of the wording used in the independent booklet, why did she use the same language in a Fine Gael document? My personal opinion is that this was a political stunt on the Minister’s part.

**Deputy Frances Fitzgerald:** It certainly was not. In fact, the highest court in the land disagrees with what the Deputy said and accepts the bona fides of myself and my Department in this regard. However, I accept that the Government, as the court has found, in attempting to fulfil its duty to inform the people strayed beyond the boundary in the provision of information to the electorate. I readily accept and acknowledge that we must examine and implement the lessons to be learned from the successful legal challenge to the Government’s information campaign. The Government has said that it is carefully studying the Supreme Court judgment which clarifies, for the first time since 1995, how the Government can make information available to the electorate during a referendum. At the appropriate time there will be considerable debate on these matters in the House and I look forward to participating in that debate, when the constraints that apply today are no longer relevant.

### **Children’s Rights Referendum**

61. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs the reason, despite the recorded concerns of the Referendum Commission chairman in the previous referendum (details supplied), the Government proceeded with the publication of a parallel information guide to that prepared and distributed by the Referendum Commission in the Children’s Referendum, running the risk of confusion; and if she will make a statement on the matter. [56971/12]

**Deputy Frances Fitzgerald:** I wish to reiterate the need to be mindful of court proceedings with regard to the referendum result and the particular constraints which I face as a defendant in the High Court application at this stage. I should point out that the activities of the Referen-

dum Commission in respect of the recent referendum were funded by way of an allocation of €1.9 million from the sum of €3 million provided in my Department's Vote for a referendum on children's rights. The balance of €1.1 million was used by my Department for the provision of information to the public relating to the referendum.

It is important to be clear on the fact that the report of the Referendum Commission on the stability treaty did not call for a prohibition on the Government providing information to the public in respect of referendums. This is evident in the commission's recommendation to the effect that "where a Government Department or agency produces an information guide to a referendum proposal, its design and content should ensure that it is clearly distinguished from Referendum Commission material. Any such guide should contain full contact details". This was the approach taken to the design and production of the information booklet issued by my Department in the children's referendum.

The approach adopted by the Government to the provision of information to the public in the recent referendum reflected information initiatives used previously on such occasions. As regards learning from past experience about potential confusion with the materials of the commission, specific efforts were made to avoid this happening. The Department's main information tools were a booklet and a dedicated website. The print and limited broadcast advertising sought to draw attention to these sources of information and to call attention to the Saturday voting day. The booklet identified the Department on its cover and prominently displayed the Department's contact details in the text; this was done twice in both the English and Irish language versions. At the conclusion of each website page, the Department's name, logo, address and contact details were carried.

*Additional information not given on the floor of the House*

Comments or complaints about distinguishing between the Department's information initiatives and those of the Referendum Commission were not a feature of the many verbal and written queries my Department received in the period before the referendum polling date.

The Government aimed, through its information materials, to encourage the maximum public debate on, and participation in, the referendum. In doing so, it was conscious of an acknowledged gap in information that can attend referendums. Indeed, in the passage of the Thirty-First Amendment of the Constitution (Children) Bill 2012 through the House in late September, speakers on all sides identified as a particular challenge the need to engage the general public with the debate, to provide explanation and to encourage turnout to vote. In that context, the House was informed during the debate on 26 September that the Government was committed - as with the European stability referendum earlier this year - to ensuring that people had all the information they needed to make an informed decision on 10 November. It was further informed that to facilitate that situation, an information website, [www.childrensreferendum.ie](http://www.childrensreferendum.ie), had been set up by the Department of Children and Youth Affairs which provided information on the constitutional amendment as well as details of the wider reform programme under way in the area of child protection. It was also made known to the House on that occasion that a government information booklet would also be sent to each household in the country.

A significant gap in the public's information was indicated in opinion polls taken during the course of the referendum campaign. An Ipsos MRBI poll for the Irish Times of 20 October found that in response to the question, "How well do you feel you understand the issues in the children's referendum?", 10% said they had a good understanding, 28% said they understood

some but not all the issues, 37% said they were only vaguely aware of the issues involved and 24% said they did not know what the referendum was about at all. The Government considered that in preparing information materials it was paying appropriate regard to the McKenna principles. All the publications were issued with a view to informing the electorate about the referendum.

The Supreme Court has found that the Government at all times acted in a bona fide manner. As I said, the Government acted in good faith in the preparation of its information materials, which aimed to encourage the maximum public debate on, and participation in, the children's referendum. The failures identified by the Supreme Court are fully acknowledged and greatly regretted. The Government is committed to working within the parameters of the judgment in the conduct of future referendums, and is carefully studying the conclusions of the court. It will have regard to the Supreme Court's detailed judgments and the guidelines contained therein as part of its full consideration of the implications of the judgments.

**Deputy Caoimhghín Ó Caoláin:** I do not doubt the Minister's intent, and that is clear from the question I tabled. My concern is that if we have not already done so, we must learn from the lessons of the past. Last August, Mr. Justice Kevin Feeney, the former chairman of the Referendum Commission for the fiscal or austerity treaty referendum, depending on one's point of view, cautioned against this approach on the basis that it could cause confusion. It was his experience as chairman of the Referendum Commission in that case that it perhaps had contributed to the creation of confusion. I note the point about not identifying where it had emanated from and that it did not apply in this instance under the direction of the Minister. We must be mindful in respect of the existing rulings, including the McKenna judgment. I ask the Minister whether the dissemination of independent information and assessment should be left wholly and solely to the Referendum Commission of the day. I strongly recommend the commentary to which reference has been made.

Following the McCrystal judgment, the Minister Deputy Pat Rabbitte said, "the Government seems to be impeded from advocating its convictions in a matter like a referendum". I reject that, it is totally untrue. What is a requirement is that the component parts of the Government, such as opposition voices, must be responsible for funding whatever it produces, either collectively or through independent action by party components. Does the Minister accept there are lessons to be learned and the best practice for the future is to allow the Referendum Commission of the day to take responsibility, wholly and solely, for the dissemination of independent assessment?

**Deputy Frances Fitzgerald:** While I would like to engage in a long debate on the issues raised, I reiterate that I am constrained in terms of the hearing in January. The issues raised will be considered by the Government. In the conduct of future referendums I am committed to working within the parameters of the judgment delivered. I agree with the Deputy that we must carefully consider the conclusions of the court. The Government will do so. For the first time since 1995, the Supreme Court has provided some important guidelines on the application of the principle in the McKenna judgment. With regard to the recent campaign, it is interesting to note that distinction between the Department's information initiatives and those of the Referendum Commission was not a feature the comments or complaints received from the public. Deputy Ó Caoláin has acknowledged this point and I thank him for doing so. This aspect was not a feature of the many verbal or written queries to the Department. When we initially discussed the referendum on 26 September, all sides were concerned about getting out a great deal of information. There were issues in respect of the complexity of material. People in the House

identified the need to engage the public with the debate to provide explanation and encourage turnout to vote. On 26 September, I said we were committed to ensuring people had all the information they needed to make an informed decision on 10 November. I also referred to the website. Much of the research on the referendum shows significant gaps in information. The Government agrees that these matters must be considered and will be considered.

**Deputy Caoimhghín Ó Caoláin:** I welcome the Minister's response, which I take as a positive indication that the Government is taking the decision on board. It cannot be more clear and, no pun intended, it is crystal following the recent judgment. I hope we will arrive at a space where the Referendum Commission is seen as the independent voice for the dissemination of that independent view to the wider public, and anything else that has the *imprimatur* of Government is seen to be in competition with the role of the Referendum Commission. Better that the component parts of Government - today it is Fine Gael and Labour but it could be any combination of voices - should get it right and know exactly what we can do in the future.

We are all disappointed that there was not a greater turnout for the referendum. There are a range of reasons for that being the case. Is there a question in the Minister's mind or in any of the assessments since that confusion was contributed to by the second information document? I just pose the question.

**Deputy Frances Fitzgerald:** My reply to that question has to be that there is a hearing in the High Court. To give further comment would not be the right thing to do. I recognise the importance of that case and of not making any comments that might prejudice its outcome.

### **Child and Family Support Agency**

62. **Deputy Seamus Healy** asked the Minister for Children and Youth Affairs her policy for the continuation of family resource centres into the future having regard to the establishment of the Child and Family Support Agency; if she will confirm the continuation and extension of the delivery of community based universal services and early intervention programmes as heretofore; if she will confirm that the ethos and culture of the Family Resource Programme will be maintained through the delivery of family supports in local communities through a community development approach; if she will confirm that the Family Resource Centre National Forum will have representation at board level within the new agency; and if she will make a statement on the matter. [56896/12]

**(Deputy Frances Fitzgerald):** The Government has approved the heads of the child and family support agency Bill and has also agreed to the priority drafting of this Bill. The necessary legislative and organisational preparations are being prioritised in order that the agency can be established early in 2013. From its establishment the child and family support agency will have service responsibility for a range of services, including child welfare and protection services currently operated by the HSE, and domestic, sexual and gender-based violence services. The functions of the Family Support Agency and the National Educational Welfare Board will transfer into the child and family support agency upon its establishment.

The Government's consideration of these matters was informed by the recommendations of the task force on the child and family support agency which I published in July of this year. The task force considered that the agency needs to be as broadly based as possible and should include a range of prevention, early intervention, family support and therapeutic care interven-

tions.

It is my intention that the agency will have a role in supporting families and communities. It will have the benefit in this role of 106 family resource centres which have been developed with funding from the Family Support Agency. I have seen repeatedly at first hand the work of the family resource centres. I assure the Deputy that the new agency will build on the excellent work undertaken by the Family Support Agency over the past decade and that a community-based approach will form an integral part of the new child and family support agency. I have said this repeatedly and we are absolutely committed. The child protection services cannot work properly if we do not have this base of community work and family support. I have said to the workers in the family resource centres that the ethos and the criteria by which they do their work will be maintained in the new agency.

*Additional information not given on the floor of the House*

The composition of the board of the child and family support agency is under consideration. While the composition of the board will reflect the component organisations which are being amalgamated into the child and family support agency, the criteria for board membership will be focused on ensuring board members have the requisite mix of experience and competencies needed to steer such a large organisation providing a diverse range of personal services.

The new agency and the wider transformation of children's services represents the largest and most ambitious areas of public sector of reform embarked upon by this Government.

**Deputy Seamus Healy:** I thank the Minister for her reply. As the Minister said, there are 106 of these centres throughout the country, three of them in my own constituency. They are Millennium Family Resource Centre in Glengoose, Spafield Family Resource Centre in Cashel and Three Drives Family Resource Centre in Tipperary Town. They do tremendous work with scarce resources and are providing essential front-line services in deprived communities affected by austerity, poverty and exclusion. Families challenged by poverty are particularly targeted in the centres. They deal with early intervention and prevention if at all possible and provide a range of services.

My reason for asking the question was to seek the Minister's reassurance, which she has given, and to ask her, in the context of the establishment of the child and family support agency, to confirm the continuation of these centres and their central role in the new agency, to confirm her support for the centres and for continued proper and adequate funding for them, and also to seek an assurance that the centres will have a nominee on the board of the new agency.

**Deputy Frances Fitzgerald:** The composition of the board of the child and family support agency is under consideration. While the composition of the board will reflect the component organisations being amalgamated into the child and family support agency, it is important for such an agency that the criteria for board membership ensure board members have the requisite mix of experience and competence needed to steer such a large organisation. More than 4,000 staff are being transferred to this agency. This is huge public sector reform and we must ensure the members guiding this who are on a small board that is directly accountable to me and the Department have the mix of experience and competence needed to steer such a large organisation. I expect there will be someone on the board representative of the work of the family support agency and the family resource centres, but the essential criteria for me will be the mix of skills needed to take forward an organisation of more than 4,000 people, rather than a broad

mix of representative individuals from various organisations. That has not worked as a model for boards, as we saw with FÁS and other agencies.

I repeat my absolute commitment and that of the director of child and family services, Mr. Gordon Jeyes, to supporting the work that goes on in the family resource centres and the work of counselling and supporting voluntary groups, huge numbers of which are supported by the agency. That will continue.

**Deputy Seamus Healy:** Will the Minister ensure there is a representative of the centres on the board? This is a new situation and these centres provided a range of vital services in local communities. If the reform the Minister talked about is to be successful, every element of the services must be represented at the highest level.

**Deputy Frances Fitzgerald:** I take the Deputy's point but I hope he accepts what I am saying about the skills level that will be essential to lead such an organisation in terms of human resources, accountancy and standards. We have discussed the findings of the independent child death review group that state we have not had standard models for risk assessment or proper inter-agency work. There has been a huge deficit in management of information across the sector, along with poor budgeting and cost management. That happened throughout the years of the bubble. A lot of work must be done now and that is the primary task of the new agency, to ensure we have a service that is fit for purpose to give the effective services we want to deliver to children and families, given the number of reports that have been published.

### **Child Care Services**

63. **Deputy Robert Troy** asked the Minister for Children and Youth Affairs if she will provide details of the after-school childcare scheme announced in Budget 2013; and if she will make a statement on the matter. [56976/12]

**Deputy Frances Fitzgerald:** As part of the budget for 2013, together with my colleague the Minister for Social Protection, I was pleased to announce a new after school child care initiative which will be targeted at low-income families and supporting parents availing of employment opportunities. The initiative is expected to receive full year funding of €14 million to provide more than 6,000 quality after school places for children attending primary school, as well as supporting parents to take up employment. Lack of access to affordable, quality child care is a significant barrier to many low-income and disadvantaged families when seeking to avail of work and training or educational opportunities. Today's edition of *The Irish Times* outlined this again in the findings of the OECD report on Irish women.

By providing more than 6,000 after school child care places, the initiative will provide an important support measure to enable parents to avail of job opportunities. This is in line with the Government's overall strategy to support parents of low-income families to take up employment and demonstrates how Departments are working together to deliver the Government's agenda on promoting employment and supporting children's development.

The new after-school child care scheme will further augment my Department's programme of child care supports for low income families. These include the CCS, CETS and ECCE schemes, which provide subsidised child care, including for qualifying parents who are on approved VEC and FÁS education and training courses. Almost €71 million will be spent next

year on the CCS and CETS programmes, supporting more than 30,000 child care places.

Officials in my Department and the Department of Social Protection are working to finalise the details of the after school scheme and its operational arrangements. As is the case with the CETS scheme, the new scheme will be open to both community and commercial child care providers across the State and it is anticipated that places will become available on an interim basis from early 2013 with the full rollout of the programme commencing in September 2013. As soon as this work has been completed between my Department and the Department of Social Protection I will correspond to the Deputy to give him further information.

*Additional information not given on the floor of the House.*

My Department also implements the universal free pre-school year in early childhood care and education, ECCE, programme, under which all children have equal access to free pre-school education in the year before commencing primary school. Some 65,000 children are currently availing of the ECCE programme at an annual cost of some €175 million.

**Deputy Robert Troy:** I thank the Minister for her reply. Obviously I welcome any new service that will help low-income parents back to work or education. I am somewhat disappointed that the Minister does not have more information for us today, but she has acknowledged that once she receives it, it will be forthcoming. The Department keeps referring to this as a pilot scheme and to 6,000 places. Can the Minister give a guarantee that the pilot scheme will consist of those 6,000 places? If we start with a small pilot scheme it could be 2014 before we see the 6,000 in place. Can the Minister confirm that those 6,000 places will become available early next year?

The after school sector is unregulated as is the childminder sector. I have received calls from people working in the industry who have grave concerns in this regard. What are the Minister's plans to deal with this issue? Does she intend to introduce regulation for this sector? Given the amount of public money that will be spent in this area, it is appropriate to have adequate regulation in place.

**Deputy Frances Fitzgerald:** Some 500 places will be available on a pilot scheme early in the new year, hopefully around March. The full 6,000 places will be available - that is fully the intention - from September 2013. A new initiative at a time of severe difficulties in our finances must be welcome. I acknowledge that child care provision in this country has not got the attention it has deserved over the years. The ECCE scheme was a very welcome initiative by the Government of the Deputy's party but, of course, it only covers one year. I would like to see a second year of a pre-school initiative launched. This is complementary to what we have at present and is to be welcomed.

The sector is not regulated, as the Deputy rightly said. I will need to examine that and ascertain the appropriate standards and criteria that need to be in place as we establish the service, and I will do that.

**Deputy Robert Troy:** In reality the Minister is telling us that it will be the tail end of 2013 before the scheme will be fully operational.

**Deputy Frances Fitzgerald:** September.

**Deputy Robert Troy:** Has the Minister taken on board the additional administrative costs

that will be associated with the county child care committees? I am sure the Minister is hearing, as my colleagues and I are hearing, that they are under severe financial pressure at the moment to administer all the schemes they are currently administering.

**Deputy Frances Fitzgerald:** I appreciate the work of the county child care committees, which carry out excellent work around the country and will be involved in this. An expression of interest form will be circulated in early January to the county child care committees for onward transmission to all the sets providers in each county child care committee area to establish their interest in participating in the extended sets programme.

It must be noted that because of the changing employment situation in the past number of years, there have been vacancies in some services. There has been a change in child care provision of which I am sure the Deputy is aware through visiting centres. I do not intend to increase the administrative support and I believe it can work with existing resources.

### **Child and Family Support Agency**

64. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs if she will provide the position in relation to the introduction of the necessary legislation to facilitate the establishment of the Child and Family Support Agency; when she expects to publish this legislation; the date from which she expects the new agency to be functioning under the aegis of her Department; and if she will make a statement on the matter. [56972/12]

**(Deputy Frances Fitzgerald):** The task force on the establishment of the Child and Family Support Agency reported in July of this year. The work of the task force informed the development of detailed legislative proposals to Government, covering a range of areas including the function and services to be overseen by the agency, governance structures and implementation arrangements. Arising out of these proposals, the Government approved the heads of the child and family support agency Bill and has also agreed to the priority drafting of this Bill. As the Deputy is aware, the agency will encompass services which are currently the responsibility of three separate agencies, namely, the HSE, the Family Support Agency and the National Educational Welfare Board. The necessary legislative and organisational preparations are being prioritised so that the agency can be established early in 2013. Drafting of the child and family support agency Bill is under way in line with the policy decisions of Government. This legislation will be published and debated by the Oireachtas at the earliest opportunity. I expect that legislation will be available in January. A precise target date for the establishment of the new agency will be set when consideration of the legislation is advanced.

While the legislative process is under way, all necessary organisational preparations are continuing in parallel. It is important that I emphasise this. They are being overseen by a high-level group chaired by the Secretary General of my Department and involving representatives of the Departments of Health and Public Expenditure and Reform, the HSE and the incoming management team of the new agency. I pay tribute to the staff of my Department, including the Secretary General, Gordon Jeyes, and all those involved in this because they have been involved in painstaking work in respect of the budget, transitional issues and the preparation for the new agency.

The agency will constitute one of the largest public agencies in the State with over 4,000 employees. It is the largest and most ambitious areas of public sector reform underway. The

milestones already achieved are considerable. A dedicated management structure for child welfare and protection services has been established under the leadership of Gordon Jeyes with a reduction in management units and reporting levels; a dedicated budget has been established and publicly reported upon to ensure budgetary transparency and accountability; there has been successful recruitment to five of the six top management posts with candidates now in place; and very significant progress has been made in addressing issues for staff by means of intensive engagement in an agreed industrial relations framework.

*Additional information not given on the floor of the House*

From the outset I set a demanding timetable for the establishment of the new agency. It is important that the pace of change is maintained, while appreciating the nature of this large scale change requires much advance preparation and reliance on the best standards of public administration.

I am satisfied that very considerable progress has already been achieved in the reform of Ireland's child protection and welfare services. I am confident that the establishment of the agency will bring a dedicated focus to child protection, family support and other key children's services for the first time in the history of the State and will in time contribute to the transformation of what are essential services for families and communities.

**Deputy Caoimhghín Ó Caoláin:** The purpose of my question is not to trip up the Minister or her Department. I am anxious to see the new agency established as quickly as possible. The hope and expectation of all we have achieved in the course of this year rests largely on the made for purpose Child and Family Support Agency and the hope that it will be properly resourced to give effect to the people's wishes as expressed, especially in the recent referendum. Is it not now appropriate that the timeline for implementation - an implementation plan - should be furnished before the House? I would commend this because all we have at the moment is the deferred expectation of the presentation of the legislation. We certainly had hoped it would have been presented before the end of this year. The Minister is indicating before the end of the coming month, but there is then a process of work that needs to be under way before we will see the new agency *in situ* under the aegis of the Department, which is what we are anxious to see. Would it be possible to present a timeline for implementation that would cover all of the key and relevant areas and the situation *vis-à-vis* the three agencies that are being brought together into the single agency as of the earliest point possible in 2013? Staffing will be the most critical issue. The Minister mentioned senior management appointments but we are all very anxious to know the level of support staff that will be in place, especially social workers.

**Deputy Frances Fitzgerald:** The Deputy made a very reasonable point on having a timeline and it is being worked on by the high level group. The legislation to be introduced in January is important and the Office of the Attorney General has been doing a substantial amount of work on it. With more than 100 heads, the legislation is long and there is much detail in it. We will have a timeline. As the Deputy knows, there are short, medium and long-term issues with regard to the services in the agency. I hope the next time I speak in the House early in January that we will be in a position to look at a timeline. Effectively much of the work is being done with the high level group with regard to identifying staff who will come within the agency, informing these staff and dealing with various issues which arise inevitably in the course of such a major transition.

I thank all of the staff who have been involved because I know change can be difficult and

it is a major transition to move from working within the HSE to a new child and family support agency. I also thank those involved in the industrial relations because clearly issues arise when one makes the type of changes we are making and undertakes such reform. They have been handled very effectively and diligently by all involved. I take the Deputy's point on the timeline and it will be essential to give clarity to all those to whom I referred.

**Deputy Caoimhghín Ó Caoláin:** I welcome the Minister's acceptance of the reasonableness of my request. The Minister will understand that in the absence of this information, people, be they political voices or from the non-governmental sector, will have real concerns and these will be fuelled by the absence of critical information. I commend to the Minister at the earliest possible time in the new year to furnish elected voices and the wider public with a clearly outlined timeline for the implementation. The legislation is just a part of all of this, but we want to see when we will get to the end line, which will be a new beginning.

## **Other Questions**

### **Children's Rights Referendum**

65. **Deputy Micheál Martin** asked the Minister for Children and Youth Affairs if she has attended a meeting with officials and or others at which the initial Supreme Court judgement from 8 November was discussed; and if she will make a statement on the matter. [52238/12]

**Deputy Frances Fitzgerald:** This question was transferred from the Department of the Taoiseach. I met Government colleagues and senior officials on 8 November to discuss the ruling delivered by the Supreme Court in the McCrystal case on that day. Subsequently, discussion of the Supreme Court ruling featured in various meetings with Department officials and colleagues in the intervening period.

Further to the meeting of 8 November, I issued a statement encouraging people voting in the referendum on 10 November to focus on the substance of the amendment and the historic importance of the proposal to amend the Constitution. I also drew attention to the reference made by the Supreme Court in its ruling that the substance of the referendum proposal "is a matter for the people alone".

Later that afternoon I contributed to a debate in Seanad Éireann on the Supreme Court decision. Deputy Troy mentioned that earlier. One must remember that when I spoke in the Seanad, while the full Supreme Court judgments were awaited, there were no other court proceedings underway at that stage, whereas right now there are. In the Seanad I set out at length the background to the Government's provision of public information. On 19 November, leave was sought from the High Court to challenge the referendum result. These proceedings make specific reference to the Government's provision of public information and the ruling of the Supreme Court in the McCrystal case. In the circumstances, as I stated already, I am severely constrained in going into the details of these matters outside the High Court process until these proceedings are concluded.

As I said in my statement of 8 November, in providing public information the Government at all times acted in good faith and with the best of intentions in informing people about the substance of the amendment. In the Supreme Court judgment of 11 December, the Court found that the Government at all times acted in a bona fide manner.

The Government considered that, in its provision of information to the public, it was paying appropriate regard to the McKenna principles. The approach taken followed that of previous information initiatives by Governments to bring the issues for decision by referendum to the people. It reflected the Government's understanding at the time of the legal requirements in this complex area of law. Up until the Supreme Court decision of 8 November, the Government acted in line with the decision handed down by the President of the High Court on 1 November. As Deputy Troy will be aware, the High Court accepted the case the Government was making. Following the Supreme Court decision, my Department took immediate steps to withdraw from public information activities to ensure compliance with this decision.

**An Leas-Cheann Comhairle:** I must interrupt the Minister.

**Deputy Frances Fitzgerald:** I will conclude by saying that, as I have stated already and made clear, the Government will now take on board the full judgment of the Supreme Court of 11 December.

**Deputy Robert Troy:** In the Seanad debate on 8 November, the Minister stated, "A detailed protocol underpinned the drafting of content for the booklet and website and the Office of the Attorney General was consulted for legal advice throughout the process", and yet I note Mr. Justice Fennelly, in his judgment, stated:

It is notable that this account, at no point, alleges that the website or the booklet was actually reviewed and approved by the Office of the Attorney General. The advice of that office, as very briefly summarised in the form of two brief sentences, seems correct and in accordance with the McKenna judgment. The first sentence refers to the right of the Government to give information, to clarify situations or to give explanations. The second emphasises that the Government is not entitled to expend public monies for the purpose of promoting a particular outcome.

Who signed off on the booklet? Whose idea was it to issue the booklet? Why was it decided to spend €1.1 million and take it away from the independent commission? Also, what are the associated costs as a result of that decision? Ultimately, who will take responsibility and who will be held accountable? The Government came to office 20 months ago talking about accountability, transparency and responsibility. Who will be held accountable for this?

**Deputy Frances Fitzgerald:** As I stated, the Government will now take on board the full judgment of the Supreme Court of 11 December. The failures to which Deputy Troy refers on the part of the Government identified by the Supreme Court are fully acknowledged and deeply regretted. The Government is carefully studying the judgments of the court and we are committed to acting in full accordance with elaborated guidance which the judgment provides as regards the application of the McKenna principles in all future referendums.

I refer the Deputy to my Seanad speech on that date, from which he quoted. That Seanad speech is accurate. In light of the High Court hearing in January, as a respondent in those pro-

ceedings I am constrained as regards further comment at this stage while proceedings are ongoing and it is prudent for me to restrict my comments. As I have already said to Deputy Troy, I would very much like to engage with him on the points he raises but I am advised that, in view of the High Court proceedings in January to which I am a party, it is not appropriate for me to do so, and I ask that he respect that.

**Deputy Finian McGrath:** As regards the Supreme Court judgment, does the Minister accept that the handling of the website issue was a complete cock-up by the Government? I agree with the Minister on the substance of the issue and voted “Yes” myself. However, I was annoyed during the last few days of that campaign because I thought the Government could have blown the whole issue. Does the Minister agree that the Government should apologise to the people for mishandling this issue? The Minister for Justice and Equality, Deputy Shatter, was on television that week and refused to apologise.

Is it not the reality that many members of the Government, and people in the major political parties, do not really accept the McKenna judgment? Privately, they barely tolerate the decision. In future, the Government should be very careful to present the referendum, let it run in a fair and balanced way, and let the people decide.

**An Leas-Cheann Comhairle:** I call on Deputy Troy to contribute briefly because we are out of time.

**Deputy Robert Troy:** I raised this matter as a Topical Issue on numerous occasions prior to the referendum result being challenged. I accept what the Minister is saying but will she give a clear commitment to appear before the House and make herself available pending the outcome of the Supreme Court hearing in January? We should have a full and frank debate to allow all Deputies to bring forward ideas and suggestions to ensure this never happens again.

**Deputy Frances Fitzgerald:** Deputy Finian McGrath was not here when I spoke earlier, but I would like to make the following point to him now. As Mrs. Justice Denham said, “In all the circumstances of this case, as have appeared before the court, I am satisfied that the respondents acted in a *bona fide* manner.” Mr. Justice Fennelly said: “I have no doubt that this was all done *bona fide* and with a consciousness that the decision in McKenna had to be respected.” That is quite contrary to what Deputy Finian McGrath was saying. I just wanted to quote to him what the judges of the Supreme Court said in relation to the approach that I and my Department took to this matter. Justice O’Donnell stated: “It should be said that the plaintiff made it clear that he [the plaintiff] was prepared to accept the Department had acted in good faith in preparing the campaign and did not challenge it on that ground.”

As regards the Deputy’s broader point on future referenda, I accept that we need to examine what has happened in previous referenda. As the Government statement said, we are carefully studying the Supreme Court judgment which now clarifies, for the first time since 1995, how the Government can make information available to the electorate during a referendum.

As regards Deputy Troy’s point, I have no doubt that we will be having discussions in the House on that matter. Many Deputies will want to express a point of view in light of recent events. In looking back at how other referenda were conducted, there will be a discussion in the House on future referenda.

66. **Deputy Bernard J. Durkan** asked the Minister for Children and Youth Affairs if she is satisfied regarding the adequacy of her Departmental budget to meet its full range of requirements in the coming year with particular reference to new and/or anticipated responsibilities arising in the aftermath of the passage of the Referendum on the Rights of Children and any existing or consequential legislation; if she will set out her main objectives; and if she will make a statement on the matter. [56661/12]

**Deputy Frances Fitzgerald:** As a result of budget 2013, I am pleased to advise the Deputy that the gross funding allocation for my Department next year will amount to €443 million, which represents an increase of €16 million or 4% over the 2012 Estimate provision of €427 million. This includes €417 million in current expenditure and €26 million in capital expenditure. I am satisfied the significant resource allocation demonstrates the priority and commitment which the Government, and my Department, attach to the delivery of programmes and services for children and young people.

I know the Deputy will appreciate the economic context in which my Department is operating. Like every other Department, we have had to make savings. While I regret that situation, I must operate within those constraints and try to decide on priorities within the available budget. There are implications in terms of both policy and legislation attaching to the proposal to amend the Constitution, with a significant body of work likely to be involved in amending existing legislation, introducing new legislation and review of policies and procedures to ensure they comply with the new improved standards for children. It is not just my Department that will be required to do this, as any Department offering services to children and young people also will be affected. For example, the Department of Justice and Equality, which holds responsibility for custody and guardianship legislation, will also face a significant body of work.

Some of the principles in the constitutional amendment already are reflected in statute law, such as the principle of “best interests”. This “best interest” principle is already well-established in Irish statute law, for example in the Child Care Act 1991 and the Adoption Act 2010. This principle is now reflected in the Constitution as the paramount consideration for judges in making decisions in certain critical court proceedings relating to the care of children. As part of the constitutional proposal, I published the Adoption Bill 2012 which it is envisaged will be introduced to the House, subject to a successful outcome to the referendum. This will place new obligations on the Adoption Authority of Ireland among others and I am satisfied the budget allocation for 2013 will be adequate to meet expenditure that arises in this context.

*Additional information not given on the floor of the House*

In terms of the Deputy’s core question on the question of resources, everyone in this House will be aware we all are operating in an environment of very constrained resources. This is the reality of the context in which I seek to deliver on all my commitments with regard to children and young people. As part of its efforts to address Ireland’s deficit, my Department, like all others, has been obliged to find savings. However our overall approach has been to prioritise investment in child and family services and to reform funding streams and delivery mechanisms to make the best possible use of resources. The Deputy will be aware of the wide-ranging reform of children’s services that is under way and will see the establishment next year of the child and family support agency dedicated to the improvement of these services through the combination of the activities and resources of the Family Support Agency, the National Education Welfare Board and the child and family services of the HSE. The agency will have available to it a much stronger and more comprehensive range of resources and expertise than

heretofore.

The focus of the agency will be on early intervention and family support services aimed at delivering proportionate responses to child welfare concerns and to protect children in the home, as envisaged by the constitutional amendment. This approach will be supported by the inclusion of the existing Family Support Agency and its nationwide network of 106 family resource centres. In addition, I am pleased to state the new area-based approach to child poverty initiative, for which €2.5 million has been provided for in the 2013 Estimates, will build on and continue the work of the prevention and early intervention programme, PEIP, which supported projects in Tallaght, Ballymun and Darndale. These projects involve a range of pilot programmes to improve outcomes in areas such as literacy, speech and language, parenting, health and pro-social behaviour.

I assure the Deputy that follow-through on the proposal to amend the Constitution is a top priority for me and I will make the necessary resources available within my Department to do so effectively.

**Deputy Bernard J. Durkan:** I thank the Minister for her comprehensive reply. Does she foresee a situation in which further responsibilities may be thrust upon her Department arising from the passage of the recent amendment to the Constitution in respect of children or relating to issues that concern parents of children, such as the vulnerability of many children who appear to be the subject of cyber attacks, bullying, threats or whatever the case may be? Does the Minister believe there is a need for an embellishment of the role of her new Department, as it emerges, to deal with such issues, which she has inherited? In stating that, I do not attribute blame to anyone as it simply is a fact of our times. Is the Department of Children and Youth Affairs fully aware of the need for children and young people to be reassured and that in the context of youth services, this would be part of the role she envisages for her Department?

**Deputy Frances Fitzgerald:** The Deputy raised broad questions on young people in Ireland and it is true that Irish childhood has in many ways changed beyond belief in respect of the progress of children, for example, in the changed attitude to violence and the opportunities many children have. Nevertheless, it is clear there are some highly vulnerable children in our society who need the kind of support to which the Deputy refers. The Government needs to be highly alert in this regard and this is not simply an issue for my Department but is cross-departmental. It is very important that the Departments of Education and Skills and Health, as well as my Department, should work together as is the case, for example, in respect of bullying and working with the anti-bullying forum and in ensuring, as the Minister, Deputy Quinn is doing, that increased funding is being provided for initiatives in that area. He also intends to launch, in conjunction with the Minister of State, Deputy Kathleen Lynch, stronger guidelines in respect of mental health issues in schools. There have been some very tragic cases recently and it is important to bring in the supports at an early enough stage to those children who are vulnerable.

This is the reason the new Child and Family Support Agency will focus on prevention, on identifying those children and families and on making sure that, as I indicated to Deputy Healy earlier today, the family resource centres and the supports they offer are working with the agency to ensure we get those services to young people when they need them. I will also ensure that the funding streams for the youth services will be reformed. I take the Deputy's point and I believe the youth services around Ireland are doing a wonderful job in engaging with some of our most marginalised young people. In addition, I pay tribute to the Garda diversion programme, which has been hugely successful but does not attract much attention or recognition.

A huge amount of support is being given to young people, unfortunately, not always successfully as Members will have seen in the child death report and more recent reports. However, these initiatives will make a difference to the children to whom the Deputy referred.

**An Leas-Cheann Comhairle:** As three other Deputies wish to ask questions, I ask for brief questions from Deputies Finian McGrath, Ó Caoláin and Troy.

**Deputy Finian McGrath:** I have three brief questions. Did I hear the Minister state earlier that her Department's budget was €443 million?

*3 o'clock*

**Deputy Frances Fitzgerald:** Yes.

**Deputy Finian McGrath:** What percentage of the €443 million is spent on wages and administration compared to front-line services? Deputy Durkan and many others have raised the issue of cyber-bullying. Another issue is the amount of serious assaults on children taking place in Irish society that is not even reported to the Garda. I welcome the Minister's comments about the Garda diversion programme, which is excellent, but every day I get complaints about 12-year-olds and 13-year-olds being seriously assaulted with knives by gangs. Such incidents concern small issues like mobile telephones, etc. It is a miracle that many children are not seriously and horrifically injured. This societal problem is emerging.

**Deputy Caoimhghín Ó Caoláin:** I can appreciate that the Minister would be concerned but I wonder if she is in a position to give the House any assurance on the funding that will follow in the advent of the Child and Family Support Agency. We know from the supplementary budget secured by the Department of Health that there was an element of the €360 million allocation that impinged on identified needs to get to the end of the year with regard to areas that I hope will transfer to the Minister's Department in good time. There is also the €781 million in cuts to be implemented across the health budget and the HSE. Has the Minister any expectation or, more importantly, assurance that none of those cuts will further impact on areas that will ultimately be under her Department's responsibility and control in the early part of 2013?

**Deputy Robert Troy:** The Children's Rights Alliance has indicated that, on balance, children were among the key losers in this budget. I could go on further with comments but will not because I must be brief. Children and family services already carry a deficit of over €50 million. I have asked the question before and will repeat it today. Must this deficit be carried into the new Child and Family Support Agency? What kind of impact will that have on a new agency that is trying to start from a clean sheet and fresh approach? The Minister has received support from this side of the House in that regard.

**Deputy Frances Fitzgerald:** I accept that. Deputy Finian McGrath mentioned violence, taking in both children who are carrying out and who are subject to violence. I agree that the issue is serious. I must repeat that the best way to deal with the matter is to quickly identify vulnerable children and provide the best possible early intervention services. The research is interesting regarding high-quality early years, and it relates to the issues mentioned by the Deputy, including violence and addictions which lead to assaults. These are considerably reduced when attention from child care services is given to people at an early stage. Equally, the Garda diversion services have a role to play with those young people, and it is important that there is engagement.

Many youth work services around the country now specifically work with the more marginalised young people. It is interesting that there are fewer children and young people coming into detention. Those who are 16 years of age no longer go to St. Patrick's Institution and they will be in a purpose-built detention centre with appropriate services for those who, unfortunately, reach that point. Prevention is the key with the issues raised by the Deputy.

Deputies Ó Caoláin and Troy spoke about budgetary matters and much work has been done. Some of the figures quoted by the Children's Rights Alliance regarding the agency are incorrect and I will discuss that with the alliance. The 2013 provision for children reflects the work that has been done during the year in establishing as accurate a budget as is possible. There has been miscoding of expenditure, which is one of the reasons for a slight change of €5 million. For example, some adjustments had to be made in respect of expenditure for child and adolescent mental health, which was mistakenly included under the Child and Family Support Agency budget. Some of the changes, therefore, reflect differences in categorisation.

**Deputy Robert Troy:** Will the Minister provide information on the matter?

**Deputy Frances Fitzgerald:** Yes, I will be pleased to provide the Deputy with the relevant information. As he will be aware, when I first assumed responsibility for this budget last year it was €72 million overdrawn, which is an extraordinary figure. Significant progress has been made in this regard. For example, the Government allocated an additional €40 million last year and major efforts to achieve savings this year resulted in a reduction in expenditure of €20 million. I expect the low overspend towards the end of this year will be carried forward to the agency. However, given that the overspend was €72 million at one stage, substantial progress has been made.

Extra demands are being placed on the service. For example, decisions must be taken in respect of children who require special care and these will give rise to considerable expense. I am in favour of recruiting more foster families who would be in a position to provide high quality care to such children at a different cost. The option of residential care is extraordinarily expensive and the outcomes are not very good in some cases.

**Deputy Bernard J. Durkan:** Have the lessons learned from the tragic incidents of recent years to which the Minister alluded given rise to an arrangement or agreement within the Department? Do any of the Departments with responsibility for this matter have an early warning system or other mechanism in place to alert other Departments to the possibility that children are at risk, whether at school or in the youth services? Such an approach would result in greater co-ordination and a rapid response.

**Deputy Frances Fitzgerald:** One of the most useful initiatives we took last year was to republish the Children First guidelines with a manual to ensure people understand the issues when children are at risk and know when to refer children appropriately to child and family support services and child protection services. Significant work has been done by the various agencies involved in this area. Teachers, for example, have done much work to ensure child welfare concerns are referred to the appropriate services. Sporting organisations have also been active and I recently attended a morning organised by the GAA for people from all over the country.

The usual procedure for Departments is that individual cases would be referred to the Health Service Executive and child and family services. This is how children in such circumstances are identified in the first instance. In terms of policy issues, which I understand are what the

Deputy has in mind, a great deal of cross-departmental work is being done. Bullying is one area where Departments are taking joint initiatives to ensure a cross-departmental approach is taken. Such an approach will succeed in helping children.

### **School Completion Programme**

67. **Deputy Michael McGrath** asked the Minister for Children and Youth Affairs her plans regarding the school completion programme; and if she will make a statement on the matter. [56703/12]

**Deputy Frances Fitzgerald:** The school completion programme aims to retain young people in the formal education system to completion of senior cycle and to improve children's participation and attendance in school. In 2013, €26.456 million in funding has been allocated to this programme. The programme comprises 124 projects throughout the country. It is managed and directed by the National Educational Welfare Board, NEWB, and funding is administered by my Department. It is intended to undertake a review of the programme in 2013. The review will address the potential to promote outcomes within available resources through greater consistency and efficiency in the administration and delivery of the programme. The review will be undertaken in conjunction with the NEWB and in consultation with the Department of Education and Skills.

The findings of the review will also inform the NEWB's ongoing work to implement an integrated national approach to educational support services to enhance children's attendance, participation and retention in schools. This approach incorporates the co-ordination of the board's responsibilities in the three areas of the school completion programme, home school community liaison service and education welfare service.

Next year will also see the establishment of the Child and Family Support Agency and incorporation of the education welfare services operated by the NEWB within a broader and more comprehensive range of supports to children and families.

**Deputy Robert Troy:** In 2008, the then Fine Gael spokesperson for children expressed sharp criticism of the proposed decrease in funding. He stated:

In the current economic climate the Government, in implementing cutbacks, needs to differentiate between services that are essential and those that are not. It should not simply engage in a crash and burn approach which implements overall reductions across a broad range of sectors indiscriminately.

He was referring to a 3% cutback. In 2012, there has been a cutback of 6.5%. In 2013, there will be a further cutback of 6.5%. I am concerned about the future of this important programme, given the level of financial commitment it has received heretofore.

The Minister mentioned a review. What will it cost, will it consult the relevant stakeholders and when can we expect its publication?

**Deputy Frances Fitzgerald:** A full review of the scheme will take place in 2013.

**Deputy Robert Troy:** Did the Minister say "2015"?

**Deputy Frances Fitzgerald:** Its terms of reference will take account of the need for local innovation in developing programmes and address the variations in approaches and cost bases. The truth about the programme is that there is considerable variation in its schemes and in how it is administered. I acknowledge the work that is being done, much of which I have seen at first hand. I also acknowledge the programme's importance, how supportive it can be for principals and teachers and the difference it can make in children's lives. However, it is important that a national approach be taken.

There are significant variations in the projects and their cost bases. The programme needs to be analysed and reviewed. The review was signalled when the comprehensive review of expenditure was published. A working group has been established to steer the process. There has been an input from my Department, the National Education Welfare Board, NEWB, and the Department of Education and Skills. The review's terms of reference are being finalised. It is intended to commission an independent external evaluation of the programme to progress the matter. I will keep in mind the Deputy's points concerning the involvement of the stakeholders. It is important that we hear at first hand from those who are delivering these services.

I recognise the importance of school attendance. I have seen some interesting projects, for example, one in Ballymun and another in the inner city, through which significant differences were made in school attendance rates. The schools focused on the issue and the agencies in the locality worked together. One project in the inner city saved 57 years of school attendance through its work in approximately six schools.

The question of school completion is critical. I regret the cutbacks that must be made. I hope that, when economic growth resumes, we can begin to invest more resources into such issues.

**Deputy Robert Troy:** We all recognise that early school leavers are more likely to experience social exclusion and unemployment or underemployment. For these reasons, I am concerned about this important programme's future. I welcome the Minister's commitment to consulting those who have first-hand experience of it.

It may have been a slip of the tongue, but the Minister mentioned 2015.

**Deputy Frances Fitzgerald:** 2013.

**Deputy Robert Troy:** I presume 2013 is when the review will commence. What will that review cost? The Minister referred to using an independent firm to conduct it.

**Deputy Finian McGrath:** Given the €26 million, the 124 projects and the 13% cut in the past two years, has it been the Minister's experience since entering office a year and a half ago that most of the projects are successful and are we getting value for money from the school completion programme?

**Deputy Frances Fitzgerald:** The current information on school completion is interesting. For those who entered second level between 2001 and 2006 in the schools in question, the average leaving certificate retention rate increased substantially from 68.2% to 80.1%. Last year, the proportion of early school leavers in Ireland was 10.6%, down from 13% in 2004, and was well below the EU average of 14%. Whatever about the range of initiatives being undertaken, it is good to see the relevant statistics are improving so substantially.

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I agree, however, with the Deputies' points. We are undertaking the review because the projects need to be examined and value for money needs to be considered. We also need to determine which projects are working successfully and how they can be mainstreamed. There is significant variation.

I do not expect the review to cost much, but I will revert to Deputy Troy on that question. In our analysis of the projects and their outcomes, we intend to link with those involved to benefit from their experience.

### **Topical Issue Matters**

**An Leas-Cheann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Derek Keating - the increased incidence of tuberculosis throughout Dublin city and county; (2) Deputies Michael McNamara, Clare Daly and Martin Ferris - the need to protect the public interest in the event of the sale of Coillte forests; (3) Deputy Simon Harris - the lack of primary school places available in Greystones and Kilcoole, County Wicklow; (4) Deputy Brendan Griffin - the problems with the Student Universal Support Ireland, SUSI, higher education grants system; (5) Deputy Shane Ross - the proposed closure of the Stepside Garda station, County Dublin; (6) Deputy Maureen O'Sullivan - the need to respond to the increase in homeless numbers from the recent sleeping rough count; (7) Deputy Éamon Ó Cuív - policy on rural policing and urban community policing in view of the closure of rural stations and the reduction in the number of gardaí in urban areas; (8) Deputy Jonathan O'Brien - the effects of the increase in the pupil-teacher ratio from 17:1 to 19:1; (9) Deputy Michael P. Kitt - the closure of the residential centre of Toghermore House, Tuam, County Galway; (10) Deputy Charles Flanagan - the need to address the high costs associated with the inter-country adoption of children; (11) Deputy Colm Keaveney - the proposed closure of the residential unit on Toghermore mental health campus, Tuam, County Galway; (12) Deputy Noel Harrington - the need to provide adequate broadband speeds in all areas of the country; (13) Deputy Brian Stanley - the recent report of the Department of the Environment, Community and Local Government on the threat posed by Sellafeld; (14) Deputy Seán Kyne - the need to reform the way Irish is taught in schools; (15) Deputy Mattie McGrath - the need to debate the McCrystal judgment handed down by the Supreme Court last week; (16) Deputy Joe McHugh - Irish culture and bullying in Irish society; (17) Deputy Mick Wallace - the announcement of a grant scheme to assist with the repair of septic tanks; (18) Deputy Dessie Ellis - the implications of cuts to St. Michael's House national school, Ballymun, Dublin; and (19) Deputy Niall Collins - the foiled attempt by the Continuity IRA to murder a British soldier in Limerick.

The matters raised by Deputies Charles Flanagan, Niall Collins, Michael McNamara, Clare Daly, Martin Ferris and Seán Kyne have been selected for discussion.

### **Leaders' Questions**

**Deputy Michael McGrath:** The manner in which the Government is seeking to ram the property tax Bill through the House today is ridiculous and unnecessary. Some 88 amendments have been tabled, none by the Minister for Finance. The Government is allowing three minutes of debate per amendment tabled. The tax does not fall due until next July. This begs the question of why the Government needs to use its massive majority in the House to bulldoze through this legislation through without proper debate or scrutiny.

The Government has no mandate to introduce this property tax. In last year's general election, the Taoiseach and his party campaigned vigorously against the introduction of any annual recurring tax on the family home. The Labour Party advocated a site value tax with provision for exempting certain home owners. It stated that the needs of people who paid stamp duty and those in negative equity would need to be taken into account. The Bill that has been published makes no such provision for those people.

In the Minister for Finance's Second Stage speech on the Bill last week, he acknowledged for the first time that the Government had the discretion to use alternative measures to achieve the troika's targets, yet the Government has chosen not to do so.

When the full effect of this tax hits, it will push many low and middle income families over the financial cliff. They will not be able to pay. Some 180,000 family home mortgages are in trouble. Does the Taoiseach even realise that a family with three or four children and a gross income of more than €480 per week will not be able to avail of a full deferral of the property tax? Does he realise that the homeless charity Focus Ireland estimates that it will be hit by an annual property tax bill of €100,000? Home owners in Dublin, Cork and other major centres will be particularly hammered by this tax, which ignores ability to pay and the value of the mortgage attached to the property.

Will the Taoiseach at least honour one of the commitments made in the programme for Government by not guillotining debate on this property tax legislation, which cannot in any way be described as urgent?

**The Taoiseach:** The decision to introduce a property tax was originally signed up to by the Deputy's party with a view to raising €530 million in 2014. The tax as originally proposed by that party was unfair. This is an issue that is central to the memorandum of understanding, and the Government has decided to introduce it on the basis of a levy of 0.18% on the value of the property and, in the case of houses worth €1 million or more, a higher charge on the portion above that value. There is a recognition of the challenges many people face in this regard. The inclusion of deferrals and the issue concerning pyrite have been referred to specifically by the Minister.

Deputy McGrath is well aware that in the past 20 years, commercial premises, including retail outlets and other businesses, have been hit every year by local authorities that had no wider tax base from which to run services and provide facilities for people. This measure was considered by Government on the basis of it being fair and progressive and with an understanding that there are challenges facing people. The timescale for the debate on the legislation was set out by the Government Whip at last week's Whips' meeting. As the Deputy is aware, the Revenue Commissioners have undertaken the mechanics, design and collection of the tax, with a view to ensuring that everybody will contribute. We are one of the last countries in Europe not to have a property tax. The vast majority of income from the tax will be retained by the local authorities for the provision of facilities and services for the people who pay it in the first instance. From

that point of view, the Bill will proceed through this House and the Seanad, as outlined by the Government Chief Whip at the meeting last week.

**Deputy Michael McGrath:** In his Budget Statement the Minister for Finance said that the Irish financial crisis could be summarised in the word “debt”, consisting of both national debt and personal debt. For families who cannot pay their mortgage today, the Government’s solution is to add more debt to the problem they already face. Only people in certain, very limited circumstances will be given the option of deferring the property tax. In effect, therefore, they are being asked to take on more debt and will be charged 4% per year for the privilege deferring their payment.

The Taoiseach has not answered a fundamental question. What is the need to rush this legislation through the House, given that it will not come into effect until July next year? The Bill raises a host of issues which will not be open to us to address satisfactorily in the very limited time available. We are expected to deal with 88 amendments in three and a half hours, which is three minutes per amendment. There is no need whatever for that. Will the Taoiseach show the House some respect by allowing adequate time for debate? There is no reason that we cannot return to the Bill in January and have a more mature and responsible debate that will allow us to address the clear and inherent anomalies and unfairness it contains.

**The Taoiseach:** The Deputy is well aware that towards the end of every parliamentary session, there is always pressure to get legislation through. The property tax is being organised and collected and the mechanics put in place by the Revenue Commissioners. A serious amount of co-ordination is required from them. As the Deputy rightly points out, the property tax is effective for a half-year next year. The mechanics of that have to be put in place from early in the new year. It is a fairer alternative to increasing income tax and putting a tax on jobs.

**Deputy Michael McGrath:** Fine Gael gave an undertaking before the election not to introduce a property tax.

**The Taoiseach:** It is a progressive tax in the sense that those who can afford it will pay more.

The Deputy referred to the challenge people face. The quarterly national accounts for the third quarter of 2012, released today, show GDP growing by 0.8% year on year and by 0.2% quarter on quarter. It is the first time since 2010 that private consumption has grown year on year. This is encouraging given that it is generally more labour intensive than export growth. It is good to see that sign of confidence returning.

Everybody understood that the Government would introduce a property tax, because of the memorandum of understanding and the requirement to widen the tax base.

**Deputy Michael McGrath:** That is not what the Taoiseach said in the election last year.

**The Taoiseach:** There were fears, however, that it would amount to an enormous sum for households. With the rate set at 0.18%, people can at least plan what their contribution will be, both for the half-year in 2013 and the two subsequent years. After that the local authorities will have responsibility for the property tax.

**Deputy Gerry Adams:** Gan amhras, is buiséad millteanach, cruálach agus dona é buiséad 2013. Aontaím leis an Taoiseach faoi Fhianna Fáil ach ní féidir leis an locht a chur ar na dao-

ine eile mar gheall as beartais an Rialtais seo. The CSO figures released today show that the economy contracted by 0.4% between July and September. It is clear that the economy is flat and this cruel budget will make matters worse. The Government is inflicting more debt and more hurt on households. To their shame, Government Deputies are voting for harsh cuts to child benefit and the respite care grant and forcing desperate householders to seek assistance from wonderful charities like the Society of St. Vincent de Paul, Barnardos and others. Today the Government will, with the minimum debate, impose the maximum debt on households by way of the family home tax.

This is not the only charge households are facing. I understand that patients, including cancer sufferers, will have to pay more next year for hospital stays. Meanwhile, waiting lists for operations grow longer as public services are starved of funding. At the same time, the Government has torn up its pledges on education. The increase in the pupil-teacher ratio from 17.1: 1 to 19.1: 1 for post-leaving certificate programmes is of particular concern. As a former teacher, the Taoiseach should be aware that this will result in the loss of hundreds of teaching posts and the cancellation of courses. Many young people who look to this process to progress beyond secondary education will be robbed of that chance. The Government talks about encouraging people to upskill and retrain in order to get a job, but the decisions it is taking totally subvert this. In my constituency of County Louth, there will be a loss of up to eight teaching posts in two further education colleges. I am sure it is the same throughout the State. Was this decision equality-proofed? Does the Taoiseach accept that it will see teaching posts lost, training courses closed down and job opportunities reduced?

**The Taoiseach:** Tá trí nithe áirithe luaite ag an Teachta. In regard to the CSO figures and the state of the economy, I have already pointed out to Deputy Michael McGrath the quarterly results that were published today, showing that GDP grew by 0.8% year on year and by 0.2% in the third quarter of 2012.

**An Ceann Comhairle:** Deputy Adams's main question related to pupil-teacher ratios.

**The Taoiseach:** I repeat that private consumption grew year on year for the first time since 2010. This encouraging development is in line with the figures set out by the Department of Finance. Growth will continue in 2012 and in 2013 for the third consecutive year. As both the Minister for Finance and the Minister for Public Expenditure and Reform pointed out in their budget presentations, we are making progress and are on the road to recovery in terms of our economic health, but there are serious challenges ahead.

The Deputy referred to cancer patients. Legislation that was enacted back in 1987 introduced an obligation for patients to pay a daily charge, which is currently set at €75 and capped at €750 or a maximum of ten days. In 2011 the Health Service Executive raised €50 million from that charge. As part of budget 2013 it was announced that the charge would be increased by €5 to €80. The charge applies to each inpatient or day-case patient. The fee is not connected to any particular disease or illness for which a person is being treated and no new charge for cancer patients was introduced here. I remind the House that the charge was increased annually by successive Fianna Fáil Governments in the period 2002 to 2009, with the exception of the election year of 2007, by an average of 12%. Clearly, there are cases, which have come to my attention, where the discretionary element that always applied in the case of medical cards is being reviewed by the panel of doctors who examine that.

With regard to the pupil-teacher ratio mentioned by the Deputy, this applies for a percentage

increase in respect of fee-paying schools. It does not apply in the case of other schools and will not lead to the loss of hundreds of jobs. The education sector is going through a period of quite significant change, and the use of technology should be encouraged far more. The Department of Communications, Energy and Natural Resources, for example, has connected another 286 secondary schools to 100 megabit speed Internet connection and a further 200 were approved yesterday. There are schools where the number of pupils is not large enough to have a range of teachers due to the pupil-teacher ratio that applies. In many such schools where some students wish to do honours mathematics, for example, they can do so through remote connection to schools where teachers can teach online. For the small numbers of pupils in particular schools who might wish to do honours mathematics because of the extra points or because they have a flair for it but because of the number of pupils in the school they do not have a teacher to teach them honours mathematics up to the leaving certificate, the use of technology is of growing interest and importance. That is both cost saving and very effective in the interest of individual or small groups of students in schools where they do not have such specialist teachers.

The Deputy's assertion that the increase in the pupil-teacher ratio for fee-paying schools will lead to the loss of hundreds of jobs is not accurate.

**An Ceann Comhairle:** I remind Deputies that the Standing Order allows for a brief question on a matter of topical interest.

**Deputy Michael Healy-Rae:** It is Christmas, a Cheann Comhairle.

**Deputy Gerry Adams:** I will make a brief comment.

**An Ceann Comhairle:** Not on all three or four subjects please.

**Deputy Gerry Adams:** Okay. I asked one question, but I was given a commentary on what was wrong. People who happen to be in hospital will get no comfort from the Taoiseach's assertion that this extra charge does not apply to just to one illness or disease.

To refer to the question about post-leaving certificate courses, PLCs, my question was not about fee-paying schools but about colleges of further education. The post-leaving certificate courses involved are a liberation for many young people who might not have made it through education the first time around, who might not have made their minds up or who might have been in some other difficulty at the time and they now wish to get back into further education. With respect, the Taoiseach's answer was wrong. The Teachers Union of Ireland has said that the increase in the pupil-teacher ratio will result in the loss of 200 whole-time equivalent posts. This could mean up to 400 part-time posts. The cut is penny wise and pound foolish. It is not good economics, leaving aside the philosophy that underpins it. The Government has saved €4 million, but the social consequences are immeasurable. The Government is robbing many citizens of the opportunity of further education. Contrast that with what the Taoiseach says about retraining people and opening education to people. For many, PLCs are a first step into a successful career. Was an equality assessment of this measure carried out? The Taoiseach did not answer that question.

**The Taoiseach:** I do not have the detail of everything associated with this. The Deputy referred to the issue of patients being treated. A total of 67,206 discretionary medical cards were issued to people who have particular hardship or because of the nature of the illness being treated. A total of 450 new primary teacher positions were approved as well as 450 post-primary teacher positions. Earlier today, the Minister for Education and Skills, Deputy Ruairi

Quinn, and the Minister of State at the Department of Education and Skills, Deputy Ciarán Cannon, announced the provision of 6,000 extra post-primary places for persons who are long-term unemployed with a view to giving them the opportunity to get back into the world of work, where the majority of them wish to be. I am sure the 6,000 extra places will be of interest to colleges of further education.

**Deputy Mary Lou McDonald:** What about the pupil-teacher ratio?

**Deputy Shane Ross:** I note the comments the Taoiseach made to Deputy Adams on growth. My question is about the growth figures he quoted because yesterday the International Monetary Fund, IMF, had some telling things to say about the Irish economy, especially the growth figures that are emerging. Indeed, its forecast and that of the Department of Finance are very different. The IMF says growth will be 1.1% next year while the Department of Finance says it will be 1.5%. That is a marked difference. It underlines the fact that the Government, through the Department of Finance, has consistently overestimated the growth figures and growth forecasts. As a result, we have overestimated our ability to repay the debt incurred as a result of the bailout programme.

Yesterday, the IMF urged the Government not to impose austerity cuts in future budgets because the growth figures were so dismal. That is underlined by the figure of 0.2% for the third quarter quoted by the Taoiseach. It is another disappointing figure. Is it not strange that these high priests of austerity and extraordinarily disciplined lenders are standing back in shock at the fact that the Irish Government is continuing to pursue cuts which they say will be damaging to the economy? Is it not strange, even unique, that the lenders in this situation should be less enthusiastic about the repayments and the austerity being imposed on the Irish people than the Government? In view of the attitude of the IMF, which is critical of the Irish Government for being too austere, is the Taoiseach prepared to give a commitment to the House that in the next budget he will at least consider not proceeding with the severe cuts that have been predicted and announced by the Government for future years?

**The Taoiseach:** The quarterly figures speak for themselves. The IMF has been largely supportive of the efforts the Irish Government is making towards an improvement of our public finances and a general improvement in our economic circumstances. Nobody said it would be easy. I note the IMF comment in which it recommends no supplementary budget until 2015, if that is the case. The budget for 2013 has been put through the House. While it is challenging for many people, we would expect that the effort in it to focus on business, job opportunities and the creation of jobs through further investment will grow our economy for the third consecutive year. Consider our position just over 15 months ago. It was very serious. The country had no standing or reputation, was not in a position to raise money, was in a very poor state in terms of inward investment and had a domestic economy that was utterly depressed. The decisions made by the Government to change structures, recapitalise the banks and rebuild our reputation speak for themselves.

Nobody wishes to stand here and say we will have to make further adjustments which will mean cutbacks in services. One cannot cut services beyond a certain point. That is why the Croke Park agreement must be implemented in full and in an accelerated fashion. The Minister for Public Expenditure and Reform is negotiating with the trade unions about extra savings to be achieved from that agreement. These are all in the interests of the economy. Ms Lagarde has been very favourable towards Ireland and I note the comments made by the IMF.

The IMF also made the point that a commitment given to this country by our European colleagues must be followed through. That is an important element of hope for our people. The patience they have shown, the challenges they are confronting and the difficulties they encounter must be tempered on the other side through the assistance that was committed to the country on 29 June, when the decision was made in respect of the break between sovereign and bank debt and, on the other hand, the negotiations that have been ongoing about the promissory notes at ECB level.

It is difficult to know what will happen to the global economy. American interests are making strident efforts to deal with the fiscal cliff the country faces before the end of the year. That could see an enormous improvement in the American economy, given its efforts in the energy field, which will speak for themselves, and the new regime in China on the other side of the world. From a European perspective, serious headway has been made in Ireland, a small country, and there are challenges ahead. We need extra support from our European colleagues. I can testify that the efforts made at the European Council meeting last week are focused on improving the situation in European economies, where leaders see that tough decisions must be made because we cannot do this on our own. If our partner colleagues are making headway, it is easier for Ireland as an exporting nation to grow its economy. I cannot provide details of the 2014 budget but we would like to see a situation where Members of the House have the opportunity to discuss the range and spectrum of what is involved at an earlier date.

**Deputy Shane Ross:** The issue is very straightforward. I take the point of the Taoiseach, when decoded, about urging Europe to take a softer line and saying that Europe should meet its obligations to Ireland. I hope the Taoiseach agrees Europe is failing to meet its obligations to Ireland, which is what the IMF is implicitly saying. There is obviously a split between the IMF and the rest of the troika. The IMF is saying that because of our failure to grow at the predicted rate, the Government should be prepared to defer the predicted budget cuts forecast and promised for next year. Will we be prepared to take the less austere line of the IMF or are we going to show a greater enthusiasm for austerity than the lenders?

**The Taoiseach:** The single supervisory mechanism is part of the process of making the decision, following the decision of 29 June. The decision was endorsed by the Heads of Government at European Council level. Within the ECOFIN group, the Minister for Finance will start discussions on the modalities, mechanics and circumstances that will operate, which will lead to banking union. In parallel circumstances from that point of view, Ireland finding itself in a unique position as a special case will be raised at the group meeting.

The focus in the 2013 budget was unashamedly pro-business and pro-opportunity for small and medium-size enterprises to grow. That is where middle Ireland is working exceptionally hard in the face of demanding challenges and that is where the effort the Government must be seen-----

**Deputy Mattie McGrath:** The Taoiseach could have fooled us.

**The Taoiseach:** -----to improve the lot of those who are unemployed, long-term unemployed, on low incomes and in the squeezed middle sector. If it is left as it is, they will never have the opportunity to have greater prosperity and activity at the level of jobs. That is where the focus of the budget has been. Our economy will be built on the backs of small and medium-sized enterprises.

**Deputy Billy Kelleher:** Their broken backs.

**The Taoiseach:** That is why the Government did not tax employment by increasing income tax or placing additional taxes on work. People can now plan their lives more clearly. I would like to think that if we can continue economic good progress during 2013, we will get the assistance committed to us from our European colleagues, which will make the country more attractive for investment and job creation. There will be greater access to credit for the small and medium-size enterprises with the consequent job creation prospects for hundreds of thousands of people who deserve jobs. That is where the focus of the Government will be.

## **Ceisteanna - Questions (Resumed)**

### **Ministerial Responsibilities**

1. **Deputy Micheál Martin** asked the Taoiseach if the responsibility of delegation orders are within his remit; if he has signed any recently; and if he will make a statement on the matter. [48013/12]

**The Taoiseach:** Delegation of functions orders are made by the Government at the request of the Minister concerned. At my request, on 22 March 2011, the Government made an order delegating my statutory functions in relation to the Central Statistics Office under the Statistics Act 1993, the Civil Service Regulation Acts 1956 to 2005 and the Public Service Management (Recruitment and Appointments) Act 2004 to the Government Chief Whip, Deputy Paul Kehoe.

**Deputy Seán Ó Fearghail:** I am particularly interested in learning whether delegation of powers order has been signed in respect of the most recently appointed Minister of State, Deputy Alex White.

**The Taoiseach:** That was signed this morning.

**Deputy Seán Ó Fearghail:** That being the case, it raises the question of why it took in excess of one year to sign the delegation order in respect of the former Minister of State, Deputy Róisín Shortall. It seems extraordinary that the Taoiseach could act expeditiously, as he has on this occasion, but it took in excess of one year to sign the delegation order in respect of Deputy Róisín Shortall. Did issues arise in respect of that delegation order?

**An Ceann Comhairle:** We are dealing with questions to the Taoiseach.

**Deputy Seán Ó Fearghail:** Yes, but the Taoiseach is the signatory of the orders. What were the events, if any, that precluded the Taoiseach from signing the order in respect of the former Minister of State, Deputy Róisín Shortall? Did the Taoiseach have discussions with the Minister for Health or the Tánaiste? Did people advocate against signing the delegation order? When it was eventually signed, why was primary care not included in the delegation order?

I take it that all Ministers of State have had their delegation orders signed. Are any areas of responsibility described by the Taoiseach in the initial appointment not covered by the delegation order signed?

**The Taoiseach:** It was not a case of reluctance to sign the delegation order. Primary care does not have a statutory legal base. It is a difference between statutory legal basis, policy issues and administrative issues. The fact that it took some time to get this correct in respect of the previous Minister of State was also an issue in respect of her successor, Deputy Alex White. This meant it was a continuation of officially carrying on the delegation order given to the previous Minister of State. It was not a case of deliberately delaying. Primary care is not a statutory power; policy and the administration of primary care were the subject of the delegation order for the Minister of State. That continued with the current incumbent.

The Minister of State, Deputy Paul Kehoe, has functions relating to the Central Statistics Office, including signing statutory instruments, replying to parliamentary questions on statistical matters and receiving regular briefings on statistical matters from the staff of the Central Statistics Office. The Minister of State is also responsible for reaching agreement with the National Statistics Board on guiding the strategic direction of the Central Statistics Office. The Statistics Act 1993 provides that the director general of the CSO is completely independent in the exercise of functions relating to statistical methodology and standards, the content of statistical releases and publications and the timing and methods of dissemination of these releases and those publications. Clearly, there are specific functions delegated to the Minister of State with responsibility for European affairs who is accredited to the Departments of the Taoiseach and Foreign Affairs and Trade.

Ministers of State are appointed by the Government and their general role and responsibility is to assist Ministers in the running of their various Departments. In many cases, that particular assistance is related to policy issues and, therefore, formal delegation of statutory powers is not, or may not be, necessary, depending on the policy issues the Minister of State deals with.

**Deputy Gerry Adams:** If I understand the Taoiseach properly, his initial response to the question did not name the new Minister of State with responsibility for primary health care, Deputy Alex White, as someone for whom a delegation order had been signed. He then conferred with the Minister for Health and said this had been done this morning. I think that is correct. Is it not?

**The Taoiseach:** Yes, it was approved by Cabinet this morning.

**Deputy Gerry Adams:** Just in the nick of time.

**Deputy James Reilly:** Or just in time for Saint Nick.

**Deputy Gerry Adams:** He then went on to say that in the case of a Minister of State having responsibility for primary care there is no need to sign a delegation order. If there was no need to sign a delegation order for Deputy White why did the Cabinet approve it this morning?

**Deputy Brendan Howlin:** To be sure to be sure.

**Deputy Gerry Adams:** Was there no need for a delegation order for the former Minister of State, Deputy Shortall, who resigned when the Minister for Health interfered with a list of primary care centres to add locations in his own constituency after the list had been completed? We need consistency.

I understand that I am only learning here, but can the Taoiseach help me through this? No delegation order was signed for Deputy Shortall during her entire term in office. The Taoise-

ach says it was not necessary but yet he signed one this morning for the new Minister of State, Deputy Alex White.

**The Taoiseach:** There is no mystery here. A delegation order was signed for the previous Minister of State, Deputy Shortall with regard to her duties. Some of the duties were administrative and did not require a delegation order. Some of the duties were dealing with issues that did require a delegation order.

The same applies in the case of the Minister of State, Deputy Alex White. The administrative end of the work he is dealing with does not require a statutory declaration but he also deals with opticians and dentists in the case of fluoridation-----

**Deputy Gerry Adams:** And primary care.

**The Taoiseach:** And primary care, yes. The areas of opticians, dentists and fluoridation do require a statutory delegation order. Government approved of that this morning and signed it for Deputy White.

The administrative end of primary care, or the administrative areas associated with any other issue, do not themselves require a statutory declaration.

**Deputy Gerry Adams:** But one is required for primary care centres.

**The Taoiseach:** Not in itself, because it is not a statutory function. It does require a statutory declaration to deal with questions about opticians, dentists and fluoridation.

The Minister of State also deals with the area of primary care and the administration of that, including primary care centres.

**Deputy Gerry Adams:** He should have gone to Specsavers.

### **Cabinet Confidentiality**

2. **Deputy Micheál Martin** asked the Taoiseach the progress that is being made in his Department in the commitment to legislate for Cabinet confidentiality as outlined in his Department's strategy statement; and if he will make a statement on the matter. [48015/12]

3. **Deputy Gerry Adams** asked the Taoiseach the plans he has to introduce legislation to deal with the issue of Cabinet confidentiality. [49777/12]

**The Taoiseach:** A Cheann Comhairle, I propose to take Questions Nos. 2 and 3 together.

Cabinet confidentiality is provided for in the Constitution and I have no plans for legislation on the matter.

**Deputy Seán Ó Fearghail:** I thank the Taoiseach for his response, but it is quite extraordinary that he has so rapidly abandoned a commitment in the programme for Government. I suppose it is just one of many commitments that have already been abandoned and of many election promises that have been treated with total abandon as well.

The Taoiseach's Department's strategy statement said the Government would legislate on the issue of Cabinet confidentiality. We saw, in the course of the preparation of the most recent

budgets, the Economic Management Council functioning as a *de facto* Cabinet. We used to have kitchen Cabinets, now we have an Economic Management Council. It would appear that the reason that was adopted was to ensure the minimisation of leaks from Government, which were happening every hour of every day in the run-up to last year's budget.

This year, the Taoiseach managed to keep things quite tight until he went to Cabinet with his set of proposals. Then we found ourselves with a budget that had very few surprises in it, with the exception, perhaps, of the misery the Government was intent on inflicting on carers.

Can the Taoiseach explain what has motivated him to abandon the promise he included in the programme for Government and in his Department's strategy statement? At one time, the Taoiseach promised to issue report cards for each of his Ministers. Has he been checking their performances with regard to maintaining confidentiality or leaking on an ongoing basis?

I assume the Taoiseach himself is firmly committed to Cabinet confidentiality. What is he doing, on an ongoing basis, to address the regular leaks from Cabinet and what action can the public expect him to take in a situation where he can identify a member of Cabinet who has been responsible for a significant leak? In government in the past, the Taoiseach's party had to take the extraordinary step of removing a junior Minister who leaked the entire budget in one go. Maybe his only mistake was to give it all out at once. In recent times we have been getting it in dribs and drabs.

**The Taoiseach:** Deputy Ó Fearghail will recall the Howlin judgment when the confidentiality of correspondence received by Members of the House was challenged. That will be dealt with in the whistleblowers legislation in 2013.

I have read some of the material that purports to be from the Cabinet. I paraphrase Mark Twain and say those rumours are greatly exaggerated. I have read of vicious rows, walk-outs and this, that and the other. I assure the Deputy the Government is completely focused on its work for the country, our national challenges, our people and getting our economy right. Confidentiality is something all Ministers sign up to, in terms of the Official Secrets Act. In that context, legislation is not necessary.

I remind Ministers on a regular basis of the importance of keeping that confidentiality. I have no control over rumours, speculation or allegations. If we go back as far as 1922 and look at reports of every Government since, we see the same old story applies. Those outside the Cabinet like to write about what they think goes on in there. There have been occasions in the past when some of these things happened to be true. I can assure the Deputy that the recent headlines I have read are very far wide of the mark.

**Deputy Gerry Adams:** I am not surprised by that because all the rumours and leaks imply that Labour stood up to the Fine Gael Government. I do not see any evidence of that.

**Deputy Brendan Howlin:** We could be court-martialled yet.

**Deputy Gerry Adams:** Deputy Howlin is pirouetting over the poor.

The programme for Government contains a commitment to legislate on the issue of Cabinet confidentiality and he says he will not act on that. It also commits to opening the budget process to the full glare of public scrutiny in a way that restores confidence. The programme for Government also says the Government is too centralised and unaccountable and that a real shift

in power from the State to citizens is required.

*4 o'clock*

Have all those pledges been torn up?

The Economic Management Council put together the budget. Four men put together an anti-woman, anti-family, anti-children budget. There is less scrutiny of all of these decisions in this Chamber, where we are supposed to debate them, than is the case in other parliaments. We only hear about them through the media, accurately or otherwise, or from the Bundestag. We do not hear about them in here in the way we should. There is no proper scrutiny because we are not given the information to do the job we were sent here to do.

To be clear about this, is the Taoiseach saying he is not moving on the commitment in the programme for Government to legislate on Cabinet confidentiality? Is he going to move on the commitment to shift power from the State to citizens? Will he move on the commitment to making the Dáil more open to public scrutiny, and if so, when? What status has any pending legislation?

What steps does the Taoiseach intend to take around the budget? Once again today, budget measures will be rushed through. How will the budget process be opened up to public scrutiny, particularly here in Dáil Éireann?

**The Taoiseach:** The Deputy will be aware Article 28.4.3° of the Constitution states:

The confidentiality of discussions at meetings of the Government shall be respected in all circumstances save only where the High Court determines that disclosure should be made in respect of a particular matter -

(i) in the interests of the administration of justice by a Court, or

(ii) by virtue of an overriding public interest, pursuant to an application in that behalf by a tribunal appointed by the Government or a Minister of the Government on the authority of the Houses of the Oireachtas to inquire into a matter stated by them to be of public importance.

In that sense, confidentiality is paramount in the Constitution and should never be abused by any Cabinet.

The Deputy mentioned information being made available by the Bundestag. I admit there was an indiscreet leak from the European Commission in respect of the requirement that when the general proposals for the budget are put together, they must be presented to lender countries as a requirement of the funding mechanism. We have changed the situation so that when that information is presented, it is laid in the Oireachtas Library at the same time in order that there is no confusion.

Ministers hope the presentation of the budget will take place in November next year. We have published the review of expenditure, setting out the ceilings for each of the next three years. We have asked every Department and Minister to examine those limits and present their views. We have restored the Freedom of Information Act, the whistleblowers' legislation is in train, the register of lobbyists legislation is being prepared and we have expanded the role of the Ombudsman. In a short time, given the extent of legislation that must go through, a great

deal has been done.

Given all of the information that was made available to Deputy Adams and his colleagues, it was strange that Sinn Féin did not show any seriousness about making really tough choices. The party did not submit its own proposals for the budget for independent costing and analysis by the independent unit of the Department of Finance. All of the information is available for the Deputy, and that will be supplemented during 2013 when we also hope to have an earlier budget process. Deputy Adams should make sure his people are prepared.

**Deputy Seán Ó Fearghail:** Did the Taoiseach have advice from the Attorney General on the proposed legislation on Cabinet confidentiality? In light of the many commitments made by Government about reform of politics, it would appear we are seeing the actual reform. At Cabinet level, it involves a small cohort of four people making the principal decisions and bringing those decisions to the full Cabinet at the last minute. The Minister for Agriculture, Food and the Marine has complained about this and I suspect some of the decisions made about not proceeding with the additional 3% universal social charge on people earning over €100,000 might not have been agreed if the entire Cabinet had been involved. We might not have seen carers being abandoned in the way they have been.

Here in the House, the new politics is to guillotine critical legislation, such as the Social Welfare Bill, which will be guillotined in the Seanad this afternoon, and we see the appalling procedure being adopted for the property tax proposal. We know it will not come into play until July and there is time for detailed discussion. At least there should be time for a fair debate on the 88 amendments tabled to the Bill because, when enacted, this legislation will place an intolerable burden on the shoulders of many people in the State who are unable to carry their current burdens.

Does the Taoiseach accept we are now seeing real reforms but not the reforms people thought they would see, not the positive initiatives the public, when they placed their faith in the Government parties in substantial numbers in 2011, thought they would get and that they had a right to get?

**The Taoiseach:** The Economic Management Council is a useful method of dealing with a range of issues and proposals before they are sent to Government for final decision by the Cabinet. Every member of the Government accepts the decision of the Cabinet on the budget. It has been streamlined like this to save time as much as anything else. Ministers had to have bilateral meetings with the Minister of Public Expenditure and Reform in respect of the ceilings for their Departments and how they would meet their individual targets. The Minister for Finance set out tax proposals at the other end.

The Committee of Public Accounts report on the possibility of a banking inquiry recognised that the constitutional principle of Cabinet confidentiality must be respected. Obviously, I also believe that.

The Deputy mentioned the Social Welfare Bill. Just two years ago the Deputy was on this side of the House and the Fianna Fáil-led Government took 8% off a swathe of social welfare recipients but did not even let the Deputies go home to engage with their constituents first. It did it before the Dáil broke up.

**Deputy Seán Ó Fearghail:** That budget was considered fair and progressive, unlike the current Government's budgets.

**Deputy James Reilly:** It brought the country to its knees.

**The Taoiseach:** The pension for the blind was cut twice just a couple of years ago; we do not want to go back there. We are heading into 2013 and the process for the budget for next year will be even more open than it is now. The expenditure review plans have been published, the ceilings for each Department for the next three years are available and we have asked every spokesman to look at those figures. We hope to have a vigorous, open and comprehensive series of discussions during 2013 on the budget for 2014.

**Deputy Gerry Adams:** I am asking these questions because the initial question asked about the Taoiseach's plans to introduce legislation to deal with the issue of Cabinet confidentiality. I asked that question because the programme for Government contains that commitment. *Cad a tharla leis?* What happened to that commitment? If it is not appropriate - the Taoiseach read an extract from the Constitution - why was it in the programme for Government in the first instance?

All Sinn Féin proposals for an alternative budget were sent to the Department of Finance, which costed all of them bar one. The only one it did not cost was the wealth tax - it refused to cost the wealth tax. We offered the wealth tax as an alternative to the family home tax, which the Government is rushing through this Chamber.

There is one big thing to which I have been unable to get an answer. I do not believe the Taoiseach can dodge behind the issue of Cabinet confidentiality on this one because it considered taking away the respite care grant, cutting child benefit, making maternity benefit taxable and so on. Was the budget equality-proofed? When the four just men sat in their little Cabinet sub-committee meeting and took all these decisions, and it was brought to the Cabinet, did some of the Ministers not ask whether it had been equality-proofed? Somebody is bound to know. Was the budget equality proofed? The Taoiseach knows the litany of people who are burdened by what his Government is doing. Were these most vulnerable people, who are affected by these scathing cuts, part of the deliberations and was the budget equality-proofed?

**The Taoiseach:** The Deputy has not defined what he means by equality-proofed. In so far as the consideration of the Government was concerned, all of the issues in the budget were considered in the sense of being balanced given the circumstances in which the Government finds itself and we acknowledge the challenge that many people face here. I will not legislate for Cabinet confidentiality. I have looked at this and it is clearly in the Constitution. I have referred to the Howlin judgment about the confidentiality of material transmitted to Members of the House, the consequence of which will be contained in the whistleblower legislation which is under way. The Attorney General was not consulted here. In that sense if I recall from comments made by some of the Sinn Féin Deputies, I believe its costing was done by submission of parliamentary questions as distinct from a formal set of proposals to be costed one after the other by the relevant section of the Department of Finance.

**Deputy Gerry Adams:** We needed to get the costing first before making the proposal.

**The Taoiseach:** For years Opposition parties have prepared their alternative budgets and have sent them in their entirety to the section in the Department of Finance which assesses them. Fine Gael did so for years as did the Labour Party. Sinn Féin chose to ask a series of parliamentary questions and then make wild and fanciful comments about everything being rosy in the garden under Sinn Féin, that nobody would have to pay anything because some mythical

myriad of millionaires would trump up everything under the Sinn Féin propositions.

**Deputy Gerry Adams:** The poor would not have to pay for it.

**Deputy Brendan Howlin:** What about in Northern Ireland?

**The Taoiseach:** Sinn Féin never faced the difficult choices that are the reality of what Government decisions have to deal with. Nobody likes to announce reductions in benefits. We need to deal with the problem of our national finances and we have tried to do that in as fair and balanced a way as we can.

### **Cabinet Committees**

4. **Deputy Micheál Martin** asked the Taoiseach the number of Cabinet committee meetings held so far this year; if there is any committee that has not met yet. [49721/12]

5. **Deputy Gerry Adams** asked the Taoiseach the supports provided by his Department to the Cabinet sub committee on mortgage arrears. [50878/12]

6. **Deputy Micheál Martin** asked the Taoiseach if the Cabinet committee on Children's Rights Referendum has met recently. [50918/12]

7. **Deputy Micheál Martin** asked the Taoiseach the number of meetings of the Economic Management Council held this year; and if he will make a statement on the matter. [56512/12]

**The Taoiseach:** I propose to take Questions Nos. 4 to 7 together.

All Cabinet committees, including the Economic Management Council which has the status of a Cabinet committee, have met this year and a total of 91 meetings have been held. My Department provides all necessary secretariat support for the Cabinet committee on mortgage arrears. The Cabinet committee on the children's rights referendum met on two occasions, on 23 and 31 August, and its work is now concluded.

**Deputy Seán Ó Feargháil:** I refer first to the Cabinet committee on the children's rights referendum on which a few questions need to be addressed. It is sad that in the aftermath of the very significant High Court ruling on the information leaflets the Government circulated in the course of the campaign, that we only had an opportunity earlier today to address this matter when Deputy Troy questioned the Minister, Deputy Fitzgerald, on the matter. As it is something about which the public is concerned, I ask the Taoiseach to give us some information on the workings and meetings of the Cabinet committee on the children's rights referendum.

Did that committee approve the wording of the material that appeared on the website and was circulated in the leaflets that were distributed across the country? With the benefit of hindsight, is the Taoiseach satisfied that the very strong similarity between the party-political leaflets that Fine Gael and the Labour Party produced was reflected in the material that was produced by Government, which in itself is clearly contrary to the terms of the McKenna judgment? Does the Taoiseach accept that because all parties in this House were in support of the amendment the Government was complacent in its approach to the referendum? When I had the opportunity to speak here on the Thirty-First Amendment of the Constitution (Children) Bill, I said it was incumbent on all of us to go out, be enthusiastic and positive, and explain the

merits of this proposed amendment to the public. While we welcome that the referendum was won, we were all disappointed that the level of participation was far less than most of us, including, I am sure, the Taoiseach, would have liked.

I ask the Taoiseach to outline the workings of the Cabinet committee on the children's rights referendum. Can the Taoiseach finally give us information on the role of the Attorney General regarding the wording used? In the aftermath of the ruling, leaks from the Government indicated that some people were seeking to lay the blame for the difficulties in which the Government finds itself at the door of the Attorney General. Would the Taoiseach care to exonerate the Attorney General from any involvement in this process? Did she see the wording?

**The Taoiseach:** I am constrained in what I can say because there is a High Court challenge under the provisions of the Referendum Act 1994 and therefore I do not want to say anything in the House that would in any way prejudice that challenge before the High Court. The referendum took place against the background whereby for 20 years it had never reached the point of the question being asked of the people. It was a significant development by the Minister for Children and Youth Affairs working with the Attorney General and the Government to bring it to a point where the people were asked that question. As the Deputy is aware, we have now had four referenda in 18 months. The Constitutional Convention has been established. I accept completely and I respect the decision of the Supreme Court in this matter and the Government will reflect on the issues raised by the Supreme Court in its judgment. Clearly the Supreme Court is the ultimate legal arbiter in terms of the Constitution and the way our legislation is to be interpreted. As there is a High Court challenge under the 1994 Act, I do not want to say anything in regard to the referendum that might in any way be deemed to be or perceived to be prejudicial to the case before the High Court. I would be happy to talk about it afterwards.

**Deputy Gerry Adams:** My question is on the Cabinet sub-committee on mortgage arrears. However, before I come to that, if I may, I wish to say that it is clear the budget was not equality-proofed. There is a practice in the North, which is part of the statutory obligation - I believe it is section 75 - making it necessary for departments to equality-proof any decisions they take. I commend that to the Taoiseach. It would mean that the Government would have looked at cuts in the respite care grant or child benefit and assessed the social and other consequences for citizens.

**The Taoiseach:** The Cabinet sub-committee on mortgage arrears met eight times in recent months. As the Deputy is aware, the sub-committee was established last March and its remit is to oversee the implementation, on a cross-Departmental basis, of the Government's response to mortgage arrears, agree a detailed implementation plan for the recommendations of the report of the interdepartmental working group on mortgage arrears, ensure appropriate prioritisation of the delivery of this plan is put in place across all relevant Departments, and develop any further issues relating to mortgage arrears that are required arising from publication. The Government focused on four areas, which included resolution strategies by the banks and the new personal insolvency framework.

The Deputy will be aware that the Personal Insolvency Bill was published in June 2011, completed Fifth Stage in the Seanad last week, and is back in the Dáil for Report and Final Stages this week. It will be completed by the end of the year and will create a modern and fairer approach to dealing with unsustainable debt. Work is also under way on the establishment of the Insolvency Service of Ireland to ensure it is ready to provide the new service following the enactment of the legislation. The director of the service is in place along with a number of staff

to oversee the establishment of the service early in 2013.

Deputy Adams rightly raised the issue of repossession of homes. He is aware that when banks lend money to borrowers for the purchase of houses, there are conditions attached to those lendings. This means that if the borrower is not in a position to pay, the right of acquisition or repossession of the house applies. In this country, the number of repossessions has been very low and we want to keep it that way. We did not want to present the issue raised by the Dunne judgement, which was a loophole in the legislation identified with regard to certain circumstances for some loans, until the Insolvency Service of Ireland was in place. The issue required clarification under the memorandum of understanding with the troika, and this will be done afterwards. It does not mean there will be a rash of house repossessions, as some people have said. The Ceann Comhairle knows better than most that everybody in this country has pride in their homes and that ownership of a home is of exceptional importance.

The homes of the most distressed mortgage holders can be protected through a mortgage-to-rent scheme, where the ownership of the house passes to the approved housing body, subject to eligibility criteria. There is also the question of comprehensive guidance and advice. I note that AIB said recently that it hoped to be in a position to deal with 2,000 mortgages per month that are either in arrears or distress or where there is a problem. I am sure that the best news many households can get is that a solution has been worked out that does not require the repossession of the home. We hope that can continue and that as prosperity increases and the economy grows, many single people and couples who own houses and are unemployed have the opportunity to secure employment and will, therefore, be able to meet the mortgage payments set out for them.

The Central Bank, which is the regulator of credit institutions, asked all mortgage lenders to prepare and submit to it mortgage arrears resolution strategies and implementation plans. Mr. Matthew Elderfield explained this when we met him on a number of occasions. Following the submission of those plans, the Central Bank commenced an in-depth engagement process with all lenders to assess their validity, the sectors into which they were divided, and the areas of the country to which these referred. The reason for that was to ensure every lender had an effective strategy in place to deal with all mortgage holders experiencing difficulties. Arising from this, banks had to refine their proposals because the regulator was not happy with them and they committed to the Central Bank to build on existing so-called forbearance solutions to extend the range of alternative solutions to deal with genuinely distressed mortgage holders. The main lenders have completed the segmentation of their loan books and submitted to the Central Bank the options they propose to implement to deal with distressed mortgages. These include split and trade-down mortgages, restructuring of mortgage payments and forbearance.

I hope that in dealing with persons with distressed mortgages or who are in difficulties, the solutions required by the Central Bank of the lenders to which the banks have committed themselves and the introduction of the Insolvency Service of Ireland will provide alternatives to the banks that are open to anybody to avail of if they so wish. It is hoped the Bill will be passed this week and be in operation in the early spring. That is one element of dealing with complex and sensitive issues. The other is to drive the economy to a point where people who are unemployed or on low incomes or who may have lost their jobs will be able to get back into the world of employment, contribute and meet the requirements under the conditions of their mortgages. In some cases, as has been pointed out, banks must look at some element of write-down in particular circumstances, but I hope the level of repossessions will be very small.

**Deputy Seán Ó Fearghail:** I thank the Taoiseach for his response and, at the outset, acknowledge the enormity of the challenge facing the Government in this area. I welcome the Taoiseach's commitment to getting the Insolvency Agency of Ireland up and running, and I take it that he has said this will happen in the first quarter of 2013.

**The Taoiseach:** Yes.

**Deputy Seán Ó Fearghail:** The Taoiseach referred to the fact the Government has come up with a number of initiatives. He must accept they have had a minor impact. The last time I read about the rent-to-buy initiative, it appeared that one person was involved. I know the voluntary housing sector is working with AIB in particular to do something about people in arrears. The number of people who are benefiting is infinitesimally small relative to the growing number of people in distress. Deputy Adams rightly referred to the 180,000 mortgages that are in distress, and that figure might exceed the 200,000 mark by the time the Insolvency Service of Ireland is up and running. What does the Taoiseach envisage in terms of the capacity of the agency to deal with the vast number of cases that will face it? I also wish to refer to the impact of the property tax on the buy to let sector which is now in considerable difficulty. I understand 100,000 people are on local authority waiting lists. The Central Bank has described the pillar banks as continuing to be in denial. As a result of the budget additional burdens will be placed on those who have buy to let properties, are in negative equity and at risk of repossession. They will carry the burden of the property tax, and this is in parallel with the work being done by the Minister for Social Protection, Deputy Burton, who we can say in a general sense has a mandate to do something about the €500 million a year spent on rent subsidy. If the Government is driving down rent subsidy but also increasing the cost burden on those in arrears in the buy to rent market, it will store up additional problems for us. What will happen to the tenants, many of them very ordinary people-----

**An Ceann Comhairle:** The Deputy is straying a little.

**Deputy Seán Ó Fearghail:** Perhaps so but perhaps the Taoiseach will give me a little flexibility and address the issue.

**An Ceann Comhairle:** I gave the Deputy a little flexibility.

**Deputy Seán Ó Fearghail:** The Ceann Comhairle did and I thank him.

**The Taoiseach:** There should be an opportunity in the new year for a broader discussion on this with the Minister of State with responsibility for housing, Deputy O'Sullivan, and with the Minister for the Environment, Community and Local Government and the Minister for Finance. Nobody has been standing up for the banks, nor do I but they have changed their attitude. I understand they have trained personnel to speak directly to people in mortgage distress or arrears and quite a number have been restructured and this is to be welcomed. The insolvency agency support through the legislation will provide an alternative method of dealing with serious debt for people and banks know this. From their perspective it would be far better to be able to work out a solution for people in distress or mortgage arrears in whatever category. I hope the words I hear will be seen to be implemented because this is of enormous importance and there is pressure on people every day.

I cannot provide the Deputy with the work schedule of the insolvency director but he is *in situ* with staff to back him up. I am sure we can supply the Deputy with their tentative proposals which would be in everybody's interests. I would like to see in the spring, either at Oireachtas

committee level or in the House, an opportunity to discuss the ongoing work of the insolvency agency when it has been established to see how effective it can be. As the Deputy knows, from its drafting to its conclusion this week, the Bill has been very complex and technical. I hope that with all of these measures and with the projected growth in the economy, the situation for people with mortgages, particularly those in arrears or in distress, will improve.

**Deputy Joe Higgins:** Will the Taoiseach explain how the Economic Management Council functions as a sub-committee of the Cabinet? Is it the case that virtually the entire budget announced for 2013 was decided by four members of the Cabinet and announced to the full Cabinet only at the last minute? Is it the case that the Economic Management Council has acted in a secret and authoritarian fashion? From what we have heard we could compare it to a Stalinist politburo concentrating huge power in a few hands and operating in great secrecy. How does this equate to the democratic revolution the Taoiseach promised at the beginning of this Dáil? Is it the case that because there is a coalition government the council and its operation is a preservation mechanism for the leadership of the two parties, Fine Gael and the Labour Party? Essentially they treat their backbenchers like tunnel mushrooms, keeping them in the dark on key issues, dumping on them the austerity decisions which have great public distaste and then simply picking them to come in and vote for them. From where does this *modus operandi* come and what justifies it?

The Taoiseach paid a glowing tribute to homeowners in regard to the upkeep of their homes, paying their mortgages, etc. He has always held this position, but in 1994 he felt a property tax was a vampire tax which would drive a stake through the heart of homeownership and suck the lifeblood of people who want to own their own homes and better their conditions. What has changed the Taoiseach's mind on this?

**The Taoiseach:** Last year in preparation for the budget for 2012, as soon as the Dáil came back in September every week there was a rash of speculation about what would be cut, which certainly had a direct impact on consumer confidence and retail because people quite rightly decided to hold tight because they did not know what was going to happen. This year the budget was discussed and approved collectively by the Cabinet. It is a requirement that it be signed off by the Cabinet. The preparation for this was not just conducted by the Economic Management Council. Individual face to face and bilateral meetings were held between the Minister for Public Expenditure and Reform and each Minister on the ceiling for each Department and proposals for savings, and all of these were signed off at bilateral level. It came through the Economic Management Council and then on to the Government.

This year there was not the same level of public comment, except I noticed wild speculation that the old age pension would be cut, free travel and free light would be stopped, the period for free fuel would be shortened and the allowance would be stopped, and carers allowance and the home care package would be cut. There were also extraordinary remarks about the scale of the property tax and that it would run to thousands of euro. The same speculation was made in comments about the requirement to deal with pollution from septic tanks in various parts of the country and the extraordinary amount this would cost. Obviously these were very different in reality.

The year 1994 was a very different space. We have had the obscenity of several Governments in between shovelling out mountains of money which did not belong to us and which somebody would have to pay back.

**Deputy Michael Healy-Rae:** The Taoiseach told them to give out more.

**The Taoiseach:** In this sense we have had to focus on how to rectify this problem and believe me it is not easy. In the past 15 months things have begun to turn towards the right direction. Serious challenges still face the people. As I stated, the assistance of our European colleagues is something we need. It is not a case of a quartet deciding on every element of the budget. All of the bilateral meetings took place. Ministers agreed on Votes and figures for their respective Departments and then that was discussed collectively, signed off collectively and approved collectively by the Cabinet as is its responsibility. The Minister for whatever Department would not be aware of the detailed discussions about another Minister's Department until such time as the Cabinet would come together collectively on that.

**Deputy Richard Boyd Barrett:** On the Cabinet sub-committee on mortgage arrears, did this committee meet with the troika and discuss its demand that legislative impediments to banks repossessing family homes should be a priority for the Government? It is difficult to tally the Taoiseach's soothing words about the low level of repossessions in the country and his assurances that the personal insolvency agency will protect home owners from the loss of their family homes with the simultaneous demand by the troika that legal impediments to the right of banks to repossess family homes should be a priority. Did this committee discuss that with them and could they explain their rationale in making this demand? Is it not the case, consequently, given this demand, that those with mortgages, particularly distressed mortgages, should be fearful because our troika masters are demanding that banks should be able to repossess more homes?

On the Economic Management Council it is clear from the protections, in terms of low corporate tax rate and a refusal to impose the financial transaction tax, that the submissions of the banks and groups such as the clearing house group were listened to by the Economic Management Council. Is it equally obvious that the Economic Management Council did not listen to the plethora of civil society groups and groups dealing with poverty, such as the Society of St. Vincent de Paul, Social Justice Ireland and the trade unions, which were representing the least well off and struggling sections in society and which made submission after submission asking that the burden of austerity in the budget should not fall on those who are already struggling to survive? Is it the case that the Economic Management Council, the inner cabal of the Government, listened only to one section of society - the troika, the banks, the very wealthy - and simply refused to listen to and ignored the civil society and other group organisations that represented ordinary citizens - low and middle income earners, the unemployed and the vulnerable in society? Is there something radically wrong with the way this inner cabal of the Government is deporting itself, in listening only to one minority section of society and not listening at all to the voices of the majority?

**The Taoiseach:** There are no marks for that. The Economic Management Council did not meet the troika. The Minister for Finance and the Minister for Public Expenditure and Reform regularly met the troika in regard to the memorandum of understanding and the fulfilling of the conditions of the bailout programme, but the troika did not meet the Economic Management Council.

The question of the troika putting forward its view that legal clarification was required in regard to the consequences of the Dunne judgment dealing with mortgages is something that had to be dealt with and that legal clarification will be provided following the setting up of the insolvency service. That is not to be taken as any indication of a rash of house repossessions.

I already made the case on that to Deputies Ó Fearghail and Adams.

I answered Deputy Boyd Barrett previously on the financial transaction tax. We have objected to the financial transaction tax. We have not participated in the enhanced co-operation at European level for that tax. Ireland imposes stamp duty on transactions. Clearly, we did not want to place the International Financial Services Centre at a disadvantage to London if none applied there. The Commission, in its own documents, reported on the financial transaction, but I do not speak for other countries in this regard. Now that 11 of them have signed on for enhanced co-operation with regard to introducing a financial transaction tax, Ireland, as the incoming Presidency of the Union, will not impede that although, of course, we will need to know the conditions that apply to it.

The low corporate tax rate has been an important element of investment in this country over many years. The rate is 12.5%, 11.9% effective, across the board. As Deputy Boyd Barrett will be aware, in some of the other countries in Europe-----

**Deputy Richard Boyd Barrett:** Rubbish. It is not 11.9%.

**The Taoiseach:** -----different rates of corporate tax apply for different sectors and, indeed, in different regions, but in Ireland it is straightforward and transparent. It is an important element of the attractiveness of the country for investment.

**Deputy Richard Boyd Barrett:** I do not know from where the Taoiseach got 11.9%. That is a fantasy.

**The Taoiseach:** We will not be changing that.

### Order of Business

**The Taoiseach:** It is proposed to take No. 11, motion re proposed approval by Dáil Éireann of the Horse and Greyhound Racing Fund Regulations 2012 (back from committee); No. 12, Finance (Local Property Tax) Bill 2012 – Financial Resolution; No. 26, Finance (Local Property Tax) Bill 2012 - Order for Committee, Committee and Remaining Stages. It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 11 p.m.; (2) Nos. 11 and 12 shall be decided without debate; (3) in the event a division is in progress at the time fixed for taking Private Members' business, which shall be No. 93, motion re carers, Standing Order 121 (3) shall not apply and Private Members' business shall, if not previously concluded, adjourn after 90 minutes; (4) the Committee and Remaining Stages of No. 26 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 11 p.m. tonight by one question which shall be put from the Chair and which shall, in relation to amendments, include only those set down or accepted by the Minister for Finance.

**An Ceann Comhairle:** There are four proposals to be put to the House. Is the proposal that the Dáil shall sit later than 9 p.m. tonight and adjourn not later than 11 p.m. agreed to? Agreed. Is the proposal that Nos. 11 and 12, motion re proposed approval by Dáil Éireann of

the Horse and Greyhound Racing Fund Regulations 2012 (back from committee) and Finance (Local Property Tax) Bill 2012 – Financial Resolutions, respectively, shall be decided without debate agreed to? Agreed. Is the proposal for dealing with Private Members’ business agreed to? Agreed. Is the proposal for dealing with No. 26, Finance (Local Property Tax) Bill 2012 - Order for Committee, Committee and Remaining Stages, agreed to?

**Deputy Seán Ó Fearghail:** It is not agreed.

**The Taoiseach:** That has to be agreed. It is Christmas.

**Deputy Paul Kehoe:** They stated there was no problem in passing it.

**Deputy Seán Ó Fearghail:** I suppose we have had some of this discourse earlier this afternoon. On behalf of my party, I must object strenuously to the ramming through of this vital legislation. From time to time, the guillotine will be applied and we will accept, although we may protest, that there is an urgency to the moving of the legislation, but this legislation in its current form will place enormous burdens on middle Ireland - those who are already carrying a weight that is in many ways excessive.

There is no need for this legislation to be forced through in this way. For example, we could have come in here to debate it yesterday when the business of the House was concluded in advance of time but that opportunity was not given to us. We can come back here after the Christmas break to debate this and go through the 88 amendments. The public have a right to expect that we will debate the legislation in a serious and conscientious manner, teasing through this legislation in the way that we as legislators are obliged to do.

**Deputy James Bannon:** The Deputy saw three years ago that this was coming down the road.

**Deputy Seán Ó Fearghail:** I put it to the Taoiseach earlier that he committed himself and his Government to political reform. We are now seeing the political reform, which is a budget that was decided upon by four members of the Cabinet. The outcome of that budget is being decided in this House on foot of guillotines which do not even allow Government backbenchers an opportunity to contribute. I respect the Taoiseach but I do not respect the manner in which he has broken his promises to the people on this matter of political reform. He is using an unprecedented majority to jackboot through this type of legislation.

**Deputy Finian McGrath:** Some hard words there, Taoiseach.

**Deputy Gerry Adams:** On behalf of Sinn Féin, I also want to oppose proposal No. 4. As Teachta Ó Fearghail said, we have discussed the fact that one in four mortgage holders is in distress with their mortgage. Hundreds of thousands of families are struggling to get by, yet this odious tax is going to be press-ganged through the Dáil. The Government is going to impose a tax on every single family home in this State.

**Deputy James Bannon:** Just like in the North.

**Deputy Gerry Adams:** We do not have a property tax in the North, my dear friend. However, why will we not have an opportunity to discuss this matter here? What is the Government afraid of? The Taoiseach chided Fianna Fáil because it rushed it through a previous budget before the weekend, obviously as part of its party management. The Government is doing exactly the same thing now. Why can people in this House who have a mandated position and want to

argue their proposals not get an opportunity to do so? Despite all the talk, in every single session yet another promise in the programme for Government bites the dust. We saw that happen again today. Why can there not be a full debate? This tax is not going to come until next summer, so why can we not have it discussed in some detail?

**Deputy Richard Boyd Barrett:** This extremely cynical and undemocratic attempt to ram through the property tax will not save the Taoiseach, as he hopes it will, from the popular revolt next year when people have this unfair tax imposed on them. The level of popular resistance and boycott that we saw concerning the household charge last year will be even greater and far more terrifying for the Government.

Despite the forlorn effort on the Taoiseach's part to try to forestall protest, none the less this is an extremely cynical exercise. There are 159 sections in the property tax Bill. By anybody's standards this is among the most important legislation this Government will ever put through the House. It will affect virtually every citizen in the country. There are a hell of a lot of details involved in the new powers it gives to Revenue to seize money at source from ordinary workers and social welfare recipients. It will have significant economic implications in terms of the burden it will impose on low and middle-income families. It will also potentially have a very damaging effect on the domestic economy, in addition to many more details, complexities and potential anomalies. Despite this, the Taoiseach intends to forestall that debate and squash those 159 sections into a couple of hours. We will be lucky if we get through seven or eight of them. It makes a farce and a sham of democracy, of this House and of its role in legislative scrutiny. It is cynical and dictatorial in the extreme.

The Taoiseach should lift the guillotine and at least allow for a debate on this measure. He should allow all amendments to be discussed. It can easily be done early next year because the property tax does not come into force until the middle of 2013. There is simply no excuse for this guillotine.

**Deputy Joe Higgins:** Better still, drop the planned tax.

**The Taoiseach:** We are wasting time here. Deputy Ó Feargháil has spoken about jackboot tactics.

**Deputy Mattie McGrath:** Yes, big boot tactics.

**The Taoiseach:** Deputy Adams has spoken about family homes. Obviously, everybody will contribute in some shape or other to the property tax. Thankfully, the majority of people contributed to the household charge. I would remind those who did not, however, that they will be required to meet the household charge and half of the property tax next year. It is unfair of those who can quite easily pay, including some Members of this House, but who have not bothered to do so.

**Deputy Michael McGrath:** Stick to the Bill.

**The Taoiseach:** The mechanics of this have been organised by the Revenue Commissioners. There will be ample opportunity in a variety of ways for people to contribute to the property tax. Those who qualify under the conditions for deferral will have that available to them as well.

**Deputy Joe Higgins:** We will go the way of Captain Boycott on this.

**The Taoiseach:** We will assume the Presidency of the European Union on 1 January.

**Deputy Gerry Adams:** God help you.

**The Taoiseach:** There are 1,600 meetings to be conducted across the whole of Government, for all Ministers, including dealing with the European Parliament, sectoral matters and so on.

**Deputy Michael McGrath:** What about the people at home?

**An Ceann Comhairle:** Please, Deputy.

**The Taoiseach:** We will not hold the EU Presidency again until 2024 or 2026, so in that sense we have to move on. This was explained to the Whips at their last meeting. Therefore, regrettably on this occasion, I want to move on, deal with the Bill and complete all Stages of it.

**Deputy Joe Higgins:** We do not want the pesky natives bothering the EU.

*5 o'clock*

Question put: "That the proposal for dealing with No. 26 be agreed to."

The Dáil divided: Tá, 84; Níl, 46. Tá Bannion, James Breen, Pat Butler, Ray Buttimer, Jerry Byrne, Catherine Byrne, Eric Cannon, Ciarán Carey, Joe Coffey, Paudie Collins, Áine Conaghan, Michael Conlan, Seán Connaughton, Paul J. Coonan, Noel Corcoran Kennedy, Marcella Creed, Michael Deasy, John Deering, Pat Doherty, Regina Donohoe, Paschal Dowds, Robert Doyle, Andrew Durkan, Bernard J. English, Damien Farrell, Alan Feighan, Frank Fitzgerald, Frances Fitzpatrick, Peter Flanagan, Charles Gilmore, Eamon Griffin, Brendan Harrington, Noel Harris, Simon Hayes, Brian Hayes, Tom Heydon, Martin Hogan, Phil Howlin, Brendan Humphreys, Heather Humphreys, Kevin Keating, Derek Kehoe, Paul Kenny, Enda Kenny, Seán Kyne, Seán Lawlor, Anthony Lynch, Ciarán Lynch, Kathleen Lyons, John McEntee, Shane McFadden, Nicky McGinley, Dinny McHugh, Joe McLoughlin, Tony McNamara, Michael Maloney, Eamonn Mathews, Peter Mitchell, Olivia Mitchell O'Connor, Mary Mulherin, Michelle Murphy, Dara Murphy, Eoghan Nash, Gerald Nolan, Derek Ó Ríordáin, Aodhán O'Donnell, Kieran O'Donovan, Patrick O'Mahony, John O'Reilly, Joe O'Sullivan, Jan Perry, John Phelan, Ann Phelan, John Paul Reilly, James Ring, Michael Ryan, Brendan Shatter, Alan Spring, Arthur Stagg, Emmet Stanton, David Timmins, Billy Wall, Jack Walsh, Brian White, Alex Níl Adams, Gerry Boyd Barrett, Richard Broughan, Thomas P. Browne, John Calleary, Dara Collins, Joan Collins, Niall Colreavy, Michael Cowen, Barry Crowe, Seán Daly, Clare Doherty, Pearse Donnelly, Stephen S. Ellis, Dessie Ferris, Martin Grealish, Noel Halligan, John Healy, Seamus Healy-Rae, Michael Higgins, Joe Kelleher, Billy Kirk, Seamus Kitt, Michael P. Mac Lochlainn, Pádraig McDonald, Mary Lou McGrath, Finian McGrath, Mattie McGrath, Michael McLellan, Sandra Murphy, Catherine Naughten, Denis Nulty, Patrick Ó Caoiláin, Caoimhghín Ó Cuív, Éamon Ó Feargháil, Seán Ó Snodaigh, Aengus O'Brien, Jonathan O'Dea, Willie O'Sullivan, Maureen Pringle, Thomas Ross, Shane Smith, Brendan Stanley, Brian Tóibín, Peadar Troy, Robert Wallace, Mick.

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Seán Ó Feargháil and Aengus Ó Snodaigh.

Question declared carried.

**An Ceann Comhairle:** There are five minutes remaining. I will not be calling on too many

Members as I do not want to eat into the time available for the Bill for which we have just provided.

**Deputy Finian McGrath:** Do not forget the Technical Group.

**Deputy Seán Ó Feargháil:** The Government has made a decision on the A, B and C v. Ireland expert group report. When will we see the legislation and regulations promised? Will the content of that legislation address the issue of suicide?

**The Taoiseach:** The Government decided today to choose option D as set out by the expert group, which is legislation and regulation. The process will involve information hearings by the Oireachtas Committee on Health and Children on either 7, 8 and 9 January or 8, 9 and 10 January. After that, the heads of a Bill will be prepared and sent to the Oireachtas committee for discussion. When the Oireachtas committee concludes its discussions and it returns here, the details of the regulations that would be required will be published simultaneously with the legislation so that everybody will have the fullest information about all the issues involved.

This matter is to deal with the clarification of the Constitution and therefore the law by the Supreme Court in the X case. It includes the question of suicide arising from the X case in cases where there is a threat to the life, as distinct from the health, of the mother. That is why I want everybody in the House to be able to contribute to this and put in place legal certainty and regulation in an area that is unregulated. There is no intention for this to be seen as some sort of abortion on demand or abortion replacing contraception.

The Deputy asked when the legislation will be published. It will be prepared after the information hearings of the committee dealing with health. The heads will be discussed by the Oireachtas committee. The legislation will only be published in conjunction with the regulations which will become effective once the Bill is put through the House. I want everybody to be able to contribute to the process in a mature, sensitive and as comprehensive a fashion as is possible.

**Deputy Gerry Adams:** Cuirim fáilte roimh an ráiteas sin. I welcome the statement and the announcement that the Government will legislate for the X case in the new year. Bearing in mind the conversation we had earlier, it would have been appropriate for the Taoiseach to make that announcement in here. I know it is a difficult issue for people to deal with, not least the women of this State and island.

Will the Taoiseach make time in the new year for the Dáil to debate the de Silva report on the Pat Finucane case? I wrote to the Taoiseach and asked if he would review all correspondence in the Department of the Taoiseach, particularly under the tenure of the late Charles Haughey, regarding information that may have been put into the Department by the late Mr. Paddy McGrory a month before Pat Finucane was killed and immediately afterwards. Specifically, I ask that we have the opportunity to debate in some detail the de Silva report.

**The Taoiseach:** Yes, this is an important report. I spoke to British Prime Minister Cameron and Geraldine Finucane last week on the publication of the de Silva report. I have already asked the Whip that at the appropriate time when the Dáil returns in the new year, we should make time available for a discussion on the de Silva report. I have received the Deputy's letter and will give it consideration before replying properly.

**Deputy Finian McGrath:** The Housing Bill deals with the regulatory framework for hous-

ing. Is the Taoiseach aware that last night the residents of Priory Hall stood in the cold and rain and that this is the second Christmas where they will have no homes? The families are suffering extreme hardship. I urge the Taoiseach to urge the Minister for Environment, Community and Local Government and people directly involved in the mediation process to get on with the job and support those families.

**The Taoiseach:** This is a legacy issue of great concern to the people involved. The Minister is awaiting a response from the judge in this case and obviously cannot interfere with that process. There has been some progress and if we can get the pieces in place, the process may be quickened. For the Deputy's information, the Minister is also in discussion with the Minister for Finance about a substantial loan from institutions to deal with the pyrite matter, another legacy issue that has caused much angst for people who bought houses and found them literally cracking around them. That is a matter about which there is discussion between the Departments of Finance and Environment, Community and Local Government, with a view to the problem being rectified in 2013. That should be good news for those people.

### **Horse and Greyhound Racing Fund Regulations 2012: Motion**

**Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe):** I move:

That Dáil Éireann approves the following Order in draft:

Horse and Greyhound Racing Fund Regulations 2012,

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

Question put and agreed to.

### **Finance (Local Property Tax) Bill 2012: Financial Resolution**

**Deputy Minister for Public Expenditure and Reform (Brendan Howlin):** I move:

THAT provision be made in the Act giving effect to this Resolution for the imposition in accordance with the Act of local property tax; for the establishment and maintenance by the Revenue Commissioners of a register of residential properties in the State; for the cessation of the household charge; and for the collection of any arrears of household charge."

Question put and agreed to.

### **Message from Seanad**

**An Ceann Comhairle:** Seanad Éireann has passed the Health and Social Care Profession-

als (Amendment) Bill 2012 without amendment and the Europol Bill 2012 without amendment.

## Topical Issues

### Inter-Country Adoptions

**Deputy Charles Flanagan:** I am pleased to have the opportunity before the end of the term to raise the issue and I thank the Minister for Children and Youth Affairs for her attendance. I am concerned about both the cost and the delay involved in the assessment for those involved in inter-country adoption. I recognise the need to have the most rigorous of procedures in place, particularly with regard to vetting, home studies, HSE approval and approval of the Adoption Authority of Ireland, as well as suitability of applicants and those wishing to provide home and shelter for underprivileged children on a long-term permanent basis. Notwithstanding this, there are a number of issues that must be addressed, and I refer particularly to the case of inter-country adoption with Bulgaria. Prospective parents who have completed the legal documentation and home study and signed up for an inter-country adoption find themselves in a somewhat precarious position consequent to the completion of the Hague Convention. They include couples who signed an agreement clearly setting out a payment and cost schedule which has since changed because the State has delegated certain functions to private companies. I am anxious that the State satisfy itself as to the financial affairs of the private agencies or companies in question. What is the position regarding the guarantee of funds and bonding, having regard to the fact that money for services is required to be paid in full and up front, which is a somewhat unusual practice in respect of the provision of services in both the private and public sectors?

I am also concerned about duplication in respect of the assessments carried out prior to the ratification of the Hague Convention. I understand that €3,700 is required for 11 hours of social work that is done prior to referral. This is a sizeable sum and I am anxious to be assured that it is considered in order by the authorities. I also require assurances that private agencies do not have the power to refuse a referral and that such power is vested in the Adoption Authority of Ireland.

I am concerned at the period for which a declaration remains valid. As the Minister will be aware by dint of correspondence earlier in the year, I am most concerned about the fee schedule involved for professional and translation fees, overheads and direct costs. I understand from the Adoption Authority of Ireland that its accountants have been examining these schedules for some time. I raise this matter because replies to correspondence I have submitted since the early summer have been unsatisfactory.

I am pleased the Minister is present and anxious that the issue be addressed. Full accountability and transparency are required and the costs associated with inter-country adoptions must remain reasonable.

**Minister for Children and Youth Affairs (Deputy Frances Fitzgerald):** I thank Deputy Charles Flanagan for raising this issue and appreciate the reasons he has done so. I assure the Deputy I am addressing this issue.

The Hague Convention and Adoption Act 2010 are designed to provide a framework to ensure all adoptions are effected in the best interests of the child and to the highest possible standard. The interests of the child must be paramount throughout the adoption process. This is best achieved through the full implementation of the highest national and international standards governing adoption practice. The Hague Convention provides a set of minimum standards which are designed to ensure good practice based on the principles of subsidiarity and consent and a requirement that no money should change hands. Inter-country adoption is not without risk. It is for this reason that the principles, as set out in the Hague Convention, were developed.

Currently, the costs related to inter-country adoption have mainly been charged by agencies, both state and private, in the sending country. The Adoption Act 2010 envisages a model which incorporates the use of accredited agencies in both the sending and receiving country. In some instances, however, this may be the same agency in both countries. The Adoption Authority of Ireland, AAI, has accredited three agencies for the purposes of inter-country adoption. These agencies intend operating in a range of countries.

With the signing of the Hague Convention, the position as regards inter-country adoption changed dramatically and extremely difficult transition issues have arisen, particularly for prospective adoptive parents in this country. It is written into our legislation that we cannot have inter-country adoption with countries that have not signed the Hague Convention, except where we have a bilateral or an administrative agreement with the country in question. Serious difficulties, including constitutional issues, arise in respect of many of the countries with which we are seeking to develop bilateral agreements and administrative arrangements. I am addressing these and other issues arising from the sudden transition caused by the signing of the Hague Convention. I am advised that Ireland is one of only a few countries which wrote the convention into their adoption legislation. This decision has made for considerable difficulties.

As I stated recently in response to parliamentary questions on issues related to the level of fees, I am aware that a number of prospective adoptive parents have recently been asked to pay substantial fees to an accredited body within a short timeframe. I met the individuals in question some weeks ago and discussed with them the issues the Deputy raises. I have asked the Adoption Authority of Ireland to address with the relevant adoption agency the issue of requiring fees to be paid up front. It should be possible to pay fees over a longer period. The authority, with the assistance of its auditors, is examining a number of issues related to accredited bodies, including an examination of levels of fees being charged by Irish agencies *vis-à-vis* international norms. The auditors will also report to the Adoption Authority of Ireland on the proposed payment schedules by accredited bodies.

I am aware that a number of couples have been caught, so to speak, in the transition phase as they paid money previously, for example, in Bulgaria, and are now being asked to pay here. I have asked the Adoption Authority of Ireland specifically to examine the position of these couples to ascertain whether arrangements can be made to facilitate them. They entered the adoption process in the expectation of incurring a certain level of costs. They did not anticipate that costs would reach the level required of them, which is creating a significant difficulty. I will examine this matter.

**Deputy Charles Flanagan:** I am pleased with the Minister's statement that auditors will examine the fees schedule. Has the State satisfied itself as to the financial standing of the agencies or bodies involved in the inter-country adoption process? Are prospective adoptive parents

who have been in the system since before the Hague Convention was signed legally obliged to deal with the designated authority, notwithstanding that the adoption process in their cases has long since commenced?

**Deputy Frances Fitzgerald:** Yes, such adoptive parents are expected to deal with the agency. We can, however, examine the terms and conditions, as it were, under which they are entering the arrangement to ascertain whether we can facilitate them to a greater degree than has been the case thus far. Given the slow pace of inter-country adoption, I am highly conscious of the issue of sustainability of accredited bodies. I have asked the Adoption Authority of Ireland to maintain close contacts with the agencies in question to monitor the current position and to examine the sustainability issue in the coming months and years. It is important that such bodies are in place but their financing is difficult given the delays in inter-country adoptions. There is a complex relationship between the number of adopters, the fees applied and the sustainability of the agencies. As I noted, however, the issue the Deputy raises is on my agenda. I have had meetings on the matter recently and I have asked the Adoption Authority of Ireland to examine it most seriously and revert to me with a full report.

### **Garda Investigations**

**Deputy Niall Collins:** I thank the Ceann Comhairle for allowing me to raise this topical and important story, which was broken this morning by Barry Duggan and Tom Brady of the *Irish Independent*. I regret that we are discussing again another unseemly incident connected to gangland criminality, this time in Limerick. I congratulate gardaí in Limerick on foiling a planned murder attempt on an Irish citizen from the city who happens to be pursuing a career in the British defence forces. This incident comes against the backdrop of some very good police work in Limerick in recent years which has resulted in gun crime in the area declining from one third of all gun crime in the country to a minor statistic in the overall scheme. We can also point to other positives. For example, there has been only one murder in Limerick this year. This is against a backdrop of years of multiple gangland murders. It is important that we commend the Garda in this respect.

It goes without saying that what we read about in this morning's *Irish Independent* could have had devastating consequences had it succeeded. Those consequences would not only have been for the individual or his family. We must bear in mind that he needed to leave this country and chose to pursue a career with the British defence forces. That this action was planned for his return at Christmas is a chilling thought.

As I stated in respect of other issues I have raised with the Minister, we must consider the extreme reputational damage that such an event would have visited upon the Limerick and mid-west areas as well as the country. It would have affected business, foreign direct investment and tourism. The people involved have no political ideology whatsoever. They are criminals, plain and simple, and cannot look beyond their next criminal endeavour. It has been well noted on the public record that they are not republicans. Among other forms of crime, they are involved in pimping, illegal tobacco, fuel laundering, digital piracy and counterfeit goods and medicines. This activity costs the Exchequer almost €860 million and is now threatening lives.

Where is it all going? Many times, the Minister and I have debated in the House the issues of the recruitment embargo and the ability drain due to retirements from the Garda. The Garda Commissioner has informed the justice committee that up to 25 organised crime gangs are

operating in this jurisdiction. Have we a handle on this and will the Minister assure the House that we are on top of the issue?

**Minister for Justice and Equality (Deputy Alan Shatter):** I thank the Deputy for raising this issue. He was doing very well until the last three sentences, which were really a contradiction of everything that preceded them. The reality is that the Garda has had an extraordinarily successful year in counteracting organised crime and in dealing with criminal subversion. As the Deputy rightly stated, even one murder is one murder too many, but there has been only one murder this year in Limerick, an area in which there were very substantial difficulties and a large number of homicides in preceding years. The success of the Garda is illustrated by the fact that there are more than 60 members of Limerick gangs currently held by our Prison Service.

In the context of the issue the Deputy raises, the House will of course understand the sensitivity that is in the very nature of operations carried out by the Garda Síochána in the course of countering the activities of paramilitary gangs and that, as a consequence and particularly when such Garda actions are ongoing, Members of the House and I should exercise the utmost caution in respect of what we say in regard to them.

The House will appreciate that the Garda, in counteracting the threat posed by paramilitary groups, succeeds time and time again in preventing them from carrying out planned acts. Of their nature, the detail of a lot of these successes cannot be appropriately put in the public domain. A great many of them never appear in the public domain. However, what I can say is that the Garda Commissioner has advised me that there is an ongoing Garda operation in Limerick aimed at the activities of a certain group and that it would not be helpful for me to make any public comment on it and, in particular, on a specific case.

I thank the Deputy for his full support for the efforts of the Garda Síochána in counteracting the threat that these groups pose and he will appreciate that it would not be helpful to those efforts to go into the detail of Garda operational matters across the floor of this House. Indeed, it would be gracious of the Deputy to acknowledge, as he did at the start of his speech, the extraordinary success of the Garda in these areas and to acknowledge and accept that it has the operational capacity and capability to address these issues with the utmost efficiency.

The Garda remains very active in its efforts to counteract these paramilitary gangs. It continues to monitor them closely and to bear down on all of their criminal activities. A number of recent arrests, charges and convictions in respect of subversive activity are testament to the work of the Garda in combating the activities of these terrorist gangs, and the force is to be congratulated for its continued efforts in this regard.

I have made the point in this House previously - it bears repeating - that to refer to these gangs as some people do as “dissident republicans” affords them an historical respectability that they do not and cannot merit. The fact is these groups are no more than groups of criminals who masquerade as republicans to seek to legitimise their inherent criminality. These are simply criminal terrorists and I do not believe the words “dissident” or “republican” should be associated with them. These gangs are inextricably involved in organised crime, as Deputy Niall Collins said - drug smuggling, fuel laundering, extortion and armed robbery - and there is nothing “republican” whatsoever about organised crime.

I would say also that we all should exercise a degree of caution in discussing these gangs of

criminals. They crave publicity and they court notoriety in order to present the appearance of being more important and worthy than in fact they are. Although we cannot ignore that these criminal terrorists present a real and manifest threat, we should always remember that they are in a very tiny minority on this island. They represent nobody but themselves and their own selfish ends; they offer nothing but a return to the dark days of the past.

Countering the threat from terrorists has been always a priority for the Garda Síochána. Nothing has changed in that regard. It should not be suggested that anything has changed, nor should it be in any way suggested that the Garda lacks the capacity to continue with the very important work it is doing in countering the threat that these groups pose. Despite the positive developments of recent years in the North, the Garda has never let up in its efforts to counteract these groups and will continue to target them. I assure the House that this is the case.

The threat faced on this island from these criminal terrorists is a shared threat and I assure the House that the Garda continues to co-operate seamlessly with the PSNI in actively pursuing them. That co-operation has been instrumental in preventing attacks, in combating criminality and, in particular, in saving lives, and I assure the Deputy and the House that the Government is committed to maintaining that high level of co-operation between the Garda and the PSNI and to providing to the Garda the supports it needs to continue with the extraordinary work in which it is engaged and to ensure that these groups are targeted and, where evidence is available, individuals are brought before the courts and properly prosecuted.

**Deputy Niall Collins:** I thank the Minister. He and I differ as regards the Government's policy on Garda recruitment. We have had many a disagreement in the House on this matter, but this event demonstrates the need for the Minister to give the public some direction as to when the Government will recommence the recruitment and training of new members of the Garda Síochána. We must bear in mind the fact that it takes two years to train new members and that up to 1,200 members could retire during the next 12 months. The force's numbers are dwindling.

It is also worth noting that Limerick has the highest ratio of gardaí to population. That decision has been borne out by the successes. If one could increase the ratio across the rest of the country, including Dublin, the same kind of results would be yielded.

The Minister stated that the community needed to support the Garda. I could not agree more. Nine individuals were arrested in Limerick at the time of the Alan Ryan funeral. These arrests apparently led to the information that foiled the attempt in question. Sinn Féin's spokesperson in Limerick stated at the time it seemed to be an overreaction and that it was disgraceful if people were being arrested for attending a funeral. It is disgraceful that Sinn Féin is sitting in this Parliament and sitting in government in the North at a time when some of its MLAs are protesting outside the PSNI headquarters because a member of that party, Mr. Padraic Wilson, had been brought in for interrogation. It is conducting a two-faced strategy. We must have some political honesty on the question of why certain people within the Sinn Féin leadership and the Sinn Féin movement, in Limerick and throughout the country, are affording a degree of political respectability to these criminals.

**Acting Chairman (Deputy Catherine Byrne):** The Deputy's time is up.

**Deputy Niall Collins:** That is exactly what is going on. I have been accused of political opportunism on this issue.

**Acting Chairman (Deputy Catherine Byrne):** I am calling the Minister to reply.

**Deputy Niall Collins:** However, when I read into the record what people have said publicly on radio stations and to other media, I am merely stating the facts.

**Acting Chairman (Deputy Catherine Byrne):** I remind the Deputy that he is cutting into other speakers' time. I ask him to resume his seat and allow the Minister to respond.

**Deputy Niall Collins:** We must have an honest political debate about the role of all political parties in supporting the Garda Síochána.

**Acting Chairman (Deputy Catherine Byrne):** Deputy, please.

**Deputy Niall Collins:** The actions of the Garda in Limerick were in no way an overreaction. In fact, they ultimately prevented an attempt on a man's life in the city, for which the gardaí involved deserve to be commended.

**Deputy Alan Shatter:** The Deputy must understand that I will not comment on what action the Garda did or did not take with regard to the possibility that it did or did not foil a particular attempt on the life of any individual. I will not comment on any arrests that took place because it is not appropriate to do so.

It is unfortunate that the Deputy cannot confine himself to expressing support for the Garda but instead feels the need to engage in a false battle with me for public relations purposes. I remind him yet again that it was his party which signed a document with the troika requiring a substantial reduction in public spending, one of the measures in this regard being to reduce the membership of the Garda by the end of 2013 to 13,000.

**Deputy Niall Collins:** The numbers are dropping below that.

**Acting Chairman (Deputy Catherine Byrne):** Deputy Collins had his chance to speak and should allow the Minister to reply.

**Deputy Alan Shatter:** I remind the Deputy that the current numbers within the Garda Síochána are 13,450. On average, some 300 to 350 gardaí retire every year. It is always the case that the number of gardaí in a given year who have completed 30 years of service and for whom the option is available to retire is larger than the number who actually retire in that year. The Deputy is hawking around the fact that 1,200 members of the force are eligible to retire next year without any acknowledgement that while there was probably a similar number eligible to retire in preceding years, the number who did in fact retire was nowhere near that number. A considerable portion of the 1,200 gardaí eligible for retirement next year enjoy their work and want to remain in the force. I have no doubt they will still be in the Garda Síochána in 2014, never mind 2013. The Deputy should not seek to mislead people in this regard.

An issue on which he and I are agreed is that the Garda Síochána is doing an extraordinary job in targeting people engaged in subversion. Tragically, there is still a number of groups on this island intent on murder and mayhem. Some of them are masquerading as political groupings while engaged in substantial criminality. I assure the Deputy that the Garda will continue to target such groups and, where appropriate, to arrest individuals. Moreover, where there is evidence, individuals will be taken before the courts and prosecutions will ensue as appropriate. There should be no doubt that these matters will be dealt with properly before the courts.

## State Forestry Sector

**Deputy Michael McNamara:** Various organisations have written to the Department of Agriculture, Food and the Marine to express their concern that the proposed sale of the Coillte Teoranta forest crop will impact negatively on public access to and recreational usage of State forests. These organisations include Mountaineering Ireland, BirdWatch Ireland, An Óige, An Taisce, the Irish Wildlife Trust, and CELT, an environmental education organisation based in Scariff in east Clare which the Minister of State, Deputy Shane McEntee, visited earlier this year. These concerned bodies have pointed out that the Coillte estate covers more than 7% of Ireland's landmass and includes 11 forest parks and more than 150 recreation sites. It is estimated that 18 million individual visits are made to the Coillte estate each year, making it one of the most significant recreational and environmental resources in the State. The forests are used by orienteers, hill walkers, runners and bird watchers as well as local people and family groups. The public can access miles of walking, hiking and long-distance trails as well as the new cycle trails that are being developed by Coillte. This is a particularly important resource at a time when we are promoting good health, fighting obesity and striving to keep people out of hospital. Indeed, at a time when people have less disposable income to holiday abroad, it is even more important to protect our tourism resources.

My understanding is that the Government, at the behest of the troika and as part of the agreed programme for Government, has undertaken to sell the Coillte forest crop but not the land on which the trees grow. It is important to bear in mind that much of the Coillte crop was sown to be harvested as a commercial venture. However, ownership in itself will not protect the recreational use of forests. It is the management of the estate that will determine how public access will be maintained and amenities developed in the public interest. The use of State forests by the people of Ireland has been made possible by an open access policy by Coillte. It is very important that the recreational facility the crop provides is ring-fenced into the future if the crop is sold.

**Deputy Clare Daly:** We are discussing this issue against the backdrop of Coillte's decision to sell 1,000 acres of public forestry with the approval of the Minister, which is in addition to the 40,000 acres of public forest lands that have already been transferred into private ownership by Coillte. It is time for a rigorous public inquiry into the activities of this organisation. In the past three years it has amassed profits of more than €400 million, paid virtually no dividends to the State and paid its own chief executive officer a salary of just short of €500,000 despite the cap on semi-State salaries. Furthermore, more than €1 million of the moneys accruing to the body from the privatisation of public lands was used to plug a pension fund deficit in the organisation.

What is the Government doing to protect this vital amenity and asset belonging to the people of this country? A geological survey has been commissioned to analyse the mineral wealth that exists under these lands. Will that survey be published and who will have access to that wealth in the event of the lands or crop being sold off? What will the Government do to protect the jobs in that industry and, crucially, to develop other jobs in the sector? We compare very poorly with other European countries in this regard, many of which use forestry as a resource for job creation. In this country, on the other hand, Coillte has apparently been given *carte blanche* to sell these assets off for a quick buck in contravention of the best interests of the State and its taxpayers.

**Deputy Martin Ferris:** During the general election campaign, spokespeople from both Fine Gael and the Labour Party vehemently denied there would be any sale of Coillte forestry under their watch. That, however, is exactly what is happening. We are all aware of the latest statement regarding the privatisation by stealth of lands in Donegal. Since 2009, Coillte has sold off publicly owned lands worth €108 million without any public accountability or scrutiny and without any dividends being returned to the State. I have tabled countless parliamentary questions over the years on this issue, the response in each case being to point out that Coillte is a private company. Nothing could be further from the truth. Coillte is owned by the Department of Agriculture, Food and the Marine and the Department of Finance, both of which are shareholders, but we cannot get any answers regarding the company's activities.

Only Coillte lands that are viable for forestry will interest prospective foreign investors. We were told at a meeting of the Joint Committee on Agriculture, Food and the Marine that a sizeable portion of lands under Coillte control are not viable. What will happen to these non-viable, unsaleable lands when the profitable ones have been sold off? Regarding mineral rights, I was told that Coillte has compiled a detailed account of the mineral deposits that may exist on the lands under its control. What happens to those rights when land is sold to private interests? One of those interested international businesses is chaired by a former Taoiseach, Bertie Ahern. What happens in the case of a 100 year lease, for example? Will the mineral rights be protected?

**Minister of State at the Department of Agriculture, Food and the Marine(Deputy Shane McEntee):** I thank the Deputies for raising this matter. As Deputy Ferris said, he might not get many more answers from me on this, but I will provide an update on the matter.

Further to the Government decision that a concession for the harvesting rights to Coillte's forests be considered for sale, Coillte's board and management have been actively engaged in recent months with NewERA, the Department of Public Expenditure and Reform and my Department to examine the financial and other implications of developing the potential of Coillte's forest assets. As the Minister advised last week, it is the sale of the harvesting rights to commercial Coillte forests that is being investigated. Consultants have been engaged to do specific work around valuations and managing the way in which the sales process may proceed, with the aim of maximising the value to the State, if value is to be found, as well as taking account of issues that have been identified during the overall process. Some of the issues so identified include the possible impact to the timber industry, public access to recreational land, environmental and social impacts and consequential implications for the company and levels of employment. These issues and the measures, if necessary, to address them require detailed consideration.

A number of bodies have highlighted their concern that the current proposal to sell the forest assets owned by Coillte presents a threat to the use of these forests by the people of Ireland and by visitors to the country. The Government is highly conscious that Coillte, as part of its management of some 442,000 hectares of the national forest estate, plays a significant role in the provision of forest recreational activities. Coillte's forests provide a range of recreational opportunities for the general public, continuing a long tradition of open access to State owned forests. It was therefore determined that the process would not include the sale of land. The future management of the estate, the maintenance of the existing amenities and environmental issues are all being considered in the current analysis.

The Government intends to protect the State assets, including associated public goods,

which encompasses public access. It should be noted that most of the forests to which there is public access are not commercial crops. I reiterate that the decision relates to standing commercial timber. The outcome of the overall analysis will be considered by the Government upon its conclusion, which is expected early in the new year. This is a very complex process but I assure Deputies that the Government will act with caution.

Finally, the Deputies were also inquiring about the recent proposed sale, by public tender, of forestry land in County Donegal. Coillte Teoranta was established as a private commercial company under the Forestry Act 1988 and day-to-day operational matters, such as the sale and acquisition of land which take place regularly, are the responsibility of the company. This transaction is an operational matter at the discretion of the company and is separate from the Government decision that a concession for the harvesting rights to Coillte's forests be put forward for sale. I trust this clarifies the matter for the Deputies.

**Deputy Michael McNamara:** I thank the Minister of State for acknowledging the importance of public access. I can give two examples of its importance from my constituency of Clare. The Violet Hill forest, which is located near Limerick, is a very popular amenity. Most notably, Cratloe Wood attracts between 60,000 and 80,000 visitors every year. The East Clare Way follows a 172 km circular route through some of east Clare's most spectacular and varied scenery across Slieve Aughty and Slieve Barna and passes through parts of the Coillte estate. At a national level, we must acknowledge that Avondale House in County Wicklow, the home of Charles Stewart Parnell, is in a forest park that is maintained to a high standard by Coillte.

However, there is a reasonable assumption among people that the sale of the forest tree crop will produce a more aggressive commercial environment. Concerned groups fear that the open access policy will be threatened and that recreational amenities will no longer be maintained as they should be. State forests, even those that comprise commercial plantations which were planted to be harvested in a commercial manner, are on publicly owned land and should be managed and maintained for the benefit of the Irish people, even after the crop is sold.

**Deputy Clare Daly:** There is a problem with the Minister's reply. He says the sale and acquisition of land takes place on a regular basis and is the responsibility of the company. The Irish people believe these forests are our land and our crop, to be managed on our behalf. Coillte is making decisions to sell our land behind closed doors. It is clearly necessary, even more so in view of the Minister's reply, to have a rigorous public inquiry into the actions of this organisation. It is a commercial semi-State company, not a private commercial one. It pays over the odds to its chief executive officer and sells off land belonging to the people. It is not accountable anywhere for that activity. There is outrage in Donegal at the proposal to sell another 1,000 acres. That the Minister would say it has nothing to do with the Government and that it is the company's decision is not acceptable. There must be scrutiny of where our money is going and why these lands have ended up in the ownership of the Irish Forestry Unit Trust, an amalgam with AIB and Bank of Ireland and in which Coillte is also involved. There are many unanswered questions about what is a fundamental State asset. Switzerland, which is half the size of Ireland, employs ten times as many people in its forestry as Ireland employs.

**Deputy Martin Ferris:** It is a retrograde step to sell Coillte lands or forestry to private investors. Inevitably, those investors will opt for the more lucrative side of Coillte's operations. The Minister is effectively giving away the goose that lays the golden egg. It is a mistake and the Government should reconsider it. The Government should exploit the resources, be they commercial timber or otherwise, for the benefit of the Irish people. I still cannot get an answer

from anybody about what will happen the mineral rights. There are mineral rights, as we were told by the Coillte representatives when they appeared before a committee recently. If somebody takes a lease on the land and holds it for a period of years, what happens after they harvest the crop? Does it revert straight away or does it remain in the ownership of the privateers until the end of the lease?

**Deputy Shane McEntee:** I do not know the answer to that until the report is produced and there is a full analysis. I agree with the Deputy about mineral rights. Everybody is worried about what will happen. In response to Deputy Daly, since 2003 Coillte has sold 4,700 hectares. I am aware it is a big issue in Donegal. Perhaps a little more clarity from Coillte is required. However, that is not related to the sale of our forest plantations. Every year Coillte makes its decisions; we cannot hold it by the hand. Perhaps clarity should be forthcoming on a more regular basis. It would be helpful to everybody.

I have taken account of what has been said. I will revert to Deputy Ferris. On the last occasion it took a long time to revert to him, but I will take up the questions with the Minister, Deputy Coveney. I am aware that John Jackson in Donegal is very concerned about the sale of 1,000 hectares. The people of Donegal require more clarity about the matter. Perhaps a letter should be sent to Coillte. It is not obliged to give us the information but nowadays it is crucial that people be as up-front and open as possible. I have no doubt a properly worded letter to Coillte will get those answers.

### **School Curriculum**

**Deputy Seán Kyne:** I thank the Ceann Comhairle for facilitating this topical issue debate and welcome the Minister of State at the Department of Education and Skills, Deputy Ciarán Cannon.

As the Minister is aware, recent surveys have found that Irish pupils are doing well generally but are finding certain subjects, such as mathematics and science, more challenging. It is clear we are seeing the early positive results of the national strategy to improve literacy and numeracy among children and young people. We know from numerous international studies that a solid foundation in numeracy and literacy is essential not only for further educational attainment but also for daily life. It is also essential that we focus on the skills required to meet the specific opportunities in the labour market.

With the recent concern about skill levels, mathematics and science, the Minister, Deputy Quinn's, attention has turned to the time allocated to various school subjects, notably Irish and religion. I will focus on the issue of Irish. Is í an Ghaeilge ár dteanga dhúchais agus léiríonn an adonáireamh go bhfuil sé ar chumas 1.7 milliún saoránach an teanga a labhairt. I mo chontae féin, Gaillimh, tá 21% sa chontae agus níos mó sa chathair ábalta an teanga a labhairt. Laistigh dár gcóras oideachais bíonn beagáinín faoi bhun 450,000 daoine óga ag labhairt Gaeilge gach lá.

*6 o'clock*

Sin ráite, taobh amuigh den chóras oideachais bíonn beagnach 80,000 saoránach ag labhairt ár gcéad teanga gach lá. Tá sé soiléir ó seo, cé chomh tábhachtach agus atá an córas oideachas don Ghaeilge. Sin an fáth go bhfuil mé chomh inníoch maidir leis an ráiteas gur cóir an t-am

atá leagtha amach don teanga a laghdú. Is gá dúinn a chinntiú go mbeidh dóthain ama á roinnt ar réimse leathan ábhar, ach bheadh sé gearr-radharcach breathnú ar laghdú ama don Ghaeilge mar réiteach chun an caighdeán a fheabhsú i réimse eile.

It would be shortsighted to view the curtailment of Irish as a solution to improving standards in areas highlighted by the Minister. We must have a serious national debate about the place of Irish in our society. In this debate, all shades of opinion must recognise a number of points. Untold damage has been done to the reputation of Irish among older generations on account of how the language was taught. Instead of an inspirational, student centred approach, based on imparting communication skills, Irish was taught in the same manner as English with poetry and prose drummed in at the expense of linguistic skills. In effect, we were directed to run before we could walk. The negativity that such an approach fostered lived on after one's education. Minds began to close and the problem was exacerbated by the grammar gardaí who highlighted mistakes in place of encouragement.

Outside the education system, things have changed, with Radio na Gaeltachta, TG4, Gaelscoileanna and *Foinse* transforming the fortunes of Irish by adapting new approaches. The latest developments to revitalise and encourage include a new Irish language smart phone, an iPhone app, children's television programmes, innovative and stimulating television programmes, particularly documentaries, and new products such as BábógBaby.

A similar new approach is needed in our classrooms and we need to focus on imparting communication skills to stimulate an interest in, and encourage the use of, Irish. It is not acceptable that, after 14 years of Irish classes, and less than half on a foreign language, a person may graduate with a much greater command of a foreign language. We must remember citizens who left school with a poor command of Irish, tarnished by negative memories. I acknowledge the opportunities before us, including the reform of the junior certificate, blian na Gaeilge in 2013 and the different features of the 20 year strategy for the Irish language. Time is against us and we must transform how we teach Irish in our schools and within the education system before we reach the point of no return.

**Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):**

I am taking this issue on behalf of my colleague, the Minister for Education and Skills, Deputy Ruairí Quinn. It is agreed that reform is needed not only in how Irish is taught but how other languages are taught in schools. As Deputy Kyne points out, we need a greater emphasis on spoken language and oral fluency. Irish is in the vanguard of these reforms.

Reform is being considered in the context of the 20 year strategy for the Irish language, mindful of current resource constraints. The strategy contains commitments that a high standard of all-Irish education will be provided to school students whose parents or guardians so wish; that Gaelscoileanna will continue to be supported at primary level and all-Irish provision at post-primary level will be developed to meet follow-on demand; and that Irish language pre-school education will continue to be supported and third level education through Irish will be further developed. One of the key curriculum initiatives is the national strategy, Literacy and Numeracy for Learning and Life, which the Minister published in July 2011. The strategy acknowledges that learners in Irish schools experience language learning in both English and Irish throughout their school careers. We also have a range of linguistic settings in our schools - English-medium schools, Gaelscoileanna, Gaelcholáistí and Gaeltacht schools.

Early childhood education is also available in both Irish medium and English medium set-

tings. This diversity is part of the richness and strength of the Irish education system. However, it is also important to recognise that diversity brings particular challenges for the teaching and learning of literacy. As part of the strategy, the NCCA is currently developing an integrated language curriculum for primary schools that will include Irish and English and be available by 2014 for infant classes. Over subsequent years, the language curriculum for senior classes will also be revised.

At post-primary level, the framework for the junior cycle sets out the Minister's position. The framework will be implemented from September 2014. In line with the literacy and numeracy strategy, the Irish language syllabus will be revised for implementation in schools from 2015. Without wishing to preempt the work of the NCCA, it is likely that the revised curriculum will have a much greater emphasis on oral Irish. One of the 24 statements of learning that forms part of the framework for the junior cycle is that the student should reach a level of proficiency in a second language, which is Irish for most students, in reading, writing, speaking and listening. In addition, the junior cycle framework allows for the development of short courses. I encourage schools to develop short courses in Irish, which can help to develop additional fluency and support literacy.

At senior cycle, there has also been a focus on the development of students' oral Irish competency as seen in the increased allocation of marks, up to 40%, in the oral examination in the leaving certificate. The approach to the teaching of Irish is being considered across the curriculum with a view to achieving fluency for our students.

**Deputy Seán Kyne:** I welcome some of the initiatives enacted and the increase in the percentage for oral Irish in the leaving certificate. The Minister stated that, without wanting to pre-empt the NCCA report, it is likely the revised curriculum will have a greater emphasis on oral Irish. My concern is the comment of the Minister, as reported, about the amount of time we spend teaching Irish. The Minister referred to Irish and religion but I am addressing Irish today. I represent the largest Gaeltacht area and there is concern that this will lead to denigration of the Irish language. Focusing on mathematics and science by reducing the time spent on Irish will not necessarily improve the situation and may have a detrimental effect on Irish. We must be conscious of the 20 year strategy for the Irish language. In year 19 of the strategy, there is no point in saying that things are not going as well in the primary and secondary education system as had been hoped. We must ensure we continue and improve the system of spoken Irish and the way it is taught in our primary schools. Reducing the number of hours, without a clear strategy or a statement of how we will protect the language, is a concern.

**Deputy Ciarán Cannon:** Deputy Kyne should not have any concern about the commitment of the Minister for Education and Skills, Deputy Ruairí Quinn, to the Irish language and its teaching in our schools. The curriculum reforms being undertaken in respect of the Irish language are extensive. The way Irish is being taught should change and is changing. There will be greater emphasis on spoken and communicative Irish.

Our young people spend 12 or 13 years of their lives studying the Irish language and the vast majority do not leave school with a serious degree of competency or fluency in the spoken language. Our emphasis should be on addressing this and the change being implemented across the system will lead to greater fluency and competency in the spoken language.

## **Finance (Local Property Tax) Bill 2012: Committee Stage**

### SECTION 1

**Acting Chairman (Deputy Catherine Byrne):** Amendments Nos. 1 to 3, inclusive, are out of order and may not be moved. Deputies may speak on the section but not on the amendments.

**Deputy Joe Higgins:** I raise a point of order. Standing Orders state that every amendment must be relevant to the motion to which it is proposed and must be directed to omitting, adding or substituting words. It is also stated in Standing Orders that no amendment which is equivalent to a direct negative shall be accepted. The amendment in the name of Deputy Boyd Barrett and in my name, suggesting a realistic and truthful name for this so-called local property tax to the effect that it be called the bondholders' and bankers' bailout tax, does just that. It suggests a different name for the Bill. Why is it ruled out of order?

**Deputy Richard Boyd Barrett:** May I elaborate Deputy Higgins's point? The amendments are to section 1, which is the definitions section of the Bill. The basis of my amendment is that we believe the Title we propose is, objectively, a more accurate description of the Bill. I do not see how it could possibly be out of order. In a telephone call from the Department, we were told the amendment was declaratory in nature. It is not. It simply says we believe the Title we propose is a better, more appropriate and more accurate name for the Bill. It tells us more correctly what the Bill is and what is in it.

**Acting Chairman (Deputy Catherine Byrne):** The amendments have been ruled out of order. Therefore, we need to proceed.

**Deputy Pearse Doherty:** A number of amendments have been ruled out of order, and I am not challenging the ruling of the Ceann Comhairle in that regard. There is, however, a need for clarification for future legislation. This is not a property tax. The Minister knows what property is. It is not just a home. It also includes other assets, such as stocks and shares, gold, savings and so on. The Bill proposes a home tax and that would be the most apt Title for the Bill.

Amendment No. 1, which has also been ruled out of order, gives the Government the opportunity to look at other revenue collecting possibilities by imposing a real property tax. If we are debating a property tax Bill, as the Title of the Bill suggests, amendment No. 1, submitted in my name, provides for a real property tax that looks at the net assets of individuals.

As we go through the Bill we will see that we are, in many instances, taxing debt. Where people have mortgages that are in excess of the value of their family home, we are taxing a liability or taxing debt. That is what the Government intends to bring through.

There are 88 amendments before the House and we have three hours to debate Committee Stage, which gives us less than two minutes per amendment. Deputies also have a democratic right to call votes, which will eat into that time. I know it is embarrassing for the Minister for Finance, given the commitment made by him and all Government party Deputies, before they came into office, to oppose a recurring residential property tax. It is appalling that we are in this situation.

**Acting Chairman (Deputy Catherine Byrne):** I must stop you there, Deputy. There is no problem in Deputies speaking on the section. The first three amendments have been ruled out of order and I have given Members the reason for that. If the House wishes to debate the section, you may speak first, Deputy Doherty, followed by Deputy Catherine Murphy. Minister, did you wish to speak?

**Minister for Finance (Deputy Michael Noonan):** I raise a point of order. I think I should have read the financial resolution before the debate began.

**Acting Chairman (Deputy Catherine Byrne):** The resolution was read after the Order of Business by the Minister for Public Expenditure and Reform.

Question proposed: "That section 1 stand part of the Bill."

**Deputy Pearse Doherty:** Section 1 deals with when the Act will come into operation and the Title of the Act, which deems it a local property tax. That is an offence to what is contained in the legislation because it is not a local property tax. Property is far more than a family home. If the Government really wanted to introduce an assets tax or property tax, it would have proposed something similar to what I proposed in amendment No. 1.

In their election manifestos, every Deputy from Fine Gael and the Labour Party, including the Minister for Finance, told the electorate they were opposed to an annual recurring residential property tax. The Bill is cited as the Finance (Local Property Tax). This tax is recurring and is in complete breach of the Government's mandate. This is another broken promise in relation to that mandate.

This will be a tax on debt. This is not a tax on property. It is a tax on people's mortgage liabilities and on negative equity. People paid thousands, if not tens of thousands, of euro in stamp duty. No party has a mandate to bring forward the type of taxation measure that is before us today. The only party that went to the electorate with a proposal to introduce a recurring property tax was Fianna Fáil. That was different in nature, being a site value tax. This tax has no mandate from the public and should not be brought before us today.

It is embarrassing for the Minister, given the commitments he gave when he walked the highways and byways telling people there would not be an annual recurring residential property tax. It is an offence to pretend this is a property tax that, somehow, widens the tax base. The Government is dipping its hands into the pockets of struggling home owners. We know from last week's report that one in four home owners has a difficulty paying their mortgage and is in mortgage distress. These are the people into whose pockets the Government intends to dip its hand next July and who will be asked to pay for a home on which they cannot even pay the mortgage to keep a roof over their heads.

**Deputy Catherine Murphy:** I have a problem with the Title of the Bill on a number of grounds. First, I cannot figure out what piece of property someone owns if they are in negative equity. If a person's income is below a certain threshold and the tax is deferred, the liability can follow that person around, even after their house has been repossessed. Second, the word "local" is a misnomer. Only 65% of the revenue raised will be spent locally. The other 35% could be redistributed in a very unfair way.

The Title is important. It is wrong to call this a Finance (Local Property Tax) Bill. The local authorities have had their funds dipped into in the past two or three years and there is now a

gaping hole. This is a way of substituting for that by making people pay a tax that in many cases is essentially a form of income tax because it is coming out of their wages or social welfare payments in the same way as a normal PAYE deduction. It is dishonest to call it a property tax.

**Deputy Joe Higgins:** It is mendacious in the extreme to refer to this new imposition as a local property tax. It is not levied locally; it is levied by central government, and central government is putting one of the most centralised authorities in the State, the Revenue Commissioners, in charge of administering and attempting to collect it. It is not in any sense a local tax; it is a bankers and bondholders bailout tax designed to gouge €250 million from low and middle income earners and social welfare recipients this year, and double that in a full year. It represents Fine Gael and the Labour Party slavishly continuing the disastrous capitulation to the troika, the establishment of the European Union, the European Central Bank and the IMF, and continuing the bailout of bondholders and bankers, making up for their disastrous gambling losses on Irish property by placing a massive burden on ordinary working class people. A local property tax would be raised locally and spent locally. In fact, as we know, this is a crude replacement for the €170 million the Government cut from the local government fund in the budget for 2012.

I am not among those Deputies from the Government parties who cynically came in here to raise the issue of distinction and alleged unfairness between rural and urban residents because urban households are more expensive and will therefore face a greater tax burden, with tax rates in Dublin subsidising places outside Dublin. I am in favour of national subsidisation of people and services, not of localism or setting country against town. The name of the tax, however, and the attempt by the Government to portray it as a local property tax must be challenged.

The reality is that the Minister had many alternatives that could raise the amount of money about which he talks with this tax, and far more. In a reply to a parliamentary question the Minister gave to me on a simple gradation of extra taxation of income over €100,000 and €200,000, he said €1.1 billion could be raised next year. Another model the ULA used based on substantive figures suggested €2.5 billion could be raised while leaving people with millions in income on a yearly basis still quite wealthy. That is before we even consider wealth or corporation taxes.

We should also object to the description of this tax as a local property tax because of the Government spin that this represents a broadening of the tax base, as if it would come from some mysterious force and not from the incomes of working people and social welfare recipients and pensioners, as if every householder has a crock of gold hidden somewhere into which he or she can dip to pay this “local” property tax. The provision for deduction at source, where the Government will grant the Revenue Commissioners the power to instruct employers to take the money in the same way and from the same income as income tax on the same day it is paid, gives the lie to the suggestion that this is a new, progressive broadening of the tax base.

It is appropriate to warn the Government at the start of Committee Stage that there is a burning fuse of anger in society generally resulting from the unjust bailout and the burden being placed on ordinary people, the massive cuts, the disastrous austerity and all that follows, the mass unemployment, the cuts to services and the suffering of our people, the negative equity and those who paid stamp duty now being hit again. There is a burning anger out there and there will be a massive revolt on this issue, far greater even than on the household tax, as the true implications of this tax are born out. There will be a huge conscious and organised movement among masses of people to boycott this process and to refuse to register or to pay. The Revenue Commissioners will regret the day they were given the power to administer and to try to collect

this tax. It is one thing trying to collect from self-employed people and small businesses, those who want to make arrangements because they have problems paying, but it is another thing to face a mass movement of opposition by an enraged population, the majority of whom believe it is utterly unjust and unaffordable in many cases and that it is simply a bondholders and bankers bailout tax. There will be a massive revolt and resistance. Even at this stage, the Government should be forced to redraw this regressive and unjust measure.

**Deputy Richard Boyd Barrett:** In so far as this section deals with the title of the Bill, in many ways it gets to the heart of the dishonesty and cynicism that lies behind it. It is simply an abuse of language and meaning to call this a property tax, particularly in the context of the unprecedented popular campaign of resistance and boycott against the unjust household charge.

The Government claimed repeatedly it would bring in this tax as a replacement to the household charge, which it was forced to abandon, and that it would introduce a fair and progressive system, effectively implying it would be a wealth tax. We on the left had consistently called for such a tax in recent years and thought it was about to be introduced.

That, however, is not what this is at all. It is absolutely clear at a range of levels that it is not a property tax in the sense of property being real wealth held by what most people understand to be the wealthy, those with lots of property, the men and women of property, as they were called when people like Wolfe Tone tried to organise the men and women without property. It was understood what that meant. It meant that there were some people who had lots of wealth and property and there were some who had little or none.

This is not a tax being imposed on those who have huge accumulations of wealth and property. This is a tax being imposed on every ordinary citizen in this country regardless of their ability to pay. It is a tax simply on the roof over their head, which is effectively a tax on the right to live in a civilised way. It is an obnoxious attack on ordinary citizens, utterly disregarding their capacity to pay it, to survive, to pay their bills, to educate their children and to manage in this extraordinarily difficult situation in which so many find themselves.

Earlier today in the Dáil the Taoiseach effectively admitted this. When Deputy Higgins asked him, given that four years ago he railed against any attempt to put a tax on the family home, why he is now imposing just such a tax, he said that things had changed and that we are in an extraordinarily difficult situation. He was referring, of course, to the financial collapse caused by developers, bankers, speculators, bondholders and all the rest of it. In other words he was acknowledging precisely the point we were making in referring to it as a bondholders' tax and that is what it is. There was no morality or progressiveness to it - it was simply an austerity tax being imposed in order to satisfy the troika and ensure the protection of the bankers and bondholders and to make ordinary people pay for that fact. It clearly confirms what we and everybody else in the country knows and believes to be the case. That the Government persists in trying to pretend it is progressive or a property tax in any sense that ordinary people would understand is pure dishonesty and spin on its part.

Another piece of evidence of how dishonest the attempt to call it a property tax is illustrated by what is happening in the local authorities. I presume what happened in Dún Laoghaire-Rathdown County Council this week is being replicated everywhere else. The Dún Laoghaire-Rathdown county manager was asked why the budget going through the council this week makes no mention of the property tax even though Dún Laoghaire-Rathdown County Council will be required to pay €7 million to the central government to meet its obligations under this

property tax. The county manager was asked where he would get the money if he is sent such a bill by the Revenue Commissioners and he said it would go onto the rents of council tenants. So people who have no property will have this imposed on them by the local authority, which clearly indicates this is just a tax on ordinary people. It is not a property tax and the bill will be paid by local authority tenants.

Similar points have been made about people in negative equity. This is taxing the ball and chain around people's legs. This is like attaching a ball and chain to somebody, throwing them into the river, asking them why they cannot swim and threatening menaces and punishments because they cannot swim. It is outrageous. The homes of people, whose mortgages are like an albatross around their necks, some of which are damaged by pyrite or have major structural problems such as in Priory Hall cannot in any meaningful sense be described as property - as a form of wealth - on which it is legitimate to levy a tax.

The real giveaway which totally exposes the lies being used to justify the Bill is that it is being collected by the Revenue Commissioners, the people who collect income tax, and not by the local authorities. It will not increase in any way the provision of services or the funds available to local government. In fact, as I have just explained, local government will have to give money back to central government, having less money for services and punishing their tenants. That it is being collected by the Revenue Commissioners exposes the implication that somehow ordinary people have a different pot of money. The Minister is guilty of using the sort of mythology we tell children when they ask where we will get the money and they are told that it is on the money tree in the back garden. Does the Minister believe that hundreds of thousands of citizens, who are unemployed or have had their incomes savaged and are in mortgage distress, have money trees growing in the back garden and that they will be able to go and pick the money from the tree on their property in order to pay this tax? It is ludicrous.

Why does the Minister not tell the truth at least in the title of this tax and call it what it is? It is a tax to satisfy the greed of the bankers and bondholders being imposed on the roofs over the heads of ordinary citizens of this country regardless of whether they own that roof, regardless of their ability to pay it and regardless of their ability to keep food on the table for their children. It is shameful.

**An Leas-Cheann Comhairle:** I call Deputy Michael McGrath. I point out there are a good number of speakers.

**Deputy Michael McGrath:** I understand and I thank the Leas-Cheann Comhairle for giving me the opportunity to speak to section 1. Sometimes I despair about how we conduct our business in the House.

**Deputy Michael Noonan:** Me too.

**Deputy Michael McGrath:** I do not believe there is an organisation anywhere in the country that would make a decision of any importance in the way we are making this decision. This is an historic Bill and probably one of the most important Bills this Dáil will discuss. It has 159 sections and there are 88 Committee Stage amendments. Here we are with less than three hours left before the Bill will be rammed through the House.

**Deputy Michael Noonan:** The first half hour has been wasted by the Opposition on total bombast.

**Deputy Joe Higgins:** No it is not; it is telling the truth.

**Deputy Richard Boyd Barrett:** The truth the Minister does not want to hear.

**An Leas-Cheann Comhairle:** Deputy Michael McGrath has the floor.

**Deputy Michael McGrath:** The Minister will not hear any bombast from me. I will make a few points and I want us to get down to the detail of the Bill. I remind the Minister as other Deputies have done that he does not have any mandate to introduce this property tax Bill because he said he would not do it. In the general election campaign he and his party campaigned on the basis that it would not introduce any annual recurring tax on the family home. His party claimed it would be unfair and it was considering alternatives such as increasing user charges for waste. The central idea it had was a local site sale profits tax. It claimed that both of those would be fairer and more economically sensible than an annual recurring property tax. That is the basis on which Fine Gael contested the election and got the votes. The Labour Party advocated a site-value tax but suggested that people in negative equity should be taken into account as should people who paid stamp duty. It also argued that certain categories would need to be exempt. So there is no mandate for the introduction of this property tax by the Government.

At the heart of it, the flaw is that the Government is not taking into account in any way the ability to pay. It is not taking into account the respective value of the mortgage attached to the property. The Minister concluded his Second Stage speech by saying: "This tax is also structured to adhere to the Government's other key objective to be fair and progressive - the wealthiest will pay the most". That is absolutely untrue. This is not a tax on wealth because if it was the Government would allow people to net off against the value of the property the respective value of the mortgage. That would be a start in this debate. Let us not dress up this Bill as something it is not - it is not a tax on wealth and it takes no account of ability to pay. As I said to the Taoiseach in this House earlier, a family with two, four or six children with a gross weekly income of anything more than €480 per week will not be able to defer this tax in full, which is ridiculous. The Government is giving people in mortgage arrears the choice of paying a property tax or trying to service their mortgage in some way. This is in no way a fair tax.

I lament the way in which we are dealing with this Bill. I hope we can get down to some business but if the Minister had any sense, he would put it back to the new year. When the Taoiseach was challenged in the House today about why there was such a rush to bulldoze it through the House, he replied that we were taking up the Presidency of the EU on 1 January and we need to get these things out of the way. I can tell the Minister that this Bill and the property tax are far more important to most ordinary Irish people than Ireland taking up the Presidency of the EU. There is no logical reason we cannot return to this in January and debate it in a mature and responsible way.

**Deputy Brian Stanley:** I thank the Leas-Cheann Comhairle for giving me the opportunity to contribute to this debate. My contribution will be short. Looking to my right, it is interesting to note that the only member of the Labour Party present is a man involved in the campaign for Labour policy because the rest have forgotten what they campaigned on. The Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, confirmed that the other night on television.

Amendments Nos. 2 and 3 in section 1 are about trying to get the language straight. I regret that amendment No. 1 from Sinn Féin is not being taken. Language is everything. Let us take

the terms “serviceman” and “terrorist”. The serviceman is the guy in the aeroplane with the big bomb, while the terrorist is the fellow on the ground with the small bomb. That is the way it works. There are cuts and there are adjustments but could somebody tell me the difference between them? We have a property tax and a family home tax so language is used to cover everything. The Labour Party and Fine Gael are deliberately using false language to mislead people about what is happening.

I will make a short appeal. The Government will tax the disabled, the unemployed, pensioners and the low paid. These are the people who are hungry behind closed doors this evening. I met some of them in the past week. They are people who bought houses and who, up to three or four years ago, were flying and did not need help from the State or anyone else. They were net contributors who were pouring money into the coffers of the State in VAT, PAYE and stamp duty. They are now in dire straits but will be slapped with this penal tax of €300, €400 or €500. We should get the language straight.

Somebody raised a point about council tenants. Council tenants do not have any wealth invested in the house. They pay rent, which the Government will put up because that is what will happen when this Bill is passed back to the county managers. They will charge it on the local authority rent. The Government is taxing a liability in the case of people in negative equity. It is taxing people in significant negative equity. There are properties in the estate next to me that were bought for €250,000 during the boom but are now worth €50,000. That is what the Government is going to tax. Does the Minister realise that and can he look those people in the face and tell them he is going to tax a liability? We need to get the language straight here.

I am saying this truthfully, if the Minister can put the economics to one side. We have presented the alternative based on figures from the Minister’s officials. Surely, he is not going to call the people on his right liars? Will anybody here call them liars and say the data they gave to us in answer to parliamentary questions are false? They were not false because they do not do that. I have that much respect for them.

The Minister will push families over the edge. I recently met people who I had not seen for 12 or 14 months. I saw the deterioration in their physical and mental health. They were strong people, some of whom had their own small businesses, but they are now broken financially, physically and mentally. In the past week, people have sat across the table from me in my constituency office and talked about suicide. One man told me he considered finishing things last Thursday. Normally, I refer people to the Revenue Commissioners, the Department of Social Protection or the money advice and budgeting service. I referred this person to the Samaritans.

I want the Minister to take this on board and stop. There is still time to pull back from this and he does not need to rush it through. The only reason he is rushing it through is so that Deputies on the Government benches can go back to their constituencies, eat their Christmas dinner in peace and not be harassed by constituents trying to change this. The Minister knows that if he leaves this until January, constituents will turn the heat up, especially on Labour Party Deputies and Fine Gael backbenchers. I am asking the Minister to have some humanity, change the language in this Bill and look again at it. For God’s sake, let him think of the people who built up and carried this country but who are on their knees and broken in the three ways I described and stop it once and for all.

**Deputy Patrick Nulty:** I am very happy to contribute to this debate. I have been in this House for about 14 months. If a debate lasting a couple of hours on an issue of this nature is

what passes for democracy for this country, we have some very serious questions to answer. It is not real debate and it is not appropriate to say that people contributing to the debate are engaging in bombast. This is the only opportunity elected Members of this House from all parties and political philosophies get to discuss this issue because it is being railroaded through. This is wrong regardless of who the Government is. It should be said that it is totally undemocratic.

I have a few things to say about the Title of this Bill. When people talk about this so-called property tax, they need to stop saying it is progressive. It is not progressive. A tax that is progressive is based on income and ability to pay. Someone on the average industrial wage will face the same liability for this tax as someone earning a six figure sum. That is not progressive, rather it is regressive. Any economist or first-year student of political economy can tell the difference between a progressive and regressive tax. It is quite simple.

I am disappointed that amendment No. 1 has been ruled out of order because my colleagues, Deputy Tommy Broughan and Nessa Childers MEP, have put similar proposals to the Minister about a wealth tax. My amendment in respect of section 17, which would increase the tax on homes worth over €1 million to 1% rather than 0.5%, has been ruled out of order. That would be a very moderate increase that the Minister could introduce later on this evening on Report Stage if he wanted to. I understand that it would bring in an extra €24 million which would pay for the restoration of the respite care grant, the cut in which was forced through last week. I understand it was the Minister and other Fine Gael Ministers who blocked an increase in income tax for people earning €100,000 per year because they are obsessed with protecting and looking after them. It is a case of protect the rich at all costs but attack people on low incomes.

I spoke to someone last week who paid €10,000 in stamp duty, is unemployed and faces losing their home. Where is this person going to get the extra €250 or €300 to pay this tax? The Minister must provide an explanation because this person faces losing their home. Their asset is wrapped around their neck and they do not know how to get out of the suffocating personal debt they have. The Personal Insolvency Bill will not address it either. We cannot go on getting blood from a stone and sucking money out of the economy, which is costing jobs. The budget will cost 40,000 jobs, according to the Nevin Economic Research Institute. That is not economic recovery. This Bill is not progressive. It is another attack on working people. Unless there is a dramatic change in economic policy, this economy will stagnate for years with massive structural unemployment and people picking up the pieces for years to come. This is the reality we face unless we change course. This tax is the wrong tax on the wrong people, although Fianna Fáil opposing it is absolute hypocrisy.

**Deputy Shane Ross:** I have listened to what the other Deputies have had to say. Deputy Joe Higgins may represent a very different electorate from me but when he says there will be resistance to this tax, he is right. The Government has, in an extraordinary way, misread the mood regarding this tax. The Government has almost unprecedentedly managed to unite middle Ireland, people who are quite prosperous, people on middle incomes and people on lower incomes because this tax is a sledge-hammer which does not allow for anybody who is poor bar those earning up to approximately €15,000. It does not allow for any exceptions for negative equity, mortgage arrears or stamp duty and expects middle Ireland to accept it.

The Minister should realise this is possibly a tipping point where he will see resistance which he did not anticipate. There is nothing more guaranteed to garner and unite opposition to the Government than this particular tax. The Title to the Bill which we are debating summarises it perfectly. It is a lie. This is not a property tax or just a local tax. It is typical of those who

draft Bills of this sort that they now produce syrupy words and show contempt for the electorate by expecting people to accept them as a description of what is inside the Bill. This is not what is in the Bill. The Bill is a tax on people who have a roof over their heads regardless of whether they are part of middle Ireland. This misjudgement of the mood is something the Government will live to regret. The Government knew perfectly well - this is what is so distressing - when it drafted the Bill and called in the ranks of the Revenue Commissioners that it could not collect it in the way it normally does. It is not a local property tax Bill because it will be levied by the people who are the most central to the collection of tax in the country, and not only the most efficient but the most feared. To ask the Revenue Commissioners is bringing in a dimension which states we know it cannot be collected in any other way.

I was not an advocate or supporter of the household charge resistance campaign but it was effective in one way because it showed there is a tipping point for a large number of people whereby they will no longer pay their tax or cannot do so. In this case it is worse because the Government realised people cannot afford to pay it so it introduced a tyrannical measure. The Government said these people cannot afford it but someone in the Department said it is a good bookkeeping exercise so it will be levied and taken from their pay. I do not want to be over-dramatic but I think it is true that those who have had it docked from their pay or social welfare will have to make hard choices. They must decide whether they can eat properly, what they will feed their children and whether they will live in the cold. The one thing that will happen is that they must pay their property tax. This is an unforgivable way to govern. It is inhuman. It is saying we are desperate and the people will be more desperate. It is taking orders from elsewhere and making the people suffer unbearable punishment and penalties.

I cannot understand why the Government did not realise the pain it is imposing on people with this. Everybody in their constituencies comes across this on a daily basis and it is extraordinary. The mention of property tax has that unifying effect which is anti-government and anti-establishment, and has the potential to garner a rebellion on the taxation issue which has not been seen here before.

It is disgraceful what is happening here today. I understand what the Minister said about bombast, but it was his Government which refused to give us time to discuss this on Second Stage. This is why the Minister is hearing Second Stage speeches now, because nobody had an opportunity to do so before. This is further evidence of the contempt with which measures of this importance are treated by the Government, because they are rammed through Parliament and then the Government says those taking advantage of the rules to get a debate going which was not evident on Second Stage are somehow committing oratorical sins. This is the only opportunity the Government is giving us to do so. We are sacrificing the amendments, which everybody in the House knows will be treated with contempt and will not be accepted, so we might as well take advantage of this period to say some of the things we were not able to say on Second Stage.

As several speakers have said, this is not a tax on property exclusively. It is a tax, as Deputy Doherty and other stated, on debt. Perhaps in his reply the Minister will be able to give us another example. Are overdrafts or fixed loans taxed? Is there anywhere else where debt is actually taxed? It is so punitive and thoughtless. A sledge-hammer was taken and it was decided to make very few exceptions.

The idea of a deferral is further hypocrisy and cruelty because it is saying to those who defer they cannot afford it, which they cannot as otherwise they would not defer. Only those in dire

straits will be able to defer but in doing so they will incur another debt and be charged for it. They will be put in a spiral out of which they will no longer be able to escape. This is the thinking behind the Bill. I do not know which Ministers or members of the Government decided this but its insensitivity smacks to me of some very insensitive mandarins who decided €500 million is to be made in this way so it should be introduced because it makes good economic sense. It makes for human misery. This is the thinking behind the Bill.

It is fair to say those in Dublin, Cork and urban areas have not been treated fairly. It would be only reasonable to have a debate at least on this aspect.

**An Leas-Cheann Comhairle:** We are discussing section 1.

**Deputy Shane Ross:** I know and I am explaining why the Title is wrong and I will elaborate on it. Section 1 is about whether it is a local property Bill and I am addressing the issue.

The issue of whether people in Dublin and other urban areas or in areas where property is more valuable than an identical or similar property in a rural or another area is fair to debate and should be addressed. It seems very unfair that those with smaller earnings and larger borrowings but nominally more valuable houses should have to pay more in this tax than those with large earnings, identical houses and smaller borrowings. This is the situation. Many people in my constituency of Dublin South and elsewhere will suffer because the Minister, the Government and the Department of Finance are absolutely unprepared to make any reasonable concessions on this or on the question of stamp duty. Young people hit by cuts to child benefit, changes to PRSI and the other measures which have hit middle Ireland are not able to pay this tax and one reason for this is they have already paid tens of thousands of euro in stamp duty to the Government which they regard as a property tax.

**An Leas-Cheann Comhairle:** I remind the House many speakers wish to contribute.

**Deputy James Bannon:** I tried to speak last week on the Bill but unfortunately time did not allow so I was told I would have an opportunity to speak on Committee Stage.

**Deputy Richard Boyd Barrett:** It was guillotined.

**Deputy Noel Grealish:** Deputy Bannon voted for the guillotine.

**Deputy Michael McGrath:** That is why we are having Second Stage again.

**Deputy James Bannon:** Deputy Nulty was correct when he spoke about the hypocrisy of Fianna Fáil because we all know-----

**Deputy Michael McGrath:** This is Deputy Bannon's Bill and he cannot disown it.

**Deputy James Bannon:** Deputy McGrath has a very short and blinkered memory

**Deputy Michael McGrath:** My memory is fine.

**Deputy Michael Healy-Rae:** There is nothing wrong with his head.

*7 o'clock*

**Deputy Michael McGrath:** Deputy Bannon has a very short memory. Does he want to see what he proposed last year? I suggest he reads it. That is how he got the votes in Longford-

Westmeath. He lied to the people. He should admit it.

**An Leas-Cheann Comhairle:** Deputy Michael McGrath cannot display those posters.

**Deputy Michael McGrath:** Deputy Bannon should not talk about it.

**An Leas-Cheann Comhairle:** I want the same respect for Deputy Bannon as everybody else received.

**Deputy Michael McGrath:** Deputy Bannon should stop waffling.

**Deputy James Bannon:** Deputy Michael McGrath is like the bride in Cinderella - whiter than white.

**Deputy Michael McGrath:** There it is. I will give Deputy Bannon a copy.

**Deputy James Bannon:** This property tax has been pushed on us by the EU-IMF in co-operation with Fianna Fáil after that party bankrupt this country and sold us down the river. This is the party that called itself republican, although it depends on the constituency in which one was during the past election. In some constituencies, they had the republican banner loud and clearly visible on their election literature. In others, they had it tiny because-----

**Deputy Michael McGrath:** Is this relevant to section 1?

**Deputy James Bannon:** -----people realised that they sold us down the river.

**Deputy Michael McGrath:** I would say Deputy Bannon's logo will be fairly small on the next occasion. One would need binoculars to see it.

**An Leas-Cheann Comhairle:** Order, please. Deputy Bannon on section 1.

**Deputy James Bannon:** The mismanagement of the economy was brought about by the actions of Fianna Fáil in the Galway tent and other places over the year rather than doing the business of the Dáil in this House. The current leader of Fianna Fáil had his hands, and, indeed, head, in the Government for the past 14 years.

**Deputy Michael Healy-Rae:** Has Deputy Bannon forgotten that he is in government now?

**Deputy Michael McGrath:** Is that what Deputy Bannon has to say to the people who must pay their tax?

**An Leas-Cheann Comhairle:** Order.

**Deputy James Bannon:** People do not forget that.

**An Leas-Cheann Comhairle:** Order.

**Deputy Mattie McGrath:** The angry man of the previous Dáil.

**Deputy Michael McGrath:** Is that how Deputy Bannon will defend it?

**An Leas-Cheann Comhairle:** Order.

**Deputy James Bannon:** I hope they will not forget that.

**Deputy Mattie McGrath:** They will not forget Deputy Bannon either.

**Deputy Michael Healy-Rae:** They will not forget Deputy Bannon.

**Deputy Michael McGrath:** A hot-air balloon.

**An Leas-Cheann Comhairle:** Will the Deputies settle down, please?

**Deputy James Bannon:** I see the terrible twins are backing up Deputy Michael McGrath.

**Deputy Michael Healy-Rae:** We are telling the truth.

**Deputy James Bannon:** They are rejects from Fianna Fáil, as bad as it was.

**Deputy Michael Healy-Rae:** We are telling the truth.

**Deputy Mattie McGrath:** Deputy Bannon himself is a reject.

**An Leas-Cheann Comhairle:** Please.

**Deputy James Bannon:** No doubt this property will add to the burden and, indeed, hardship, of many throughout the country, and that is unfortunate.

**Deputy Mattie McGrath:** What about the big farmers up the tree-lined avenues?

**Deputy James Bannon:** There are many who are on low incomes going through rough times and who cannot afford to pay the €100 household charge all at once. I would plead with the Minister to include in this legislation an easy payment system for the less well-off-----

**Deputy Mattie McGrath:** Bring in the sheriff.

**Deputy James Bannon:** -----similar to what-----

**Deputy Mattie McGrath:** The Revenue Commissioners' sheriff.

**Deputy James Bannon:** -----applies in the collection of motor tax. There is an easy payment system of motor tax and it is something the Minister could include in this Bill.

**Deputy Pearse Doherty:** Deputy Bannon has not read the Bill.

**Deputy Richard Boyd Barrett:** Or Deputy Bannon could tell us where the money tree is?

**An Leas-Cheann Comhairle:** Please.

**Deputy James Bannon:** That would be important. I also fear-----

**Deputy Mattie McGrath:** I did not know Deputy Bannon did fear.

**Deputy James Bannon:** -----that a penal property tax could lead to the loss of our architectural heritage.

**Deputy Mattie McGrath:** The big houses and small farmers.

**Deputy James Bannon:** Back in the 1940s and 1950s when rates were in being, many fine period residences were unroofed because their owners were not able to meet the cost of high rates.

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**Deputy Mattie McGrath:** They are now being robbed for the lead.

**Deputy James Bannon:** Our heritage is important to us and it is the cornerstone of our tourism industry. There should be provision in the Bill to protect heritage homes.

**Deputy Michael Healy-Rae:** What about the ordinary homes?

**Deputy James Bannon:** Our heritage is about what we inherit from the past. There is a need to protect heritage, in particular, the built heritage which includes homes, monuments, parks, gardens, historic sites, etc. Heritage provides links to the past. It is important that we maintain those and make some provision in the Bill to protect heritage homes.

**Deputy Mattie McGrath:** The landed gentry.

**Deputy James Bannon:** There are grants from the heritage Council to refurbish some of those buildings-----

**Deputy Michael McGrath:** We will exempt Deputy Reilly's house.

**Deputy James Bannon:** -----but there should be some provision made.

**Deputy Michael McGrath:** One should put down an amendment.

**An Leas-Cheann Comhairle:** I thank the Deputies.

**Deputy James Bannon:** The cost of maintaining a heritage home is excessive. Many would say that they would prefer to rebuild a house rather than refurbish it, but they are important links with the past. Perhaps the Minister would concede to some provision or maybe, in conjunction with the Minister for the Environment, Community and Local Government, he could look at this important area.

We all are suffering because of the fraud, corruption and cover-up by some former politicians, some senior executives and some senior bankers in Ireland. They are responsible for the illegal theft of taxpayers' money and the ruination of the country-----

**Deputy Mattie McGrath:** Theft is illegal.

**Deputy James Bannon:** -----that has left the economy in complete meltdown. This is why we had to bring in a tough budget and take tough decisions. Hopefully, there will be light at the end of the tunnel and we will rise, like a phoenix from the ashes, as a better people and society.

**Deputy Noel Grealish:** I will be brief because I am aware there are many amendments and many Members have touched on many of the issues already. I want to touch on a few matters regarding this Bill.

The introduction of this property tax will be one of the biggest issues facing this Government. There are families - I am not sure whether the Minister's colleagues come across this but we on this side of the House are coming across it every day of the week - who cannot put bread on the table and cannot put close on their children, and whose worry this Christmas is that they cannot even buy a Christmas present for their young children, and now the Minister is imposing a property tax on them.

This week alone, a married couple came into my office worrying about their three children.

This was a middle-class couple, both of whom were working and at the end of the month, with everything paid, all they had left was €10 or €15 to enjoy themselves, and now the Minister is imposing a property tax on them. The big worry is that the Minister is bringing the Revenue Commissioners in to collect it. It is bad enough to impose a tax on them, but now there is that fear.

These are law abiding citizens. They do not want to break the law. They want to be in the position to pay their taxes. They want to be in the position to put their children through school and college and to service their loans, but many of them are not in that position at present.

The Minister cannot cut his way out of recession. The only way one can get out of recession is to spend one's way out. The Minister is taking money out of the economy, people are not spending and businesses are closing.

The Minister spoke of deducting this at source from they pay. What about those who are in rented houses where the landlord is supposed to pay? Will they get away with this and the landlord not pay? I am aware of cases around the country where landlords own 20, 30 or 40 houses and have not even paid the household charge. How will the Minister get the tax off them? Those living in rented accommodation will be exempt and the poor ones are being penalised for buying their house. They paid their taxes on the house when they bought it and now the Minister will impose another charge on them.

As many Members stated here, why must this Bill be guillotined tonight? While seated on the other side of the House on many occasions I saw the Members opposite expressing outrage when guillotines were imposed. They even stated when on this side of the House that if they were in government they would never do that. One of the most important Bills, that will affect every person because we all must live in houses, will be guillotined at 11 o'clock tonight. The Minister need not bring in the guillotine tonight. He should give everybody an opportunity to debate this.

There was mention that we would see improved services in the local authorities. We will not. I am aware that one local authority stated that if it got extra funding, it would use it to pay off its loans. The funding will end up going back to the banks.

The Minister for Transport, Tourism and Sport, Deputy Varadkar, stated that if one wanted one's estate road tarred or side road tarred, the locals would have to pay towards that as well - he is providing a €10 million fund. That is another tax.

**An Leas-Cheann Comhairle:** Deputy Grealish is moving away from section 1.

**Deputy Noel Grealish:** I have other issues that I hope to raise during the course of the Bill. I ask the Minister not to guillotine this Bill tonight and to listen to the Members on this side of the House.

**Deputy Stephen S. Donnelly:** The Title of the Bill is somewhat misleading. In schools of policy, they say that a good policy must meet three criteria: it must be technically correct, which is usually the job of the officials; it must be politically acceptable, which is usually the job of the politicians; and it must be implementable. This so-called local property tax seems to fail all three of those. It is clearly not politically acceptable. The Minister will ram it through. He will whip his Deputies to vote but it is not politically acceptable to the public. It will be difficult to implement because the Revenue Commissioners do not have the kind of data they need and

they may not have the resources they need.

I am most surprised at the Minister, Deputy Noonan in respect of the following area: the Bill is technically flawed. I am curious as to where this arises. It can arise from one of only four sources, namely, from the Minister himself, the Minister for Public Expenditure and Reform, Deputy Howlin, the officials in the Department of Finance or the officials in the Department of Public Expenditure and Reform.

**Deputy Michael Noonan:** The Thornhill report.

**Deputy Stephen S. Donnelly:** The Thornhill report says 0.1% but the Minister for Finance has opted for twice that.

**Deputy Joe Higgins:** They would not publish that report until recently.

**Deputy Stephen S. Donnelly:** We can talk about the Thornhill report later.

**Deputy Michael McGrath:** It said to go back to council houses.

**Deputy Stephen S. Donnelly:** They said a lot of things the Minister is not doing. I have paid local property tax in London and elsewhere abroad. I did not mind paying it because it provided me with local services. I got a letter from the council explaining what I had paid and what I was getting for it. This Bill, however, does none of those things and it is grossly unfair.

I am bemused as to why the Minister is going ahead with this. It is not for local services. If it were, people in County Wicklow and South Dublin County would not pay more than anybody else when the services are less expensive to produce. Therefore we know it is not for local services. It is astounding that the Minister is not looking at the net value of the house. As someone of that generation who knows many people in negative equity, including myself, it astounds me that any government would say, "You made a big mistake. You were one of the parties involved in that mistake and it has financially wiped you out. Your generation who did that will get back to zero at about 55 years of age. For the rest of your lives this one mistake you made will destroy you financially, but we are going to tax you on that".

I have a student loan, so why does the Minister not tax me on that? I am sure that many Members of the House have overdrafts, so why does he not tax them? It is extraordinary. In addition, the Minister is not bringing in an inability to pay clause. Why not? As Deputy Ross and others have said, what will the Minister say to those who do not have money to feed their children? What will he tell those who walk into our constituency offices - and I am sure the Minister's also - and say they have suicidal thoughts or their children are hungry?

A person may live in a house the market value of which might be €250,000 yet it was purchased for €500,000. That person and their partner have lost their jobs, so they have nothing but they will now have to pay another €500 in property tax. What is the Minister going to say to those people?

I have gone through all the amendments and I notice that the Minister has not tabled a single one. We will not get through all of these amendments, which are well meaning and technically sound. They have been tabled by many Deputies but we will not get through them. The Minister may describe all of this as bombast, but this is the only chance we get to try to represent the people. Does the Minister intend to accept any of these amendments or will we just go back and forth for the remaining two hours or so, before the Government Deputies vote against them? I

would like to know if the Minister intends to accept any of these amendments.

I have a final word for the Government Deputies, none of whom is present in the Chamber.

**Deputy Michael Healy-Rae:** Which is shocking.

**Deputy Stephen S. Donnelly:** If any of them happen to be listening on their office monitors, a lot of strong rhetoric was used in the Chamber in the small amount of time given on Second Stage to change this Bill. Yet, very unusually, the Minister has not tabled a single amendment - not one. Members of the Select Sub-Committee on Finance - including myself, Deputies Doherty, Michael McGrath, Boyd Barrett, Higgins and others - will not get a chance to look at this measure. Neither will the Committee on the Environment, Community and Local Government. Any Government Deputies who may be listening to this should note that their Minister has not tabled a single amendment, which means that they have no influence. It also entirely negates their argument that it is better to be in the party because one can influence legislation. They have been unable to change a single letter of one of the most important pieces of legislation to come before the Dáil in this Government's lifetime. If people like Deputy Mitchell, who said this would cause revolution in the country, believe what they said, then as public representatives they should vote against the Bill.

Nevertheless, I suppose we will go on. I would be interested to know if the Minister intends to accept a single amendment. If not, we could do away with this sort of parliamentary charade we seem to be engaged in.

**Deputy Joan Collins:** I will not take up too much time because many of the points have been made. I wish to put on the record, however, the fact that this is probably the most inappropriate legislation that has come before us in the past 18 months. It is the most draconian and feudal Bill that this country has seen in decades, whereby the Revenue Commissioners will be brought in as a strong arm of the law to force people to pay who cannot pay. If they cannot pay by the end of the year, the Revenue will have the authority to take tax credits from people's wages. Those people will then have to decide whether to put food on the table, pay the ESB or gas bills, or pay transport costs to get to work. It is one of the most draconian pieces of legislation that I have seen.

This will be the most hated tax in the country and is being introduced by a Fine Gael-Labour Government. It will be much worse than the tax on children's shoes that was brought in decades ago. The household tax boycott was progressive in that it united rural and urban communities. That is the basis of people wanting to resist this property tax. It should not, and will not, be viewed - as other Deputies have said - as a tax on more affluent areas. This is a family home tax to bail out the bondholders and cannot be described otherwise.

This country probably has one of the highest rates of home ownership in Europe. In recent decades, however, housing policy has failed the people. They were encouraged to buy their own homes. Everything, including mortgage interest relief, was put in place to encourage people to buy homes. Now, however, when people need protection most, the Government comes after them for a family home tax.

When I return home, I do not say I am going to a property; I say I am going to my family home, to close the door behind me, light a fire and look after the family. This policy will fail and even if the Minister rams it through and takes the tax from people's wages in 2014, it will be resisted. People will be waiting for the Minister to come knocking on their doors, but I can

tell him that the doors will be slammed in his face.

**Deputy Mattie McGrath:** I am pleased to speak on Section 1 of the Bill but I am very disappointed that the Minister is guillotining this measure. When the Minister was on the opposition benches, he was constantly objecting to the guillotine. He made a big play that when he would be in Government it would not happen. We all understand that the guillotine has to be used occasionally but this is outrageous. Last Friday week, the Minister of State came here and summarily cancelled the Monday sitting. He then tried to say that it was due to lack of interest on this side of the House, which is a grossly unfair misrepresentation. I hate calling it the word “L-I-E” but it is misleading in the extreme. It is shameful.

If I were the Minister, I would be extremely worried. He is a long-serving Deputy in the House - a lot longer than myself - but there is not a sinner on the Government benches, not a solitary Member. Deputy Bannon has left but he was more interested in the big houses of the landed gentry. Some of them were burned in the troubled times to get rid of the Black and Tans, and they still have no roofs on them. He wants to put the roofs back on them and take the clothes off ordinary people. I cannot understand where he is coming from but he will find out when he goes back to Longford. When he goes up all the tree-lined avenues, he will meet all the fellows coming down against him.

This is not funny. How can the Minister introduce this measure? As Deputy Donnelly said, it gives the lie to Deputies who say they are voting for this because they can influence the Government from within. Deputy Michael McGrath will confirm that the late Brian Lenihan never sat in the House in those tough times without a few of us behind him in support. He was accessible and amenable to us, as well as accepting amendments from our own group. I do not know what has gone wrong with the Minister, Deputy Noonan. The Government’s majority is the biggest problem because it thinks it can do what it likes and to hell with the ordinary people. It is like having Cromwell back again - to hell or to Connaught. As I said last week, it is too hell with the ordinary people, let them go to the soup kitchens or refuges for the homeless. That is what the Minister is going to do to people. We are talking about honest-to-goodness people who are going to get a deferral, if you would not mind.

I have been dealing with Revenue for 30 years, now going on for 31 years, and have yet to get a deferral from it. Moreover, if one gets a deferral, one will have the luxury of getting a 4% increase, in addition to the money one owes. That is a nice deferral. I would not like to deal with all my customers like that or rather, if that is the way I was treating them, I would like to do so. If one simply is unable to pay, one will have the pleasure of the imposition of an additional 8% penalty.

In what world is the Minister living? I note Deputy Durkan has arrived in the Chamber and am glad someone has come to support the Minister. The Deputy also has been in this House for a long time and as everyone here has the same mandate, I will not take that from any of the Members opposite. Despite Deputy Bannon’s apparent view that I am a reject from some place else, I tell him I am a reject from nowhere and never will be, although if he continues in that fashion, he may be very soon. All Members of this House will be rejected if the Minister attempts to impose this tax on people who cannot pay. For example, he should consider those rural people who wished to build a house for themselves. They bought sites, hired planners and architects and paid their planning fees, development charges, stamp duty and legal fees. Moreover, they are attempting to pay back their mortgages as best they can and many of them are in huge negative equity. However, the Minister proposes to impose a property tax, a so-called

local tax. Members know what will happen in this regard. The revenues will not be spent locally and even if they are, they will go first to the county managers, as well as the directors of services and all the senior officials, who will be paid anyway before any potholes will be filled or any services provided in rural Ireland.

I make the following point to the Minister and his officials, for whom I have no personal disrespect. Some of the mandarins in the Department of Finance, who are isolated and insulated, drew up this €500 million tax on the grounds that it is soft money which will easily be brought in. They thought they would not make a mess similar to the one they made last year with the Minister for the Environment, Community and Local Government, Deputy Hogan, namely, big Phil the regressor. They decided they would not make a bags of it, like last year - Members should excuse the expression, but would give responsibility to Revenue, which does not have much to do at present because so many business people are out of business. Many Revenue Commissioners staff have nothing to do because they have so few people from whom to take money. In turn, this is because the business all have closed down as a result of the policies of the present Administration, its predecessor and several Governments before that. It also is because of the policies of the permanent Government, who do not understand what it is to be obliged to earn a day's pay, to pay rates, to pay taxes or to pay anything else because they are cushioned. I never saw this so clearly as when the then Minister, Brian Lenihan, God rest him, introduced the pension levy. However, he reversed it for a small cohort of people. Where was that cohort? It was the people who were in his office every day of the week and had access to him. Although they persuaded him to go back on it, yet the man on the shovel and the clerical officer were obliged to pay it. That was one of the slippery slopes the country went down and they are continuing-----

**An Leas-Cheann Comhairle:** Deputy McGrath, you are moving away from the section.

**Deputy Mattie McGrath:** I acknowledge I am well away from it but as a guillotine has been imposed, all bets are off as far as I am concerned.

**An Leas-Cheann Comhairle:** No, we are not-----

**Deputy Mattie McGrath:** The biggest bet on this one-----

**An Leas-Cheann Comhairle:** Deputy, please.

**Deputy Mattie McGrath:** I wish to leave time for my colleague.

**An Leas-Cheann Comhairle:** Yes.

**Deputy Mattie McGrath:** I am nearly finished. Noiméid amháin má's é do thoil é.

I am glad that one or two more Government Members have arrived. The Minister should be aware that the public is watching this debate and with no disrespect to him, how does he intend to get blood out of a stone? They do not have it. I have customers who could not pay me and I never got it but simply was obliged to do without it. Consequently, the Government cannot get this money. As for giving responsibility to Revenue, I have dealt with it, it has many good people and I had a reasonable relationship with it over the years. However, if I could not pay, the sheriff was the man who got the task. While I could deal with Revenue, I could not deal with the sheriff. Is this what is going to happen? Will we have the sheriff and gardaí breaking down doors with their truncheons? Is this what the Minister intends to force on the people?

This is what is staring Members in the face in the name of the troika. While the Minister may state the Government had no choices, it had dozens of choices. The Minister had the choice of doing what the vintners asked him to do, which was to tax the drink being sold at below cost in supermarkets, from which a billion euro could be brought in. The Minister also had the choice of taxing the very well-off and of means testing the children's allowance. While the Department of Social Protection will tell one it cannot do it, a sixth-class student with a computer and a friend could do it. We have a lethargic and inept Civil Service that states it cannot be done but that game is over. The Minister and the officials have been found out.

I appeal to the Minister not to bring in this Bill and not to guillotine it tonight because the Minister and I both know what will happen. The people cannot pay. They are a proud people who like to and have paid their way but they will not go back to the likes of the Peep o' Day Boys and the landlords burning the thatch in the houses. According to Deputy Bannon, they will not have roofs on those houses. He seeks to rebuild all the listed houses, such as the one Deputy James Reilly has, below in Moneygall. Perhaps the Minister will exempt them but will kill the little people. I ask the Minister to look into his conscience - I know he has one although I am unsure about some of his colleagues - and ask whether this is honest, right, fair or proper. I again ask the Minister to withdraw the guillotine and to have some semblance of respect for and understanding of the ordinary people of Ireland.

**Deputy Michael Healy-Rae:** First, as all Members are aware, the Minister is a politician of great experience and ability who is highly regarded in the Houses of the Oireachtas. Moreover, I only say that because I mean it. Equally, however, his experience will lead him to know about the people Members on this side of the House are speaking about this evening. They are talking about young couples who are put to the pin of their collars to try to pay their mortgages. Last Saturday, in common with my colleagues in the Chamber, I held my clinics. I met people, whose names I recorded in my book, who have left their houses because they cannot afford to live in the houses on which they are paying a massive mortgage. This week, they asked me the reason Members were going to allow the Government to introduce a property tax on property in which they cannot afford to live. I met a husband, his wife and their little child, who told me how they had moved back into her parents' house because they could not afford the oil, electricity or cost of living in their home, having built it at the height of the boom. They now are being told they are obliged to pay a property tax on it. I am grateful to Deputy Donnelly for outlining a great lie in this House, that is, Members who come into the Chamber and blindly support the Government, while giving the impression they are better off working within the Government because they can do things from within. I have a message for such Members this evening and I hope they are watching on their monitors. The people of whom I am thinking have not delivered a wheelbarrow of tar to their constituencies and could not deliver a lottery grant to their constituencies.

**Deputy Finian McGrath:** Hear, hear.

**Deputy Michael McGrath:** Jackie Healy-Rae got plenty of tar.

**Deputy Michael Healy-Rae:** The Minister is smiling because he knows what I am talking about. There are places - and this is no laughing matter - where people approached Government-supporting Deputies for a lottery grant. They would have as good a chance of going to Santa Claus, because those backbenchers will never deliver anything, even if they live forever on that side of the House.

**An Leas-Cheann Comhairle:** We will get back to the Bill.

**Deputy Michael Healy-Rae:** I am on the Bill, a Leas-Cheann Comhairle. I am here to speak up for those people and I wish to lay the lie about the better Government services. The inexperience of the Minister for Transport, Tourism and Sport, Deputy Varadkar, shows every now and then and he let the cat out of the bag when he suggested that if people want to have their roads tarred, they will be obliged to make a contribution themselves. This was a new one and had Deputy Varadkar the Minister's experience, he would not have come out with that last week, but would have waited until after Christmas. However, he will learn. If the Government puts forward the story that the property tax is being levied to bring in money to do work for people, while at the same time it tells them they will be obliged to pay on the double, people will not stand for that, because they simply do not have the money. It was a horrible experience a little while ago to listen to a person trying to defend the indefensible while talking about old houses and how they should be protected. I have as much respect for old houses as anyone but the houses in which I am interested are those with young families inside them tonight.

**Deputy Michael McGrath:** Hear, hear.

**Deputy Michael Healy-Rae:** The houses in which I am interested are those where there are young children looking forward to Santa Claus. Moreover, while everyone knows Santa Claus will come to them, it will be no thanks to the Government.

**Deputy Mattie McGrath:** Thank Santa Claus.

**Deputy Michael McGrath:** It might tax Santa Claus.

**Deputy Michael Healy-Rae:** Those genuine young couples had a better time during the boom, when their expectations were that the work would continue for them. However, they now find the work is gone, they are left with a massive mortgage and they can see what the Government and the Deputies who support it are doing to them. Moreover, those Deputies should not think they will be able to hide behind the massive majority the Government enjoys because the people, thanks be to God, are extremely intelligent. All sorts of promises were made, to the effect that Fianna Fáil was the worst crowd in the world, its members did everything wrong and everything was done against the people. However, people now can perceive that those who were shouting and crowing from the Opposition side and who were calling for the chance whereby they would do everything right now have power. I am sick to death of hearing Members on the Government side of the House blaming Fianna Fáil every day. One would swear to God that Fianna Fáil was still in power because they still are blaming Fianna Fáil.

**Deputy Bernard J. Durkan:** Their effects are still being felt.

**Deputy Finian McGrath:** Deputy Durkan, relax.

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Michael Healy-Rae:** While they still are blaming Fianna Fáil, they have forgotten there has been the small matter of an election. They now have the biggest majority in the history of the State. What is the Government doing with it?

**An Leas-Cheann Comhairle:** Deputy-----

**Deputy Michael Healy-Rae:** It is cutting the carer's-----

18 December 2012

**An Leas-Cheann Comhairle:** Deputy, as it now is 7.30 p.m. and we are moving on to Private Members' business, I ask you to report progress.

**Deputy Michael Healy-Rae:** May I come back after Private Members' Business?

**An Leas-Cheann Comhairle:** I ask the Deputy to report progress.

**Deputy Michael Healy-Rae:** Yes, but this is to be continued.

**Deputy Pearse Doherty:** On a point of order, every Deputy is entitled to have a say on this Bill. We are reporting progress and we are on section 1 of the Bill, which has 157 sections. We are half way through the debate. This is a farce.

**Deputy Michael McGrath:** A farce.

**Deputy Pearse Doherty:** The Minister can call it a bombardment but it is a farce that we will not even get past section 2 of the Bill or deal with the fact that the Revenue Commissioners will be given certain powers or the penalties. What is ongoing in this Chamber is a joke. I call on the Minister to be unafraid of debate. We can get through this section by section. The last Bill brought before the House by the Minister dealt with credit unions, and we commended him because of the way he listened to Opposition voices. He may not listen to Opposition voices with this Bill but ramming it through like this is a farce. There has been no progress and we have not even got to one amendment that has not been ruled out of order. Adequate time has not been given. It is a joke.

Progress reported; Committee to sit again.

### Care Services: Motion [Private Members]

**Deputy John Halligan:** I move:

That Dáil Éireann:

recognises:

— the vital contribution carers make to the economic and social life of the nation, and further acknowledges this by providing them with adequate income supports;

— that carers are real and equal partners in the provision of care at every level of public sector planning and service delivery, from designing a service to individual care planning;

— that carers are the backbone of the Irish health care system;

— that although family carers in the majority of cases are on call 24 hours per day and 365 days per year, they do not earn the national minimum wage and are not entitled to, *inter alia*, sick pay or holiday pay as are equivalent PAYE workers;

— that family carers provide €4 billion worth of care each year, which is five times the actual cost to the Department of Social Protection;

— that carer’s allowance is a direct support for caring duties; and

— the home as the centre of care and the need to protect the household benefits package and free travel pass;

acknowledges:

— that full-time family carers are expert care partners and as such should be treated with the dignity and respect they deserve;

— carers’ rights to have their own health needs met;

— that transitional arrangements need to be put in place to facilitate long-term carers successfully re-entering the work force;

— the necessity to ring-fence funding for the housing adaptation grant scheme to ease the burden on local authorities who have had to suspend schemes in their areas; and

— the need for a nationwide personal care traineeship scheme using existing labour to be developed as an additional basis for home help support; and

calls on the Government to:

— immediately reverse the cut announced in budget 2013 which will reduce the amount of the respite care grant;

— make provisions from within the special delivery unit budget allocation to incorporate carer induction training and needs assessment prior to a patient being discharged;

— eliminate the current backlog of carer’s allowance applications by early 2013;

— provide free general practitioner care to full-time family carers;

— conduct a detailed review of the income supports available to family carers and engage agencies such as the Carers Association to provide their expert opinion;

— establish a working group to properly identify the needs of carers, including any unmet needs, to gather information about policies, practices and services that affect carers and to set out an integrated strategy for future action;

— establish a statutory entitlement for family carers and people in care to avail of care supports provided by community based services;

— pay carers such statutory entitlements as the national minimum wage, sick pay and holiday pay; and

— ensure that the relevant Departments draw up and put in place a programme of work to promote the adoption of good practice in carer-friendly employment.”

I will be sharing time with a number of speakers, as the Leas-Cheann Comhairle knows. Family carers play a vital role in the community which often goes unrecognised and inadequately supported. They ask for little and get even less in return. These people are responsible for care worth a massive €4.5 billion in care each year, which is five times the cost to the Department of Social Protection and equivalent to one third of the total annual cost of the HSE.

Based on figures from the 2011 census over 187,000 people in the country identify themselves as carers, with 21% of family carers providing over 43 hours of care per week. When it comes to official Government policy, they are viewed not as a resource but instead as a cost and treated as little more than modern-day slaves. While the Government sits and halves our envelope allowance and gallantly protects senior civil servant and ministerial pensions of over €100,000 a year, some of these people are receiving the equivalent of one cent per hour from the State for the care being provided 24 hours a day, seven days a week. Carers are the only full-time social welfare recipients in the country who work for their payments. I imagine they are the only workers in the country who are openly employed in direct contravention to the Organisation of Working Time Act 1997, which states that the maximum average working week for employees cannot exceed 48 hours.

I know carers, as many would, and these people go around in a permanent state of exhaustion. I was in a house yesterday and the carer in it has a working day starting at 6 a.m. and ending at approximately 1.30 a.m. She does her work seven days a week on her own, looking after a child who has substantial and hourly needs, without earning the national minimum wage, sick pay or holiday pay as per the equivalent PAYE worker. There is no civilised society in the world where this type of modern slave labour should be tolerated. To compound this, the number of people forced onto waiting lists for the carers' allowance has almost trebled since the coalition came to power, with the latest figures indicating that at the start of this month, almost 9,000 people were told to queue for the allowance compared to 7,765 at the start of this year and 3,769 in the weeks before the election in 2011.

The target time for approval is 12 weeks but the current reality is that it can take up to two years, often leaving the carer without any alternative source of income. Almost half of those currently waiting have seen their basic weekly allowance delayed for over six months and yet they will continue in their caring role to their loved one while awaiting a decision. The Government knows it can continue to take advantage of this emotional umbilical cord and this kind of knowing exploitation would not be tolerated in any other profession.

Overall, family carers receive approximately €800 million from the social protection budget and save the health budget approximately €4.5 billion annually. Despite this, the average cut in income support for carers is more than twice the average cut in income support to all other recipients of social protection payments. When we make carers less well-off, we are not just worsening the lives of carers as it will have an impact on the lives of the sick and disabled people being cared for. How can this nation, its Government and we as politicians continue to claim we protect the vulnerable?

Following the budget two weeks ago, many of us spoke to carers outside Leinster House who were not only angry but also very hurt at the savage cut to the respite care grant. They told us that grant is soon eaten up by the costs associated with having a disabled child, for example. This payment was supposed to be in lieu of residential services to relieve those providing round the clock care to loved ones. Many families ended up using it because the State services to look after their loved ones were inadequate, and we have come across this complaint every day of the week. According to carers groups, using the money to fund respite care for a loved one is now at risk of becoming a luxury in itself, as more and more people use the grant simply to cope with their day-to-day financial expenses.

Parents of children with autism are paying out much more money than is coming in from the Government. I know the case of an autistic child in Waterford whose family reckons it will

be down approximately €1,500 per year between the cuts to the respite grant, child benefit and the household benefits package. It is a substantial loss for carers. Even if respite care was affordable, it is not always available. At the same time as the respite grant is being cut, the HSE is engaged in drastic cutbacks to direct respite services throughout the country. Reductions in front-line services have already resulted in a €64 reduction in welfare payments to carers, with 23% of carers stating that the overburden of caring has led to their own physical disability. Many doctors throughout the country can confirm that. All of this is against a backdrop of housing adaptation grants almost being suspended, with increases in the costs of care in the home pushing many carers over the edge.

I have come to the conclusion that it is far easier to get €800 from the State for nursing home care than it is to get €100 for a carer in the home. I am increasingly coming in contact with families left with no choice but to place a loved one in residential care prematurely, when home help, day care or respite services are withdrawn, reduced or not provided at all. The Government needs to clarify home care entitlements without delay, similar to the way it has done for the statutory provision of fair deal. Carers ask for this continuously.

The high level care being routinely administered in so many homes brings substantial additional pressures on the household budget with increased energy and fuel cost, often requiring the transfer of patients across care settings, which adds to transport costs. There are other costs on top that again, such as the kind that come with having a profoundly autistic child; this can include the cost of cleaning walls; repairing or replacing household goods that have been smashed; and regular visits to the doctor for illness or injuries, self-inflicted or otherwise. Cutting the household package is a poor reflection of the Government's appreciation of the role of family carers.

The absence within the Government of any knowledge of the real cost of disability to inform budget decisions means families of people with disabilities are feeling increasingly alienated. One carer told me, "You cannot imagine it, you cannot understand it and you do not get it if you have not done it". I will speak more about that carer tomorrow night. Not only does the Government need to recognise the contribution of carers, but it should also realise the knowledge they hold about their profession. Carers must be embraced as equal partners in the provision of care at every level of public sector planning and service delivery, from designing a service to individual care planning. This is not currently the case. Carer induction training would significantly improve the plight of a family expected to cope with the challenge of caring at home for a loved one who has a stroke or experiences other severe problems.

Repeated studies have highlighted high levels of depression, stress and anxiety among the nation's carers, a significant percentage of whom are aged more than 70 years. Legislation providing for the phased introduction of free general practitioner, GP, care is due before the Oireachtas shortly, with the first phase providing for the extension of these services to persons with illnesses or disabilities, as promised in budget 2012. There is an onus on the Government to include full-time carers in the next phase of the roll-out of free general practitioner services.

I would say much more on this issue if I had time. I will conclude, however, by making an observation. Carers are human beings who need to be cherished and cared for by the State. No one else is in a position to do this. Carers are probably the most highly thought of group in the country and they are the most heroic workers in any service. I ask the Minister of State to consider carefully this pragmatic motion which is not in any sense controversial. We do not propose measures that would result in all hell breaking loose in terms of the budget figures. I

ask the Minister of State to read the motion and show compassion and I urge the Government to move beyond political expediency and examine it on its merits.

**Deputy Maureen O'Sullivan:** I am very conscious of the thousands of people who are in need of or receiving care for reasons of age or because they have a physical or mental disability or both. I am also conscious of the thousands of people, the majority of whom are family members, who are providing this care. If all of these carers informed the Health Service Executive and Department of Social Protection that they were no longer willing to care for their loved ones, what would be the effect on the State? I do not believe it would be able to cope with such a scenario as both need and the costs to the State would increase massively. Furthermore, the State could not provide the type of dignified care that is given to those who need it. Such an eventuality would probably result in a return to the old Dickensian type of institution whose end we seek to achieve. Hospitals, which are already under strain, would be severely challenged. From a practical and purely economic point of view, carers are doing the State a major service and I dread to think of the costs and consequences if they decided they would no longer do so.

I acknowledge the first point Deputy John Halligan makes in his motion, namely, that carers make a vital contribution to society and generate major cost savings. The Deputy is doing the State, carers and those receiving care a great service by keeping the issue of care on the agenda. While the budget maintained the basic carer's allowance at its current level, the respite care grant was cut. In many cases, this grant is used not for respite but for basic care.

A close friend of mine has been battling motor neurone disease for five years. I am aware of the level of care provided by the Irish Motor Neurone Disease Association and local authority. I am also aware of the 24 hour care my friend receives from a family member, for which no amount of money could pay. A carer who is a family member will do much more than other people will do. Let us consider the three potential costs arising from this case. One has 24 hour nursing care, the cost of keeping someone in a nursing home and the cost of the care provided by a family member. It is clear that the latter is not only the most economical approach but is also the type of care that addresses the needs of the person with motor neurone disease who wishes to stay at home. The person to whom I refer availed of the grant scheme, which has had a positive effect in terms of adapting her house. For this reason, I also support that part of the motion.

I am aware of the case of a constituent, an amputee, who lives in a three bedroom local authority house and has been waiting for two and a half years for a grant for a downstairs extension to install a bedroom and shower. As her home is on three storeys, the installation of a stair lift is not feasible. Another constituent has been refused a carer's allowance to look after a 96 year old who wishes to stay at home. One must bear in mind what would be the outcome if the person in question were to move into a nursing home.

Investing in carers is an investment in community care and helps our communities by providing dignified and independent living and contributing to social inclusion. Demand for carers is increasing because people are living longer, including children with birth defects and those with illnesses who are benefiting from medical innovation. This trend will result in an increased need for carers.

The Irish Hospice Foundation and Alzheimer Society of Ireland released a report last Friday. While its primary focus was on palliative care, it also addressed the increasing numbers of people with Alzheimer's disease and dementia.

The cut in the respite care grant will save the Government €26 million, yet €55 million was found for the greyhound and horse racing industries, both of which are lucrative.

In my short time as a Member of the House, I have felt deeply ashamed on a number of occasions. One such occasion was last summer when it emerged that children with intellectual disabilities would no longer receive services when they reached the age of 18 years. Another such occasion was when I joined people in wheelchairs at an all night protest against the decision to cut their personal assistants' hours. I was also ashamed to read recently about abuse of elderly people in residential care. I hope the Government will publish the standards and new system of inspections for the private and voluntary intellectual disability services sooner rather than later. I urge it to ratify the United Nations Convention on the Rights of Persons with Disabilities as this would reaffirm the rights of people with disabilities to be treated as equals. Allied to this issue is care of carers.

**Deputy Joan Collins:** I congratulate Deputy John Halligan on tabling the motion, which keeps the issue of carers and those for whom they care on the agenda. Yesterday, while preparing for this debate, I was struck by a report which highlighted the two very different worlds the Government has allowed to develop in this country. According to this report, sales of Prada handbags in a well-known Dublin store increased by 100% in the past year. This means people in this city can afford to pay €900 for a handbag. Sales of Chanel products in the same shop are going through the roof, Hermès products are performing strongly and sales of Céline handbags are on fire. The lowest price for a Hermès bag is €6,500. The famous Grace Kelly style is a popular seller and orders have been taken for crocodile bags costing between €35,000 and €42,000 because the shop in question has run out of these items. These brands are not being bought by lone parents, carers or low income mothers whose child benefit has been cut. I am speaking on behalf of thousands of people who must have their means and supports protected.

As Deputies are aware, 187,000 families provide an essential service to the State free of charge. It is estimated it would cost the State €4 billion per annum to provide this service. The cut in the respite care grant is mean and unnecessary. The Minister of State, Deputy Lucinda Creighton, revealed yesterday that the budget for the Irish Presidency of the European Union will be €70 million. If the Government were to follow the example set by the Danish Government, it would cap the budget at €35 million, thereby achieving savings that would cover the cost of the cut in the respite care grant and leave €10 million for other purposes.

The cut in the respite care grant does not make economic sense. If only 280 families were to decide - perfectly understandably - that they could not take any more and ceased providing care to their family members, the cost to the State of providing institutional care for their loved ones would be between €600 and €1,000 per day. This would eliminate in one stroke the savings of €25 million the cut in the grant will purportedly achieve. Given that the respite care grant is the only payment given to 20,000 full-time carers, a cut of 20% is not modest, as the Minister for Communications, Energy and Resources, Deputy Pat Rabbitte, claims.

The Government is continuing the policy of the Fianna Fáil Party. Since the budget of 2009, carers' incomes have declined by up to €64 per month. Cutbacks in State services have affected 82% of carers and 9,000 carers are on the waiting list for carer's allowance. This is three times more than when this Government, which claims repeatedly that it is protecting the vulnerable, took office. Half of applicants for the allowance wait for more than six months for their application to be processed and appeals take up to two years. The Government should accede to a call made by the Carers Association to introduce a form of amnesty under which applicants

would be paid now and subject to a bureaucratic means test later.

I also fully support the call from the Carers Association for the publication of the national carers strategy, which was drawn up by the previous Government after widespread consultation. The Fine Gael-Labour programme for Government commits to providing for the strategy and to implementing the necessary measures, for example, income supports, recognition by the health professions, training, access to the labour market, transport and housing.

The Government has much to answer for. It cannot keep pointing the finger at Fianna Fáil. Fianna Fáil started this, but the Government is continuing it. It should stop it.

**Deputy Finian McGrath:** I thank the Acting Chairman for the opportunity to speak on this important motion on the vital contribution carers make to the social and economic life of the nation. Some people are under the impression that the debate on carers, the disabled, senior citizens and the cut to the respite care grant is over. It is not. I will continue to fight and fight until carers get justice and equality. The respite care grant cut was a national disgrace. Any Deputy who supported it should hang his or her head in shame. It was wrong, wrong, wrong, and no weasel words will change my mind. To take money from those families was mean and a grave injustice. If we lived in a real democratic and inclusive republic, this cut would not have been made. Many Independent Deputies made other funding proposals, including some made tonight.

It was disgraceful and eternally shameful of the Labour Party and Members like Deputies Aodhán Ó Ríordáin and Seán Kenny to support this cut-----

**Deputy Alex White:** Well chosen.

**Deputy Finian McGrath:** -----as well as the €10 cut to child benefit. Other promises to the people of the north side of Dublin were broken. Those Deputies had the brass neck to claim they prevented cuts to education and health. Tell that to those in receipt of services for the disabled, funding for which was cut by 3% last week, or to the 350 profoundly deaf children on the waiting list for life-changing implants. The €11 million cut to post-leaving certificate courses hit the most disadvantaged. Deputies should stop spinning the truth and own up to their cuts and false promises. It is gombeen politics at its worst.

Today, the Government spent €244,741 on a website for the EU Presidency. Including other expenses, the total was in the region of €330,194.71. This would be enough to restore the full respite care grant to more than 1,000 people. Do not talk about a lack of funds when such amounts are being wasted. Most Deputies know that one could get a website for between €3,000 and €4,000. It is time for the Government to get real.

The cut of 3% to front-line services for the disabled will have a devastating effect in 2013. It is the untold story of the budget. On the ground, services at St. Michael's House will lose €5 million in 2013. The Government should not lecture us about protecting the vulnerable. It has turned its back on the vulnerable. Even the IMF has asked it to ease off in the past 24 hours. This is the reality on the ground and is the subject matter of the motion. The Technical Group Members, from all political backgrounds, have united in this motion to stand with the country's carers.

Last week saw the scandal of a Labour Member - I believe it was Deputy Nolan - telling his parliamentary party meeting that the only people who cared about the carers in Galway were

the carers themselves. That was an appalling statement for a Member of any party to make in the broader debate. It is important that these matters be made public. The Government has let carers down.

In this motion, the Technical Group acknowledges the fact that full-time family carers are expert care partners and, as such, should be treated with the dignity and respect they deserve. Carers have the right to have their own health needs met. We call on the Government to reverse immediately the cut to the respite care grant that was announced in budget 2013. We ask that provision be made “from within the special delivery unit budget allocation to incorporate carer induction training and needs assessment prior to a patient being discharged”. We also ask that the backlog in carer’s allowance applications be eliminated by early 2013. I urge all Deputies to support carers, the disabled, senior citizens and, above all, this motion.

**Deputy Catherine Murphy:** I thank Deputy Halligan for tabling this Private Member’s motion. I will focus on the respite care grant. In most cases, it is wrong to represent it as being used for frivolous reasons. Often, this grant as well as domiciliary care payments are used exclusively to fill gaps in services that should be available, yet are not. Many services are organised around institutions instead of around the person requiring care. One needs to know the system to get the services that are required.

There are vast differences in what might be available. For example, elder care services provided in west Dublin and north Kildare cannot be compared. I will use a recent instance as an example. Someone who was confined to bed needed a pressure mattress. It was provided in west Dublin. In north Kildare, however, the person was told to source it himself or herself. Often, geography determines the services one receives. The way they are delivered causes additional problems for carers. They must become advocates for and organisers of the other person’s needs.

Getting an old or sick person admitted to hospital has become a new battleground. I dealt with a case of a 90 year old man who suffered post-operative complications. Getting an ambulance for him took several weeks and presented an even greater issue than finding him a hospital bed. There is something wrong about that. His doctor spent three weeks trying to get him to the hospital. The HSE has told me that transport may only be provided when, in the clinician’s view, the patient would be unable to make the journey without clinical assistance or where the patient must be transported by stretcher. This will cause serious problems for the elderly in particular.

I echo Deputy Joan Collins’s points on the delays in processing carers’ claims. They take a ridiculous length of time. Often, people must decide that they cannot care for their elderly relatives at home. The Carers Association is seeking a general practitioner, GP, card for carers. If someone qualifies for a carer’s allowance, that card should be supplied. It makes good economic and health care sense, as one third of all carers become ill. Keeping them well is in the country’s interests.

I will turn to the issue of housing adaptation grants, which are administered by local authorities. Their provision depends on each authority’s ability to find matching funds. How the local government fund, LGF, has been dispensed in recent years has been deeply unfair and will not improve, given how the property tax has been described. It is ironic that many counties that fall into so-called poor areas often have more discretionary funding. The qualifying criterion for the housing adaptation grant is the amount of funding an authority can provide to match the

amount drawn down from the Department. The needs and resources model is used. It is based on an assessment conducted in or around 2000. What one has, one holds. Counties with populations that have grown in recent years are at a considerable disadvantage.

I wish to address an area in which families' caring needs will increase, namely, where adult services have been withdrawn from young people who have finished their schooling. Recently, I was contacted by someone whose son is autistic and non-verbal. He was told he would be put on the list, but no service was guaranteed. In fact, respite services were going to be removed and day services were to be reduced because they had reached the point at which residential services could only be provided for residential placements.

**Acting Chairman (Deputy Jack Wall):** The Deputy should conclude.

**Deputy Catherine Murphy:** I will. This development will create new caring needs.

*8 o'clock*

It makes no sense at all. The State must either provide direct support to carers to allow them to provide the necessary care or provide the services itself. As it stands, there is no adequate provision for either option.

**Deputy Clare Daly:** I expect that some Government backbenchers, those in the Labour Party in particular, are hopeful that the deed was done last week in regard to the Social Welfare Bill. They took some flak regarding the Government's attacks on carers and the Labour Party ended up with one man overboard, but ultimately they probably feel they emerged relatively unscathed. The purpose of the motion before us tonight is to remind Members opposite that the issue is not resolved and we will not let it be forgotten. We will not forget the insult given by the hypocrisy of the likes of the Minister, Deputy Pat Rabbitte, who went on the airwaves to say it was a choice between cutting the respite care grant and cutting the core carer's allowance payment. He tried to give the impression that Labour Party Members, after tossing and turning and grappling with their conscience, came down on the side, much against their wishes, of cutting the respite care grant. That is a complete and utter lie. Everybody knows this was not the only choice in town.

**Deputy Michael McCarthy:** Deputy Daly has accused Labour Party Members of lying.

**Deputy Clare Daly:** I will stand over it any time. The Government could have targeted the wealthy-----

**Deputy Michael McCarthy:** On a point of order, Chair, the Deputy has accused my party of lying and has indicated she will stand over that claim.

**Acting Chairman (Deputy Jack Wall):** The Chair will deal with that. Deputy McCarthy should resume his seat.

**Deputy Clare Daly:** I will explain it to Deputy McCarthy if he does not understand.

**Acting Chairman (Deputy Jack Wall):** Will Deputy Daly withdraw the word "lie"?

**Deputy Clare Daly:** I am being asked to withdraw the word "lie" in reference to the claim that the choice was between a cut in the respite care grant and a cut in the carer's allowance. That is a lie. Those were not the only available choices. In fact, the choice was between target-

ing the wealthy, the corporations and the perks-----

**Deputy Michael McCarthy:** The Deputy has not withdrawn the word “lie”.

**Acting Chairman (Deputy Jack Wall):** Deputy Daly must withdraw the word “lie”.

**Deputy Clare Daly:** The comment was untruthful.

**Acting Chairman (Deputy Jack Wall):** Thank you, Deputy.

**Deputy Clare Daly:** This Government chose not to tackle the wealthy, the corporations or their own perks. The notion that we should be grateful that core payments were not tackled is a disgrace and an insult. The respite care grant is the core payment to 20,000 families in this State and it has been attacked. As a consequence of the cut, their core income will have to be stretched to bear the cost of additional ESB charges arising from the cut in the units allowance, extra telephone charges and increased bus fares, general inflation and so on. The army of workers - that is exactly what they are - who care for loved ones 24 hours per day and 365 days per year in homes and communities will not let this issue go. They cannot afford to do so and they have nowhere else to go.

The Government has made a very serious mistake on this issue. We have all met the people protesting outside these gates, people who are under acute and intense pressure. I never encountered so many individuals involved in a single protest who were what I would describe as on the edge. I do not for a moment doubt the surveys which reveal that 38% of carers are completely overwhelmed by the lives they lead and the circumstances they are forced to endure, circumstances which have had a massive impact on their health. Many of the carers to whom we spoke last week asked us to swap places and live their life for one or two days, without any relief from their caring duties. I do not have time to relate the stories I heard. The illusion that carers are some type of modern day Florence Nightingales who work for the love of their family members and the politicians are the great ones who give them a few bob - and are they not lucky to be getting it? - is getting the thing entirely the wrong way around.

Deputy John Halligan is correct when he says this is modern day slavery. It is a crime that we are saving a fortune through the unpaid labour of hundreds of thousands of citizens in this State. The sweat off their backs is directly benefiting this State. What it comes down to is that carers are workers and should be treated as such. People have given up a lifetime of work because their loved one became ill and are now living the life of a pauper. They are entitled to proper wages and conditions. After all, it is an undeniable fact that the State benefits to the tune of €4 billion from their work. The Government has got it the wrong way around when it comes to care in the community. In addition to the cut in the respite care grant, home help hours which offer carers some relief for a couple of hours a day have been reduced. The Government is making carers ill and placing a huge drain on the economy. Carers are not vulnerable and weak; they are workers who are entitled to be paid accordingly. If we did that, we might appreciate them a little more.

**Deputy Mick Wallace:** For most people, two measures in particular stand out from the recent budget, namely, the cut in the respite care grant and in child benefit. I was surprised by the Government’s decision to proceed with these cuts, despite all the rumours in the media prior to the budget announcement. It seems clear to me that they were a bad idea both for those at the mercy of the cuts and from the perspective of the Government itself. If one actually wanted to increase child poverty in this country, one of the most proactive steps to take would be to reduce

child benefit. It is a measure guaranteed to yield results, and an increase in child poverty is exactly what will happen as a consequence of the measure introduced in the budget.

Most people find it difficult to comprehend how the reduction in the respite care grant can be worth the saving of €26 million it will yield. It defies logic that the Government would go down this route. There has been endless talk from Members opposite since I came into this House about the importance of primary care. It is certainly the right way to go, particularly the philosophy of keeping people in their homes. This particular measure, however, flies in the face of that philosophy. Before becoming a Member of this House, I had not met many people working as carers in the home. Since then, I have been struck by how incredibly difficult a job it is. It is, moreover, a job which is vastly underrated and unappreciated by people in general, including by me before I met some of these individuals in person.

Apart from making their job more difficult, the cut in the respite care grant is an insult to carers because it detracts from the value of what they do. We should be taking the absolutely opposite approach. I would not like to have to endure the working conditions that are a feature of life for so many carers, irrespective of what I received for doing so. Instead of subjecting them to more hardship, we must give credit to those who sacrifice so many aspects of their life to undertake this role. I was taken aback by the evident hurt of the people I met outside Leinster House last week. It is not merely that their lives will be made even more difficult by this loss of income, but there is great hurt at the conviction that they are not appreciated for the work they do.

There were alternatives available to the Government in this budget. We are told that the corporation tax rate is sacrosanct and an increase would lead to a diversion of foreign direct investment. We are told that the tax relief on large pension funds must remain unchanged lest investment moves out of this country. It is not a good idea, we are warned, to impose a higher tax rate on incomes above €100,000 because this would have a negative impact on jobs and investment in the long term. Yet it is okay to reduce supports for carers and children. There is a lack of logic there. Poor households will have poor children. Do we have a responsibility to ensure children do not go hungry, that they have proper shoes and do not have to sleep in damp bedrooms? Do we in this House have a responsibility when we have made conditions so difficult for households that such deprivations are bound to arise?

**Deputy Michael Healy-Rae:** I thank Deputy John Halligan for bringing forward this excellent motion and my colleagues for sharing speaking time. The motion is deserving of support. Like other politicians, I deal each day with people who are providing excellent care for people in their homes. Nobody should underestimate the value of this work. I was grateful in recent weeks to attend a briefing session in Tralee by carers who are providing care for people in their homes. On that day I heard at first hand, as I have outside this House, at my clinics and at constituency meetings, the cases of people who are going through a great deal to provide care. They are not looking for anything special for doing that. They are doing this work and wish to take care of people in their homes. However, they want basic recognition for that and to be treated properly by the State. They do not wish to be treated the way they are at present.

Members on the other side of the House should know that people who are providing care for people in their homes are being paid for probably only half of their work. If they are taking care of somebody who is in a wheelchair and have only 40 minutes to do so, they will not be able to deal with the person's personal needs in that amount of time. If they stay for an hour or an hour and 20 minutes, they will not say anything about it, just do the work and only get paid

for half of it. They are working for nothing for at least half of their time.

I cannot understand how Members on the other side of the House will vote against this motion. The motion tabled by Deputy Halligan states: “That Dáil Éireann recognises ... the vital contribution carers make to the economic and social life of the nation, and further acknowledges this by providing them with adequate income supports”. How in the name of God could anybody vote against that at any time? It is inhuman to do so. If Members intend to vote against it, they should explain that vote to their constituencies and explain how they think it is right to vote against this excellent motion.

I thank the Technical Group for sharing time with me.

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** I move amendment No. 1:

To delete all words after “Dáil Éireann” and substitute the following:

“notes that:

- carers make a vital contribution to the economic and social life of the nation;
- the income supports which are available to carers from the State are among the highest rates of income support in Europe;
- the income disregard and means test for carer’s allowance is the most generous in the social welfare system;
- a person getting certain qualifying payments and also providing full-time care and attention to another person can keep their main social welfare payment and get a half rate carer’s allowance as well and that these rates were fully protected in budget 2013;
- carers also receive a free travel pass at an annual cost of €6 million and carers who reside with the care recipient are eligible for the household benefits package at an annual cost of approximately €30 million;
- carers are entitled to an extra half-rate carer’s allowance if they care for more than one person and a respite care grant for each care recipient;
- the respite care grant is available to all full-time carers regardless of their means;
- the Government had to make very difficult decisions in the course of budget 2013 in order to protect core weekly payments which people receive such as pensions, disability, jobseeker’s and carer’s allowances;
- the revised rate of the respite care grant of €1,375 will still be more than what it was in 2006 at the height of the economic boom when the rate was €1,200 and more than twice what it was in 2002 when it was set at €635; and
- the estimated expenditure on carers in 2012 is over €771 million: €509 million on carer’s allowance, €24 million on carer’s benefit, €135 million on the respite care grant and €103 million on domiciliary care allowance and that this represents an increase of almost €20 million on expenditure in 2011;

welcomes:

— the publication of the National Carers' Strategy in 2012 which, for the first time at national level, recognises the value and contribution of carers to society;

— the roadmap for implementation in the strategy and the commitment to progress these elements of the strategy within the limits of existing resource constraints; and

— the Government's plans to reform the current public health care system by introducing universal health Insurance with equal access to care for all and to introduce, on a phased basis, general practitioner, GP, care without fees for the entire population within its first term of office; and

acknowledges that:

— additional funding has been provided to meet the needs of the people receiving GP care and prescription drugs under the general medical services scheme, which now stands in excess of 1.8 million medical cards, representing an increase of 24% since the start of 2010;

— approximately 97% of persons over 70 years of age are provided with free GP and hospital services, as well as subsidised prescription drugs subject to a capped fee per item;

— stable public finances are an essential prerequisite to long-term economic growth and job creation;

— the State will only be able to access the markets successfully in the long-term if the markets believe we have a credible fiscal strategy and agree that our debt is sustainable;

— this Government continues to face a daunting challenge in repairing the economy and the public finances and that difficult decisions are still required; and

— the Government has shown in budget 2013 that it is committed to meeting that challenge, and is determined that through good governance it will lead Ireland back to independent funding and sustainable growth in living standards and in employment.”

I am speaking on the motion on behalf of the Minister for Social Protection, Deputy Joan Burton, who has been in the Seanad all day and is unable to be present. I am sure she will take on board all the contributions that have been made and will be present for the conclusion of the debate tomorrow night.

I now turn to the motion before the House. The Minister for Social Protection has provided considerable and consistent support for carers. Although carers can sometimes feel that their work goes unnoticed by the State, their communities or even their families, the important and valuable role played by carers in society has been increasingly recognised both at EU level and in Ireland in recent years. The national carers' strategy was part of that acknowledgement. Caring for another person can have a huge impact on carers and their families and this is particularly true when that care is provided on a full-time basis. Becoming a carer can be a very rewarding experience but it often means that people make huge sacrifices particularly as regards employment opportunities, and sometimes these sacrifices are made at the expense of

the carer's own health.

As Deputies will be aware, the development and publication of a national carers' strategy was a key social policy commitment in the programme for Government. The strategy, which was published in July, sets the strategic direction for future policies, services and supports provided by Government Departments and agencies for carers. The Government believes that a formal recognition and acknowledgement of the value and contribution of carers is deserved. In that context, both the Taoiseach and the Tánaiste launched the strategy with me. We know that there are positive and rewarding aspects of caring and many carers will say that this care is a normal part of being a family member and a responsibility that comes with being a parent, relative or friend. However, we also know that some carers are providing a significant level of care on an ongoing basis that is intensive and physically and emotionally draining. There are many reasons that carers do what they do, despite the personal sacrifices that have to be made to be able to continue providing this care. Whatever the reasons and motivations, which are often quite personal and emotional, we know that many carers feel invisible and that their contributions are unrecognised. Our current budgetary challenges did not preclude the publication of a strategy, as a sign of the value that the Government places on carers and their contributions to loved ones on a daily basis.

It is worth considering who we mean when we talk about carers. There are a variety of definitions of "carer". Current definitions in Ireland stretch from that used in the census, which records people who "provide regular unpaid personal help for a friend or family member with a long-term illness, health problem or disability", of which there were 187,030 according to Census 2011, to that used for the purposes of qualifying for a social welfare payment, which states that the carer must be "providing full-time care and attention to a person in need of such care". There are approximately 53,000 full-time carers receiving carer's allowance.

Whatever we call them, and however we define them, one thing we all share is that, at some stage in our lives, almost all of us will provide care for another person or receive care. Each Member will have some family member involved in caring. The issues surrounding carers and family care are relevant to every one of us and are socially and economically crucial to Ireland as a nation. When someone becomes a carer, their circumstances can change dramatically - often suddenly - and they can find it difficult to cope financially. Often, the person in need of care was the main wage earner in the family. The carer may be elderly and rely on a pension or other State benefit. Becoming a carer can have implications for all aspects of a person's life from taxation to transport, social welfare payments and accessing health services. Reflecting this, services and supports for carers are delivered by a variety of Departments and bodies.

The income supports carers receive from the Department of Social Protection are among the highest rates in Europe. Carer's allowance is the main social assistance payment which provides income support to people who are providing certain older people or people with a disability with full time care and attention and whose incomes fall below a certain limit. Persons in receipt of carer's allowance also receive the annual respite care grant, the household benefits package and the free travel pass. The carer's allowance weekly payment was not affected by the budget.

Carer's benefit is a payment for people who have made social insurance contributions and who have recently left the workforce and are looking after somebody in need of full-time care and attention. Recipients can get carer's benefit for up to two years for each person being cared for. There are approximately 1,500 in receipt of carer's benefit. The carer's benefit weekly

payment was not affected by the budget. For a child under 16 years requiring full-time care, a domiciliary care allowance of €309.50 per month may be paid to the parent or guardian. The payment is not means tested and is to provide for the additional costs involved in providing care and supervision that is substantially more than that normally needed by a child of the same age. The parents may also be in receipt of the carer's allowance. The domiciliary care allowance has not been affected by the budget.

In the majority of cases, persons who are being cared for are in receipt of a payment in their own right, such as a State pension or disability allowance, and entitled to a free travel pass. This includes anyone aged over 16 years who qualifies for disability allowance. In the case of a disabled child, they may also be receiving the domiciliary care allowance. The disability allowance has not been affected by the budget. People in receipt of a social welfare payment, other than carer's allowance or benefit, who are also providing someone with full-time care and attention, can retain their main welfare payment and receive a half-rate carer's allowance. Similarly, people currently in receipt of a carer's allowance, who may have an underlying eligibility for another social welfare payment, can transfer to that other payment and continue to receive up to a half rate carer's allowance. The half rate carer's allowance has not been affected by the budget.

The income disregard and means test for carer's allowance is the most generous in the social welfare system. A couple under 66 with two children, earning a joint annual income of up to €35,400 can qualify for the maximum rate of carer's allowance and such a couple earning €59,300 will still qualify for the minimum rate. Carers are entitled to an extra half rate carer's allowance if they care for more than one person and a respite care grant for each care recipient. These provisions have not been affected by the budget.

Most of the focus of the discussion in recent days has been on the respite care grant. We must remember that carers receive considerable supports. Only 5,000 carers receive only the respite care grant, which is not a means tested payment. The Government had to make very difficult decisions in the course of budget 2013 to protect core weekly payments such as pensions, disability and carer's allowance. We had to look very carefully at other additional payments such as the respite care grant. Let us take, as an example, a single parent with a disabled child in receipt of a half rate carer's allowance. They receive €319.80 per week in income support payments, including the one parent family payment of €188.00 and an increase of €29.80 for the child and the half rate carer's allowance, €102. From October to April each year, they may also receive the fuel allowance of €20 per week, which was not affected by the budget. They may also receive a €309.50 per month domiciliary care allowance for the child and are entitled to the respite care grant, a free travel pass and a household benefits package. The total annual value of all income supports in this case in 2012 is €23,606. I do not like such examples and other Members could find other examples.

The revised rate of the respite care grant, €1,375, is more than twice what it was in 2002, €635, and higher than it was in 2006 at the height of the economic boom, €1,200. The estimated expenditure on carers in the Department of Social Protection in 2012 is over €771 million, with €509 million on carer's allowance, €24 million on carer's benefit, €135 million on the respite care grant and €103 million on domiciliary care allowance. This represents an increase of almost €20 million on expenditure in 2011.

Carers also receive a free travel pass at an annual cost of €6 million and carers who reside with the care recipient are eligible for the household benefits package at an annual cost of ap-

proximately €30 million. The Government is committed to ensuring that, in addition to the necessary income supports, carers receive a comprehensive range of services to assist in the caring role.

Caring for a relative who has a disability, who is frail or who is chronically or terminally ill not only requires a wide range of skills, it also requires patience and an ability to empathise at times when they may be feeling vulnerable, stressed and frustrated. The role of carer, while it may be very rewarding, can be a 24 hour a day, seven day a week role and caring can extract a great emotional, physical or financial cost from the person providing care.

I refer to the services provided by the Department of Health and the Health Services Executive. Protecting the vulnerable, including supporting people to remain at home and in their communities for as long as possible, is a priority for the Government. Maximising health service community-based supports remains to the fore of the Government's health service agenda. This must be balanced against addressing evolving service and resource pressures and the challenges facing the HSE in drawing up its service plan for 2013. The challenge should not be underestimated. The overall provision of home support services is regularly reviewed at national and local levels, in the context of client need and resource availability. Notwithstanding the recently announced reductions for HSE home support provision over the later part of 2012, investment in these services remains significant, with expenditure of about €320 million expected for home help and home care packages this year. Details on home care provision for 2013 are being considered at present in the context of finalising the HSE service plan, which is due to be published in the near future. However, the Government has committed to restore the core community services of home help, home care packages and personal assistant hours to 2012 levels of service. Persons with medical cards are entitled to a full range of services without charge, including general practitioner services, all inpatient public hospital services in public wards including consultant services, all outpatient public hospital services, including dental, ophthalmic and aural services and appliances, and a maternity and infant care service. They are also provided with prescribed drugs and medicines, subject to capped co-payment. Eligibility for medical cards is generally determined by reference to the means of the individual or family and a medical card is awarded where income is below a certain level.

The Government is committed to major reforms of the manner in which health services are delivered. The programme for Government commits to reforming the current public health system by introducing universal health insurance with equal access to care for all. As part of this, the Government is committed to introducing, on a phased basis, GP care without fees within its first term of office. In honouring this commitment, legislation to allow the Minister for Health to make regulations to extend this access to persons with prescribed illnesses is currently being drafted by the Department of Health and the Office of the Attorney General and will be published shortly. Implementation dates and application details will be announced in due course.

Carers were identified as a priority theme under the economic and social disadvantage category in the dormant accounts allocation for 2007. The focus of the carers' measure is to provide training to assist carers in undertaking their caring role. The Department of Social Protection has been the lead Department for this measure, as well as carer's payment and the respite grant, and the funding is being channelled through the Department's Vote. Pobal is administering the measure on behalf of the Department and is responsible for the ongoing monitoring and evaluation of the programme. Applications were assessed by Pobal and 12 groups were approved for funding in December 2008, totalling €1.48 million. The grants range in size, with more than €500,000 for the Carers Association and almost €250,000 for Caring for Carers, while smaller

groups are receiving smaller amounts, such as €38,000 for the Rosses Community Development Project in Donegal and €10,000 for the Ballinrobe Family Resource Centre in Mayo.

I am very conscious of the needs of carers. I also fully understand that a wide range of other groups, such as unemployed people, parents, pensioners and people with disabilities, depend on the welfare budget for vital support. I want to assure the House that the Government, in the context of a very tough budgetary environment, will continue to do its utmost to protect the most vulnerable people in Irish society.

The requirements of the Department of Social Protection highlight how important stable finances are. Over the next five years, the Department of Social Protection will spend over €100 billion. All of this must be raised by taxation or, in the short term, by borrowing. Obviously, any borrowing will have to be repaid by the taxpayer at some time in the future. It is clear that if the Government did not ensure we had a sustainable financial situation, the Department of Social Protection and its clients, as the largest single Vote, would be the first to suffer. The Government will, of course, make sure we provide this money and this support. It is up to other parties to explain how their policies would maintain the same level of commitment to social welfare clients.

Our public finances are performing well. Based on the latest information, including the November tax receipts, the Department of Finance now projects that the general Government deficit for this year will be 8.2%, well inside the required target of 8.6% under the excessive deficit procedure. In addition, the projected deficits for 2013 to 2015 are 7.5%, 5.1% and 2.9%, respectively, all in line with the targets to be achieved.

Stable public finances are an essential prerequisite of long-term economic growth and job creation. We will only be able to successfully access the markets in the long term if the markets believe we have a credible fiscal strategy and that we can repay our debts. Confidence is returning to Ireland. Unemployment fell by 3,600 on an annual basis in quarter 3, the first year-on-year fall recorded since 2005. Solid economic indicators such as the manufacturing purchasing managers' index show that Ireland is the only country in the euro area to record an expansion, the ninth consecutive month of expansion. Retail sales have strengthened over recent months. There are many positive signs, including renewed private sector job creation, sustained and significant foreign investment, strong exports and, as I have indicated, restored access to international funding markets. The journey ahead is difficult but we must travel with a sense of purpose.

For many, particularly as we get older, our first choice is to remain living at home in the communities in which we are rooted and with which we are familiar. Government policy is to support people to live in dignity and independence in their own homes and communities for as long as possible. Where appropriate, the health service also supports access to high-quality long-term residential care. I understand that people requiring care face particular challenges in their daily lives and that family carers have to make sacrifices in order to look after their loved ones. I have set out in the foregoing the definite steps the Government has taken to make sure these vulnerable groups are protected to the greatest extent possible. The Government is well aware of and values the contribution of the many carers who do an extraordinary job in our community every day.

**Deputy Billy Kelleher:** With the agreement of the House, I will share my time with Deputy Robert Troy.

I welcome the opportunity to speak on this issue. Having contributed to the debate on the Social Welfare Bill, I will be repeating myself to an extent, but what I said is worth repeating.

The Technical Group has put down a comprehensive motion, which is worth reflecting on. It outlines and recognises the contribution carers make to society. It goes on to acknowledge their need for support from the State and calls on the Government to act on that in a meaningful way. State support is required in the form of carer's allowance and benefit, home care packages, special needs assistance and grants to adapt homes for people who are disabled to ensure they can live at home with dignity and independence.

The decision to cut the carer's respite grant was an amazing one. It now appears we are targeting people who have been made vulnerable by an intellectual or physical disability. I do not say this lightly. In the areas of health and social welfare, we have seen home help hours cut, the carer's respite grant has been cut and last September we witnessed the unseemly sight of people campaigning outside Government Buildings to retain special needs assistants. The Department of Health is now proposing to cut home care packages.

The Government, in trying to honour its commitments not to increase taxation or cut basic social welfare payments, is attacking vulnerable groups in a very malicious way. I do not use those words lightly, but this seems to be the case.

The respite care grant is a valuable contribution to people who are caring for someone at home, particularly to many people who do not qualify for the carer's or half carer's payment. It gives them some support and recognition of what they do on behalf of the State by caring for people who have physical or intellectual disabilities or are growing old and want to remain at home for as long as possible.

This cut was mean and nasty. The Minister of State referred in her speech to the budget being difficult. We all knew it would be difficult. Every political party in the Dáil agreed about the broad parameters. Fianna Fáil signed up to the memorandum of understanding and put forward our case before the last general election. We outlined the severity of the budgetary situation. No one needed to be informed of that; the difficulties we had were obvious. In respect of the choices that have been made since then, however, the one choice I was amazed was not made was to increase the universal social charge by a minimum of 3% for those earning more than €100,000, which would have given a lot of headroom to address the difficulties faced by the vulnerable in our society because of the social welfare cuts.

The Minister of State referred to the deficit being 8.2% versus 8.6%. Even without increasing the USC for those earning in excess of €100,000, there was headroom built in because we were beyond our targets for meeting the critical 8.6% deficit target that is set out in the memorandum of understanding with the lenders of last resort. There was plenty of room to protect those in receipt of the respite care grant. For all the broad economic arguments being made about the lenders of last resort dictating terms, this was within our own resources, so it was available to us. The decisions that were made, however, were not made in accordance with the fundamental principle of fairness. Fairness is what is at issue. Can someone tell me how it is fairer not to increase taxes on a person earning more than €100,000 than it is to take €325 from those in receipt of the respite care grant? Most people in the Labour Party and most people in this House privately believe it is deeply unfair, to say the least.

The Minister for Communications and Natural Resources referred to pirouetting on the

plinth and people saying they had strong concerns about the attack on the respite care grant and other areas of social welfare such as child benefit, but this was a red line issue for the Labour Party before the election. It is no longer a red line issue and possibly there might be a further rolling back on commitments made prior to the election. Even in the context of the programme for Government, this is clearly a social welfare payment. It is very important to families who are put to the pin of their collar.

The respite care grant, and the other mechanisms such as home help, special needs assistants and home care packages, serve to implement a policy to which all political parties and those in the health care industry subscribe, namely, moving people from acute hospitals into independent home care or at least a community care setting. This will achieve the opposite. It will force families to make a decision about continuing to care for a loved one in the home setting or putting that person into long-term care. That is contrary to all stated policy. The Carers Association reckons that carers save the State €4 billion per year. I am still at a loss as to how this proposal found its way into a budget that was supposed to be based on fairness, equality and the protection of the most vulnerable. Clearly, the Social Welfare Bill has stripped that away.

I said to the Minister for Social Protection on the Social Welfare Bill that she makes great play of her claim that she is trying to protect the most vulnerable and that the Social Welfare Bill had achieved that. Any critical analysis which compares the cuts to the respite care grant and child benefit with the measures affecting those who are earning most clearly shows those who are bent over from working hard and supporting a loved one at home who needs care and attention are being abandoned by the Government. Those on €100,000 have not had their basic income cut any more than anyone else in the country in terms of PRSI contributions and cuts in child benefit. If anyone tells me this budget taxed the rich to give to the poor, he is simply not very good at basic mathematics.

Let us be clear on the pronouncements of *alea iacta est*, the die is cast, but it is cast for carers by this Government that is clearly saying to those carers that they must cross the Rubicon on their own, they must paddle their own canoe because the Government is more interested in supporting the rich and those who can make it on their own. It gives them the breaks while making this mean, spiteful cut to the respite care grant. It is nothing other than a mean, spiteful cut and I know the Minister of State believes that, as does every Deputy in this House. For some reason of simple arithmetic, the Government looked at the figures and decided to take the €325 off the respite care grant and assumed everything else would be fine. There was an easier way and a fairer way to do this. Unfortunately on this occasion, Fine Gael got its way at Cabinet, the Labour Party surrendered and now the most vulnerable are paying. That is not good enough, and even at this late stage, this reprehensible cut should be reversed to ensure those who need it most get it.

**Deputy Kathleen Lynch:** The Deputy is attentive.

**Deputy Robert Troy:** The way the Minister of State was speaking, it sounded like the job from heaven that anyone would want to do. They are only getting what they are entitled to.

**Deputy Kathleen Lynch:** Yes.

**Deputy Robert Troy:** Does the Minister of State realise how much money carers save? The manner in which she portrayed it, it sounded as if they should be thankful for what they are getting but they are only getting what they are entitled to get. The carers in this country save

us €4 billion per annum, five times what they cost the Department of Social Protection. The recipients of the carer's allowance are the only people who work for their social welfare payments. They often work 24 hours a day, seven days a week. More than 90% of those in receipt of carer's allowance are family carers, doing it not for the money or the benefits the Minister of State outlined but for the love of that family member.

Those carers feel very let down. They feel their contribution is not being acknowledged by the Government. In my short time in this House, it is the first time that I witnessed one Minister taking the entire 30 minute Government speaking slot during Private Members' business.

**Deputy Kathleen Lynch:** Even the relevant Minister.

**Deputy Robert Troy:** I thought the Minister of State's fellow Government Members would have been only too delighted to come in and stick up for carers. They are saying one thing in the constituency and doing a different thing when they come into this House.

The carers carried out a survey between 31 October and 3 November. Of the carers who took part 26.7% rated their stress level at 5 on a scale from 1 to 5. They are stressed out of it. Some 45.8% rated their stress level at 4 and 22.5% rated it at 3. Some 75% of them said they were more stressed now than they were 12 months ago. The Government has closed their valve for letting off steam. The respite care grant was a mechanism by which people could avail of a service, a couple of nights a month, once a week, once every fortnight or however it best suited them. It was an opportunity for them to release the pressure and have some time for themselves. The biggest worry for many carers is what will happen to their loved one if the carer falls sick. This is a cruel cut. The Minister, Deputy Rabbitte, is wrong in calling it a modest cut. It is not at all modest - it is a 20% cut in a grant to carers, who provide invaluable service not alone to their own families but also to the State. They are saving the State in excess of €4 billion per annum. This comes on the back of savage cuts to home-help hours.

Alternatives have been proposed by people on this side of the House, but the Government did not want to accept those alternatives. They were costed by the Department and through parliamentary questions, but the Government did not want to accept them and instead took its own political choice which was to cut the respite care grant.

I listened to the deliberations of the Minister, Deputy Burton, in the Seanad earlier today. She said she would publish a report on the future of child benefit at the end of January. She was saying that to appease some Labour Senators who are getting wobbly at this stage. Why does she not publish these reports before the decisions are taken? Why do we not change the way things are done in this House? Why do we not all consider how we can achieve better savings in the various Departments, not after the horse has bolted but before the die is cast?

Having spoken to a number of officials and retired officials from the Department of Social Protection, last week I made suggestions to the Minister, Deputy Burton, for reducing the amount of fraud. Nobody can stand over somebody knowingly making fraudulent claims. However, the Minister did not seem to comprehend that is another alternative. I do not know how anybody in their right mind or anybody who is interested in fairness and equality could vote against this motion tomorrow evening. I compliment the Technical Group on tabling it and giving us an opportunity to speak on the matter in the House again.

**Deputy Caoimhghín Ó Caoláin:** On my behalf and on behalf of Sinn Féin I fully support the motion in the name of the Deputies in the Technical Group. The motion recognises the

absolutely critical contribution of carers in our society and it calls for the reversal of one of the cruellest cuts in budget 2013, the cut to carer's respite grant.

I ask all Ministers and all Government Deputies who were in the last Dáil to go back over the Dáil record and find the many occasions on which most of them spoke in opposition Private Members' time in support of carers - there are a number of examples. They should then try to square their fine words in opposition with their deeds in government. There were choices for Fine Gael and Labour Ministers to make. They pretend that their hands were tied and, in the case of the Labour Ministers in particular, they claim that this left them with no choice but to impose cuts such as the cut to the respite care grant, in breach of their pre-election commitments. I believe that is a false claim.

In our alternative budget and our jobs plan, Sinn Féin presented proposals designed to protect the vulnerable, to tax fairly those best able to afford tax increases and to stimulate the economy to encourage growth and employment. We were not the only ones to do so, but all have been dismissed by this coalition which takes its cue not from the Irish people but from the troika. We identified more than €1 billion that could be raised from wealth taxes and €365 million from a new higher rate for those on incomes of more than €100,000 per annum. If even a fraction of those measures had been introduced, the coalition would have recouped many times the so-called savings made by cutting the respite care grant.

The Carers Association has pointed out that the average cut in income support for carers is 5% in budget 2013 and that is more than twice the average cut in income support to all other recipients of social protection payments, which is 1.8%. The Carers Association is also correct in stating that the respite care grant is a core payment for family carers and is used to buy in-home and residential respite as well as meet the everyday additional costs of caring in the home. This is of course contrary to Government claims that it has protected core social protection payments.

The coalition has claimed that "carers will remain one of the few areas where the Department continues to make double payments in recognition of the valuable work that carers do". However, again the Carers Association points out that family carers who receive this so-called double payment, at a total cost of €100 million, provide care which would, were it to be provided by the HSE, cost the Exchequer €1.5 billion. Carers work for their payment, often 24 hours a day, seven days a week. It is estimated that overall, family carers receive approximately €800 million from the social protection budget and save the health budget more than €4 billion.

I again appeal to the Government to reverse this cruellest of cuts in its budget 2013. If it fails to do so we will know for certain that its words in praise of carers are nothing more than patronising waffle and plámás from a Government that preaches compassion but practices punishment of the most vulnerable. On this issue at least, I urge Government to do the right thing or else stop pretending to care for carers.

**An Ceann Comhairle:** Is there someone else following on, as there is one minute left in the Sinn Féin slot?

**Deputy Caoimhghín Ó Caoláin:** I am happy to fill the minute if that is what you want me to do, a Cheann Comhairle.

**An Ceann Comhairle:** You have a minute.

**Deputy Richard Boyd Barrett:** I will take it if the Deputy wants.

**Deputy Caoimhghín Ó Caoláin:** I will certainly reiterate my appeal to the Minister of State. This is one of those glaring obscenities in budget 2013 of which there are many. I am very conscious of the extent of the discomfort this has caused for backbench Deputies in both Fine Gael and Labour - it is not unique to Labour in this instance. I urge the Minister of State, Deputy Lynch, to use her special position in Government to insist that this particular obscenity is removed from the text of budget 2013. It is the very least that should be done in recognition of the special role carers play in our society and the absolutely essential purpose they serve in the service of those who are unable to help themselves.

Debate adjourned.

*9 o'clock*

### **Finance (Local Property Tax) Bill 2012: Committee Stage (Resumed) and Remaining Stages**

Question again proposed: "That section 1 stand part of the Bill."

**Deputy Michael Healy-Rae:** I will continue by stating my opposition to the proposals regarding the Revenue Commissioners and the fact that the Revenue Commissioners will have far-reaching powers when it comes to forcing people to pay the property tax. Many people fear the implications of the Fines (Amendment) Bill which is to come before the House. The Minister knows that many houses in our towns and villages that sold for €200,000 and €300,000 have recently been sold through NAMA for €40,000, €50,000 and €60,000. In some cases, it was like a lucky bag where one could buy 20 and get ten free. Where will we be when it comes to putting a value on those properties? If a person has a mortgage of €200,000 or €300,000 on his or her property but can point to a house down the street that has sold for €40,000 or €50,000, is it not fair, right and reasonable to say that this is the true asset value of the house and that, therefore, if this person must pay a tax, it should be set at that value? That is a very important point.

I am sure the Minister is aware that local authorities are preparing and passing budgets and having budget meetings. The town council in Listowel, a place the Minister knows very well, held its budget meeting last night where it had to make an allowance of €9,000 for half a year's property tax on properties it owns. The Minister knows that if Listowel Town Council must pay €9,000 next year, that money will come from another part of its budget where it was providing necessary services with that money. People will be hit on the double. We are being told it is to provide better local services but in that instance, the Minister is taking away local services. Kerry County Council held its budget meeting yesterday. It has made an allowance of €40,000 to pay the property tax. We were led to believe the local authorities would not have to pay the property tax. That €40,000 will not fall out of the sky. It must be taken from somewhere else so that money, be it for street cleaning, fire stations, repair of footpaths or street lighting, does not appear from nowhere. It comes from the budget to pay the property tax.

The whole thing is wrong. I again emphasise that I have nothing but the utmost respect for

the Minister and his political experience but I remind him that the one thing said by the Government parties when they were campaigning in the general election was that previous Governments had lost their way. He should marry that with this scenario. On the day this Budget was being passed, the Minister with responsibility for introducing it did not see fit to be here in the House and was away in India. I will say no more about that. Young couples are burdened with this massive debt from which they will never free themselves unless there is a massive write-down. If these couples have a mortgage of €250,000 but their house is valued at €100,000, there should be a bailout for them in the same way as there was for the banks and their mortgages should be re-adjusted to the value of the house. If the value of the house is €100,000, their mortgage should be reduced to €100,000, they should pay a property tax on €100,000 and at least they could see some light for the rest of their lives besides an overpowering debt and burden upon them.

I know it is not falling on deaf ears with the Minister because of his experience. He would not be in politics for as long if he had not listened to people over the years. He cannot think that this is right. It is ill-devised and badly thought out and has been rammed through by a Minister who has lost touch with reality. To be in India when a budget was being presented with a property tax for the first time in many years did not make sense and did not send out the right message to young people who are suffering and living on the most minute budgets. They are failing to pay their electricity bills, are trying to scrape money together every week to do the shopping and make their small budgets go as far as possible and will see the mighty people on this side of the House impose a property tax on them. It is immoral and insane and people are very angry about it, particularly younger couples who are saddled with debt.

**Minister for Finance(Deputy Michael Noonan):** I thank all the Deputies who contributed. Once it settled down, there were some very interesting interventions and comments. I will not be able to reply to everything because if I do, I will take up the rest of the time that is available but I would like to deal with a few points that were reflected across the House.

**Deputy Noel Grealish:** Give us more time then.

**Deputy Mattie McGrath:** Lift the guillotine.

**Deputy Michael Noonan:** The initial criticism is that we are guillotining the Bill and it is being put through without adequate debate. Very often, budgetary measures are put through on that basis. From time immemorial, the Financial Resolutions are taken on budget night for the text changes and they must be put through before midnight. In recent years, the social welfare Bill has been taken in a very short time frame to implement another set of budgetary measures. On this occasion, we are implementing the property tax measures as well.

*(Interruptions).*

**Deputy Michael Noonan:** If Deputies do not want to hear me, I will sit down and they can ramble on like they did for the past hour and a half. If they want me to reply, I will reply so which is it?

**Deputy Richard Boyd Barrett:** I want to hear it.

*(Interruptions).*

**An Ceann Comhairle:** Will Deputies allow the Minister to respond?

**Deputy Michael Noonan:** The Revenue Commissioners, who have been charged with collecting this tax, have informed me that if we legislate in the Finance Bill, it will be too late for them to make the arrangements they require to collect the tax so they have advised me that we should legislate before Christmas so they have certainty about the provisions of the Bill and can make the arrangements for the tax. That is the first point.

The second point is in reply to Deputy Donnelly who asked about amendments. I obviously cannot do it tonight but I am noting any interesting points made and we will come back and amend in the course of the Finance Bill. I am already considering amendments on the position of executors and whether they would be liable or not. I am considering the pyrite situation and have already made a commitment that owners of houses affected by pyrite will not have to pay the local property tax. The question there is the actual format of the amendment. I am also looking at the position of approved housing bodies because I received a number of representations. If people come up with good suggestions tonight, I will look at them again and we can adjust that in the Finance Bill and it kicks back in.

The main drive tonight is on the Title of the Bill. There were very strong objections to the fact that it is called the local property tax. I presume we all agree it is a tax so there are only two words in question -whether it is a property tax or local. It is a property tax because it is a tax on houses. When I introduced excise increases I did so on tobacco and alcohol but not on hydrocarbons and it was still described as an excise tax. One does not have to do everything that is subject to a particular tax before it carries the title. Because all property is not included, the argument from the early speakers tonight was that it should not be called a property tax. This is a ridiculous proposition because it is property that is being taxed and it is quite valid to call it a property tax. Taxes which are very closely analogous to this tax throughout the European Union and the world are all described as property tax. The third word is "local". Is it local or not?

**Deputy Noel Grealish:** Some of it.

**Deputy Mattie McGrath:** It is like Shaws - almost nationwide.

**Deputy Michael Noonan:** It is a tax which will be used by local authorities.

**Deputy Mattie McGrath:** We have heard that before.

**Deputy Michael Noonan:** In the first year 65% of it will be transferred to local authorities, because obviously administrative measures must be put in place, and this percentage will increase. Over the space of a couple of years the total amount collected through this tax will be used by local authorities to fund the services they provide. When the estimate is being prepared by the new local authorities at the end of 2014 for the 2015 financial year, the newly elected local authorities will have the discretion of plus or minus 15% on the rate of the tax. It is up to subsequent Administrations to decide whether to transfer further discretion to local authorities or whether it will remain at plus or minus 15%. It is an evolving situation. This is a major structural change in the tax system of the country and Opposition Deputies know as well as I do it has been advocated for years. What is the biggest problem in this country at present? Unemployment. What does one get if one taxes work? One gets fewer jobs. I am not putting taxes-----

**Deputy Joe Higgins:** Where is the money coming from?

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**Deputy Michael Noonan:** I am not putting taxes on work.

**Deputy Mattie McGrath:** But you have indirectly.

**Deputy Michael McGrath:** PRSI.

**Deputy Pearse Doherty:** PRSI is work.

**Deputy Michael Noonan:** The money is coming from everybody who is the owner of the property-----

**Deputy Michael Healy-Rae:** People who cannot afford to pay.

**Deputy Michael Noonan:** ----but the problem previously was people such as Deputy Higgins refused to pay, but this time he will pay because it will be taken from him if he does not.

**Deputy Joe Higgins:** We will see about that.

**Deputy Michael Noonan:** This is the difference.

**Deputy Joe Higgins:** It is for the bondholders not local services.

**Deputy Michael Noonan:** We will have a situation where everybody will pay on this occasion and there will not be guys like Deputy Higgins. He is always giving out about the bondholders. He is another bondholder in a small way. He will not pay his way. He will not pay €100. He will avail of local services but he will not pay €100.

**Deputy Joe Higgins:** This is a transfer by the Minister from the Irish people to the bankers of Europe.

**Deputy Michael Noonan:** What kind of example is that to the public of Ireland?

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Michael Noonan:** It is an absolutely ridiculous position.

**Deputy Joe Higgins:** Does the Minister think everybody has a resident leprechaun with a crock of gold?

**Deputy Bernard J. Durkan:** Not all of the leprechauns are outside.

**Deputy Michael Noonan:** I do not have the time to go into it tonight but everybody knows that property is a fixed asset. If one taxes property it is more dependable. It is not a transaction tax. It is good for the tax base and people who have assets should be taxed. This is a tax on assets and they are being taxed on this.

**Deputy Richard Boyd Barrett:** It is not a tax on assets.

**Deputy Pearse Doherty:** They are liabilities for some.

**Deputy Michael McGrath:** Why did the Minister not tell people he was going to do this?

**Deputy Michael Noonan:** It is a fair tax and all those people who do not contribute on this occasion will contribute to a smaller amount. Everybody talks about fairness.

**Deputy Richard Boyd Barrett:** It is not a tax on assets.

**Deputy Michael Noonan:** I will tell you what my concept of fairness is. A different concept of fairness is being propagated by certain sections of the House which is that there is a small discrete group of extraordinarily wealthy people, and if one only took a lot of tax from them no one else would have to pay anything. This is the thesis. Fair enough, the wealthy should pay. This is why we are insisting on taking in a minimum 30% tax regardless of what tax break people have. This is fair, for those who live on my road in my housing estate fairness means everybody makes a contribution. Those people who get up in the morning, who are both working and who take their kids to the crèche or drop them at school and pass houses where people do not get up in the morning think everybody should share and should pay.

**Deputy Mattie McGrath:** Will the Minister tax the crèche too? He taxed the hearse so he will probably tax the crèche.

**Deputy Michael Noonan:** We are all in the same profession, and Deputy Mattie McGrath knows what is regarded as extremely unfair in housing estates is where the local authority comes in and buys a house and puts in a person in need of social housing who pays rent there as a tenant while everybody along the road is paying mortgages. When it comes to property tax I believe everybody on the road should pay a small amount in accordance with his or her capacity to pay. This is fairness.

**Deputy Michael McGrath:** It is not linked to capacity to pay.

**Deputy Pearse Doherty:** It is not in the Bill.

**Deputy Barry Cowen:** Will the Minister table an amendment?

**An Ceann Comhairle:** Do Deputies want a row or do they want to listen to the reply? The Deputies are only wasting time.

**Deputy Michael Noonan:** The Deputies are propagating an argument that everybody should not pay. Go to a big corporation estate in any city. Are the Deputies telling me that people who have been on tenant purchase and have reached 85% or 90% are the only people who should pay because they are the owners and those paying rent and who are not tenant purchasers should not pay anything?

**Deputy Stephen S. Donnelly:** Renters do not pay.

**Deputy Michael Noonan:** Everybody should pay. At the end of the day everybody should make a small contribution. This is fairness.

**Deputy Stephen S. Donnelly:** Renters do not pay.

**An Ceann Comhairle:** Settle down. Deputy Donnelly can speak when he has the floor.

**Deputy Michael Noonan:** Deputies Higgins and Boyd Barrett in different ways tried to rally people to some revolutionary cause. I heard Deputy Boyd Barrett last week getting very impassioned. He was calling people to the barricades. He was throwing the little streets upon the great.

**Deputy Richard Boyd Barrett:** Along with Deputy Mitchell.

**Deputy Michael Noonan:** The only problem with this call to revolution is I do not think they will get a big crowd of revolutionaries rallying behind the banner of opposing property taxes. This was never a great slogan for the left. The Deputies' ideological position seems to owe far more to Groucho Marx than Karl Marx because they are taking up ridiculous ideological positions. If Lenin heard what his successors in revolution now advocate he would have got back on the train at Finland Station and would never have gone to the Winter Palace.

**Deputy Mattie McGrath:** What happened when Michael Collins came back?

**Deputy Michael Noonan:** The Deputies have put themselves in an absolutely ridiculous position.

**Deputy Joe Higgins:** When did Lenin advocate attacks on people's family homes and on the peasant homes?

**Deputy Michael Noonan:** I am all for raising debate. What is wrong with many people here tonight is they are disappointed the Government's programme is working.

**Deputy Richard Boyd Barrett:** Who is Groucho Marx now?

**Deputy Michael Noonan:** They are building political careers on failure and the misery of the people and hoping the difficulties will continue. They got a shock today because as well as the internationally trading economy going well, the domestic economy has lifted and in the third quarter of this year there was growth in the domestic economy. GDP is growing again and it will grow stronger this year than estimated in the budget. Next year's figures, on the basis of today's figures, will be stronger than what was built into the budget. This is working despite all their theory and arguments that it will never work. We are getting the country out of the misery it was in when we took it over.

**Deputy Pearse Doherty:** What is the country? The country is families and the people.

**Deputy Michael Noonan:** We are developing a strong society once more-----

**Deputy Mattie McGrath:** What?

**Deputy Michael Noonan:** -----and we are keeping people at work.

**Deputy Mattie McGrath:** Work?

**Deputy Michael Noonan:** More than 1.8 million people are still at work and I refuse to increase income tax on them because if one taxes work one will get less of it.

**Deputy Michael McGrath:** The Minister did.

**Deputy Pearse Doherty:** PRSI.

**Deputy Michael McGrath:** The Minister just called it something else.

**Deputy Michael Noonan:** The commitments we made in the programme for Government-----

**Deputy Michael McGrath:** Have been reneged upon.

**Deputy Michael Noonan:** -----were not to increase rates, reduce credits or increase the

bands and a separate commitment was made not to increase the marginal rate of tax.

**Deputy Noel Grealish:** The Minister increased VAT.

**Deputy Michael Noonan:** We did not do so in the previous budget and we did not do so in this one. It is working because we are not taxing work and more people are going back to work.

**Deputy Mattie McGrath:** The Minister is being deluded by the officials beside him.

**Deputy Michael Noonan:** I have not heard one coherent argument tonight with one exception; Deputy Donnelly is always right. I heard no idea tonight worth anything to me as Minister for Finance.

**Deputy Joe Higgins:** Of course. The Minister is just doing what the bondholders want.

**Deputy Michael Noonan:** I heard nothing I could pick up and implement from anybody tonight-----

**Deputy Michael McGrath:** The Minister does not want to hear it.

**Deputy Michael Noonan:** -----only the same old cant and trying to build a career on the misery of the people and failure. Why do the Deputies not come in and propose something constructive?

**Deputy Joan Collins:** What about the third child?

**Deputy Mattie McGrath:** Richie Ruin is back.

**Deputy Michael Noonan:** There was a big argument about the audacity of the Minister for Finance to ask the Revenue Commissioners to collect taxes.

**Deputy Mattie McGrath:** Yes.

**Deputy Michael Noonan:** This was dreadful. What do the Deputies think the Revenue Commissioners are for?

**Deputy Mattie McGrath:** Yes. They are adding to ordinary people's misery. They are paying tax already.

**Deputy Michael Noonan:** Why does Deputy McGrath think we have the Revenue Commissioners?

**Deputy Noel Grealish:** What about the sheriff?

**Deputy Michael Noonan:** The Revenue is there to collect taxes. That is its job.

**Deputy Mattie McGrath:** They are doing a good job of it.

**Deputy Michael Noonan:** They are being given the job now to collect this tax-----

**Deputy Mattie McGrath:** And the sheriff as well.

**Deputy Michael Noonan:** -----but there is also a commitment that it will be transferred back to the local authorities, and that is what will happen.

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Deputy Bannon, in a good speech, one of the better speeches tonight-----

**Deputy Pearse Doherty:** Deputy Bannon did not read the legislation. The Minister will be aware that the Deputy has not read the legislation.

**Deputy Michael Healy-Rae:** The Minister of State for mansions.

**Deputy Michael Noonan:** -----spoke about having an easy payments system. In the Bill, there is an easy payments system.

**Deputy Pearse Doherty:** Is that the better speech?

**Deputy Joe Higgins:** The Minister is embarrassing Deputy Bannon.

**Deputy Michael Noonan:** Owners, depending on the way they are paid, can pay by deduction at source. If they are paid weekly, fortnightly or monthly, whatever way they are paid, they can have deductions made accordingly.

**Deputy Joe Higgins:** Presumably, from their wages.

**Deputy Michael Noonan:** They can pay by direct debit. There are a number of ways of paying during the year.

It should be borne in mind that a total bill of €200, which is on the higher end of the scale, is €4 a week. Deputy Stanley spoke of houses that his neighbours bought for €250,000 and that are worth €60,000. If they are worth €60,000, they pay not on what they paid for them but on what is their value.

**Deputy Mattie McGrath:** Who values them?

**Deputy Michael Noonan:** The tax is paid on the value. Deputy Healy-Rae implied the same thing. The tax is not on what one paid for the house. The tax is on the value of the house as will be assessed in the late spring, in March or April.

**Deputy Catherine Murphy:** One does not own it.

**Deputy Michael Noonan:** If we take Deputy Stanley's example of where the house is worth €60,000, the charge will be the minimum charge of €90.

**Deputy Pearse Doherty:** On a liability of €200,000, that is what the Minister fails to understand.

**An Ceann Comhairle:** Would Deputy Pearse Doherty mind? I will let him in again in an orderly fashion.

**Deputy Michael Noonan:** The tax will be on the €60,000 valuation-----

**Deputy Pearse Doherty:** It is on the average asset, which is the liability.

**Deputy Michael McGrath:** Irrespective of one's mortgage. That is the point.

**Deputy Michael Noonan:** -----and it will be €90.

**Deputy Mattie McGrath:** On top of one's mortgage.

**Deputy Michael Noonan:** That is €10 less than that person's liability this year when there was a flat rate of €100 charged. There is a relationship between value and what will be charged on this occasion.

In general terms, those on higher incomes have higher-value properties. It flies in the face of reason to pretend that those on higher incomes do not have higher-value properties. The higher the value of the property, the more that one will pay.

Deputy Ross spoke on Second Stage about the deferral system and the 4% simple interest rate. He stated this would force people to sell their homes.

**Deputy Mattie McGrath:** How would they pay?

**Deputy Michael Noonan:** We all agree with hyperbole as a good way of making a point on some occasions, but this is blatant exaggeration. The rate of tax is 0.18%. Even a deferral for 20 years would result in an outstanding charge of not more than 3.6% to 4% of the house value and that will not drive anyone out of his or her home.

**Deputy Mattie McGrath:** Add them all up.

**Deputy Michael Noonan:** Exaggerated positions have been taken up.

I stated already that we will deal with the pyrite issue in the finance Bill. We will construct it so that those concerned do not have to pay anything. The situation regarding Priory Hall was mentioned. I regret I do not recall which Deputy.

**Deputy Richard Boyd Barrett:** I did.

**Deputy Michael Noonan:** Priory Hall is an unfinished estate and in the exceptions for unfinished estates, there will be no charge on Priory Hall. Priory Hall was exempt from the flat-rate tax and it will be exempt from this tax. There will be no charge in that case.

Owners will have the liability to pay and the tenants of private sector landlords may bear some of the costs if landlords pass it on. On the other hand, they may not. This will be a market issue. They will be in the same position as tenants elsewhere.

This is not simply a family-home tax. All houses owned by an individual, including holiday homes and rented property, will be subject to the charge.

Deputy Grealish mentioned somebody with 30 houses who was not paying. That is why we are bringing in the Revenue. That person will pay this year and next year because the Revenue will collect it.

**Deputy Noel Grealish:** These operators are getting away from the Revenue as well.

**Deputy Michael Noonan:** We will-----

**Deputy Mattie McGrath:** The heavy gang is back.

**Deputy Michael Healy-Rae:** The Minister will get them.

**Deputy Mattie McGrath:** The heavy gang is back. Former Minister for Justice, Mr. Paddy Cooney, is back.

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**An Ceann Comhairle:** One should not be mention names.

**Deputy Mattie McGrath:** Sorry.

**Deputy Michael Noonan:** This is the old tradition of a colony, that one will not obey the state because it is not our state. We have been running our own affairs since 1922.

**Deputy Richard Boyd Barrett:** I thought we were told the troika was ruling.

**Deputy Michael Noonan:** It is about time Deputy Mattie McGrath backed the Revenue-----

**Deputy Mattie McGrath:** I have backed them all my life.

**Deputy Michael Noonan:** -----and, as a public representative, stated that the Revenue should collect the taxes.

**Deputy Mattie McGrath:** I paid them too.

**Deputy Michael Noonan:** It is about time Deputy Mattie McGrath stated that people should pay their taxes.

**Deputy Mattie McGrath:** I do not want the sheriff going near their doors. Will the Minister send the sheriff in as well?

**Deputy Michael Noonan:** One is not dealing with a foreign power anymore.

**Deputy Mattie McGrath:** One would nearly think it.

**Deputy Michael Noonan:** One is dealing with our own Government since 1922.

**Deputy Joe Higgins:** One is dealing with the dictatorship of the financial markets.

**Deputy Michael Noonan:** Deputy Mattie McGrath spoke of the pike in the thatch, fellows setting fire to the thatch and all of that old grá mo chroí rhetoric.

**Deputy Mattie McGrath:** The Minister is a waffler.

**Deputy Richard Boyd Barrett:** The troika has slipped the Minister's memory.

**Deputy Mattie McGrath:** It is not grá mo chroí rhetoric; it is factual.

**Deputy Michael Noonan:** Deputy Mattie McGrath must be looking at black and white movies when he is selling all of that kind of stuff.

**Deputy Mattie McGrath:** I am not. The Minister would not want to be moving with the crowd behind him. He has not many of them.

**Deputy Michael Noonan:** They are all right. They are quite safe.

I do not want to be taking up good debating time.

Question put: "That the proposal for dealing with No. 26 be agreed to."

The Dáil divided: Tá, 84; Níl, 46.	
Tá	Níl

*Dáil Éireann*

Bannon, James.	Adams, Gerry.
Breen, Pat.	Boyd Barrett, Richard.
Butler, Ray.	Broughan, Thomas P.
Buttimer, Jerry.	Browne, John.
Byrne, Catherine.	Calleary, Dara.
Byrne, Eric.	Collins, Joan.
Cannon, Ciarán.	Collins, Niall.
Carey, Joe.	Colreavy, Michael.
Coffey, Paudie.	Cowen, Barry.
Collins, Áine.	Crowe, Seán.
Conaghan, Michael.	Daly, Clare.
Conlan, Seán.	Doherty, Pearse.
Connaughton, Paul J.	Donnelly, Stephen S.
Coonan, Noel.	Ellis, Dessie.
Corcoran Kennedy, Marcella.	Ferris, Martin.
Creed, Michael.	Grealish, Noel.
Deasy, John.	Halligan, John.
Deering, Pat.	Healy, Seamus.
Doherty, Regina.	Healy-Rae, Michael.
Donohoe, Paschal.	Higgins, Joe.
Dowds, Robert.	Kelleher, Billy.
Doyle, Andrew.	Kirk, Seamus.
Durkan, Bernard J.	Kitt, Michael P.
English, Damien.	Mac Lochlainn, Pádraig.
Farrell, Alan.	McDonald, Mary Lou.
Feighan, Frank.	McGrath, Finian.
Fitzgerald, Frances.	McGrath, Mattie.
Fitzpatrick, Peter.	McGrath, Michael.
Flanagan, Charles.	McLellan, Sandra.
Gilmore, Eamon.	Murphy, Catherine.
Griffin, Brendan.	Naughten, Denis.
Harrington, Noel.	Nulty, Patrick.
Harris, Simon.	Ó Caoláin, Caoimhghín.
Hayes, Brian.	Ó Cuív, Éamon.
Hayes, Tom.	Ó Fearghaíl, Seán.
Heydon, Martin.	Ó Snodaigh, Aengus.
Hogan, Phil.	O'Brien, Jonathan.
Howlin, Brendan.	O'Dea, Willie.
Humphreys, Heather.	O'Sullivan, Maureen.
Humphreys, Kevin.	Pringle, Thomas.
Keating, Derek.	Ross, Shane.
Kehoe, Paul.	Smith, Brendan.

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Kenny, Enda.	Stanley, Brian.
Kenny, Seán.	Tóibín, Peadar.
Kyne, Seán.	Troy, Robert.
Lawlor, Anthony.	Wallace, Mick.
Lynch, Ciarán.	
Lynch, Kathleen.	
Lyons, John.	
McEntee, Shane.	
McFadden, Nicky.	
McGinley, Dinny.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Mathews, Peter.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Nolan, Derek.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
O'Sullivan, Jan.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Reilly, James.	
Ring, Michael.	
Ryan, Brendan.	
Shatter, Alan.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Wall, Jack.	
Walsh, Brian.	
White, Alex.	

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Aengus Ó Snodaigh and Catherine Murphy.

Question declared carried.

## SECTION 2

**An Ceann Comhairle:** I ask Members who are not participating in the debate to please leave the Chamber. There is a time limit on this Bill.

**Deputy Pearse Doherty:** I move amendment No. 4:

In page 10, line 12, to delete “sale;” and substitute the following:

“sale, net of the following:

(a) any outstanding liabilities on the mortgage of the relevant residential property,

(b) the total value of stamp duty paid following the purchase of the relevant residential property where it was bought on or after 2000,

(c) the value accruing to the relevant residential property arising from any adaptations to the property for the purposes of making it suitable for a person with a physical, sensory or intellectual disability or mental health difficulty to live in,

and where the relevant residential property is in negative equity, the chargeable value shall be the current market value of the relevant property on the valuation date less the value of the property at the time of purchase as expressed in the full value of the mortgage taken out at the time of purchase;”.

This amendment deals with some of the issues Members discussed in section 1 of the Bill. It goes to the crux of some of the Bill’s most appalling aspects, as well as areas for which the Government has not legislated with regard to how a property is valued. Amendment No. 4 would deal with the section that defines the chargeable value and instead of stating the chargeable value is the gross market value of the house at the time of sale, it proposes it would be net of the following provisions. At the outset, I must state this amendment was submitted to the Bills Office as four separate individual amendments but without my consent, they have been rolled into a single amendment. I had intended to propose these provisions individually, as the Minister may accept one but perhaps not the others. Nevertheless, this is the manner in which the amendment has appeared on the amendment list. The amendment reads that the value would be the value at sale, “net of the following”, which would be:

(a) any outstanding liabilities on the mortgage of the relevant residential property,

(b) the total value of stamp duty paid following the purchase of the relevant residential property where it was bought on or after 2000,

(c) the value accruing to the relevant residential property arising from any adaptations to

the property for the purposes of making it suitable for a person with a physical, sensory or intellectual disability or mental health difficulty to live in.

The fourth point is “where the relevant residential property is in negative equity, the chargeable value shall be the current market value of the relevant property on the valuation date less the value of the property at the time of purchase as expressed in the full value of the mortgage taken out at the time of purchase”.

This amendment proposes to add a new paragraph to section 2 of the Bill under the definitions of “chargeable value”. In plain English, the Bill as it stands defines what is taxable as being the gross market value of the family home and this is the value the Government intends to apply to the family home tax. This definition contains one of the most unfair elements in the entire Bill and by basing the tax on the gross market value, the Government is refusing to take in a range of other issues that are central to the true valuation of the home. The Government does not take into account an outstanding mortgage or the issues of negative equity, that is, taxes on a debt instead of on an asset. While Members tried to debate this point earlier, the Minister fails to comprehend the idea that someone in a house valued at €50,000 or €60,000 might have a liability of €250,000 for that same property. In essence, the Minister proposes to tax a debt or a liability. The legislation does not take into account the huge amount of stamp duty paid by people who bought their homes at the height of the boom in particular. Moreover, the Minister does not take into account the adaptations made for a set of people who were obliged to adapt their houses to make them suitable for people with physical, sensory or intellectual disabilities or mental health difficulties.

My definition proposes to amend “chargeable value” to take into account these areas. It takes in the net value of the home and, consequently, it excludes the mortgage liability. As property prices have fallen by approximately 55%, a person in a property valued at €100,000 but with a mortgage of €200,000 does not have an asset. That person has a liability and until that liability is discharged to the bank, the bank has a call on that home. Unless this amendment is accepted, the Government basically will tax debts and liabilities for that group of people who have mortgages on such properties in excess of the market value of that property. The issue of negative equity also is dealt with through the last part of the amendment, in which the chargeable value would be the value of the house net of the mortgage, that is, the market value at the time the mortgage was taken out. In addition, those who have paid stamp duties also already have contributed in the form of property tax, as Deputy Gilmore called it before the last election. They have paid their property tax in the form of stamp duty and these people should not be punished again, particularly those who paid thousands of euro in stamp duty after 2000. I recall that during the 2007 election campaign, when the property bubble had run its course and was about to crash, the Minister for Finance and his party, the Labour Party and Fianna Fáil all scrambled to try to throw more fuel into the fire by getting involved in the auction politics of trying to reduce stamp duty in order that people would continue to buy houses at the height of the boom. I note that some of the issues and concerns with which Members are dealing in this legislation are as a result of that involvement. A friend of mine moved to Dublin and bought a two-bedroom apartment in the hope that at a later stage, he would be able to start a family, have children and so on. They bought an apartment just to get on the property ladder, paying €450,000 for it. That couple cannot pay their mortgage and the two-bedroom apartment they live in is worth a fraction of the purchase price. Despite their not being able to pay their mortgage, it is planned to land another tax on them.

There is also a group of individuals who have had to adapt their houses. An individual liv-

ing on an island off the coast of Donegal had the misfortune of having a family member in a serious accident. As the person wanted this family member at home, there was a need to expand the house and add a self-contained bedroom, changing room, etc. This has increased the market value of the house, although it came from a requirement to deal with the physical needs of a person. There are many cases like this where people have had to adapt a house to deal with such issues through no fault of their own, even if they did not wish to do so. As a result, the market value of such houses has been increased.

These constitute some of the most unfair elements in this legislation. The Minister knows I am completely opposed to the legislation and do not want to see it going through the House but I indicated on Second Stage that I would bring forward sensible amendments that would deal with some of the worst aspects of the Bill. The Minister has dismissed my comments and those of other Deputies but we will take that with a pinch of salt as he heaped praise on a party colleague who did not read the Bill. The Deputy in question called on the Minister to bring forward an easy payment mechanism despite it being contained in the Bill already. If the Deputy had read the Bill, he would have known about it.

**Deputy Michael Healy-Rae:** He was more concerned with mansions.

**Deputy Pearse Doherty:** He is the shining light as he called on the Minister to bring forward an easy payment system. He did not call on the Minister to consider the section deducting from farm payments or social welfare or the section dealing with the Revenue Commissioners' responsibilities. The Minister feels the Deputy in question is the shining light in here nonetheless.

**Deputy Michael Healy-Rae:** Perhaps he should be promoted.

**Deputy Pearse Doherty:** According to the Minister, we have not provided a pittance of information or analysis of issues that can be taken up. The Minister and the Government promised this legislation would be fair. The Bill has been discussed by the public for a long period but the Minister's arguments about resolutions are nonsense. The Minister knows the resolutions going through on the day of the budget are a separate matter and do not exist for eternity but only until the Finance Bill is enacted. The Minister is trying to play political games, which is a nonsense. This legislation does not have to go through tonight and can instead go through in January or February, leaving enough time to give people confidence about what is contained in it. We will not be able to deal with certain aspects of the Bill. The Minister has argued this is fair and promised as much but this must be a different type of fairness to what I believe in. I know the Minister's track record. I am a resident of a little parish in Gaoth Dobhair where the Minister's view of fairness hurt people many years ago, when he led the party of which he is now a member.

The Minister's argument is that this tax is fair and progressive but it is not. He should not just take my word for this. We can consider what the ESRI has indicated in its analysis of the 2013 budget. The institute did a distributional impact analysis and released an interim report. Its findings arising from the Fine Gael and Labour budget were that the 20% with the lowest income has taken a hit of just over 1%, with the 20% with the highest income taking a hit of just over 0.5%. The lowest income group has seen twice the impact from the 2013 budget as the group with the highest income. That is not Sinn Féin spin from me; there are many findings from the ESRI with which I do not agree but these findings come from Tim Callan, Claire Keane, Michael Savage and John Walsh, researchers for the ESRI.

The statistics go further and the paper indicates that property tax is a key factor in these results. It argues that for those with low incomes after housing costs, the emphasis is strongly on deferrals of property tax liability rather than income related exemptions or relief. This means the burden of the tax, deferred or otherwise, tends to be greatest on those with low incomes. That is the argument of the ESRI so despite the Minister's impassioned plea that this tax is fair - and mention of the mansion tax - it is clear that the measure is unfair and burdens those on low incomes. I am sure the Minister has read the ESRI report, which goes further by indicating that what will happen in 2014 will make it more unfair on those on the lowest incomes, as the full cost will come into play.

The Minister claimed that I and others in the Opposition have spoken in a ridiculous fashion and that the idea of not taxing homes is simply ridiculous and has no standing. Has the Minister sat down with the Taoiseach, Deputy Kenny, and told him how ridiculous he was when he made such claims? Has he told Deputy Enda Kenny how ridiculous he sounded in 1994, before people were sucked into using mortgages to purchase houses at twice the cost of the current value? Before people paid massive stamp duty he made these claims. It is very easy for the Minister to stand up and claim that we are all ridiculous on this side of the House, and that it is ridiculous to speak of a notion of leaving property untaxed. The Minister argues that this will widen the tax base, through a fixed asset, and it is good for revenue and will help get the country going. Has the Minister sat down with the Taoiseach to discuss this?

If he wishes to do so tomorrow, I will quote what he said. He stated:

It is morally unjust and unfair to tax a person's home and by doing so grind him into the ground. Indeed, in cases it could probably be unconstitutional. It reminds me of a vampire tax in that it drives a stake through the heart of home ownership, through enthusiasm and initiative, and sucks the life blood out of people who want to own their own home and better their position.

How ridiculous was Enda Kenny to stand in this Chamber and say that?

**An Leas-Cheann Comhairle:** It is a long-standing convention that we give Members their titles out of respect for the House.

**Deputy Pearse Doherty:** How ridiculous was An Taoiseach to stand in this House and parade in to introduce the vampire tax that will suck the lifeblood from home ownership? They are his words. It will grind people into the ground. He made those comments in 1994, when there was no issue of 170,000 people in mortgage distress. There were not hundreds of thousands of people in negative equity or 87,000 people emigrating every year from our shores. We did not have six successive austerity budgets that have ground people into the ground. Nevertheless, the Taoiseach, Deputy Kenny, made those comments in 1994.

It is easy and cheap of the Minister to dismiss our comments as rhetoric. There is an idea that we want the pain inflicted by the Government on ordinary people the length and breadth of this State to continue but we do not. We are talking about my families and friends. I went to Australia at the end of August at my own expense to meet people of the emigrant community. I have done the same in London, Glasgow and Boston; I am a child of parents who had to emigrate and I feel strongly about the issue. I spent a couple of days in Perth, where a support group has been set up with over 1,000 families. Some of them are getting on really well and others are not but all of them are quite hurt and angry. These are not young people with no

ties but rather families with children who had to be taken from school or who will never go to school in this State. These people told how they have a property at home and are still paying a mortgage on it, knowing they will probably never set foot in the house again.

*10 o'clock*

Some of them are lucky to have the property rented out and may be able to meet some of the mortgage costs that arise, whereas others have simply abandoned their homes. The families in Perth could not find work here and are trying to make a new start and secure employment to pay for a house in which they will not set foot for many years, if ever. The Government is not satisfied that these people have emigrated because they did not have opportunities that would enable them to stay. It has not done anything to require banks to provide for debt forgiveness for people in this position and wants to slap a new property tax on them, which is immoral and unjust.

I had intended to move four amendments to address four key issues and it was not my fault that they were rolled into one. The Minister has stated he will not accept amendments tonight but will reflect on them. The idea of dealing with the net value of a house did not drop out of the sky tonight. The Minister's proposal does not make sense. While he may argue that it taxes the value of a house, the property tax will apply to people who have a €250,000 mortgage on a house valued at €100,000. As Deputy Brian Stanley noted, a person with a mortgage of €250,000 could find the house next door on the same estate being sold this week for €100,000. Families in these circumstances would like to give up their home and buy the house next door if that were possible. They have a net liability of €150,000, which means their house is not an asset but a liability. If only they could hand back the keys to the bank and buy the house next door for €100,000, but life is not that simple. It is utterly unfair to tax people with a net debt of €150,000. If they cannot repay their debt, the bank will repossess the house, yet the Government is proposing to tax the debts of people in such circumstances.

It is wrong to refuse to take into account the large amounts of stamp duty paid by people in the years after 2000. I referred to the political parties which rushed into the fold and engaged in auction politics. The Progressive Democrats Party was the first to bid in this auction, whereas Sinn Féin was the only party in the House at the time which opposed that type of politics. We pointed out that the other parties were fuelling increases in property prices. People decided not to buy houses for a period in the belief a new Government would reduce stamp duty because all the parties had agreed to do so. This encouraged people to buy houses at the height of the boom. The main political parties then left people in their current predicament. It was not simply a matter of making an individual decision to buy a house. There was a conspiracy, if one wants to use this term, involving politicians who wanted to generate revenue from stamp duty and transient taxes, developers who did not want the dream of buying homes for €400,000 and €500,000 to end and bankers who were creaming profits and receiving bonuses for giving mortgages and loans to people who should never have been given them. This troika arrangement or love affair between key politicians, banks and developers has utterly destroyed the economy.

The Minister referred to growth in gross domestic product. I can say hand on heart that no one will be more satisfied than me if we achieve GDP or GNP growth of 3%, 4% or 5%. Getting the country back on its feet is about people, not statistics. My amendment deals with people as opposed to balance sheets and accounts. People are suffering and experiencing pain. For many of them, life has not turned out as they had hoped and many are carrying crosses or bearing burdens for different reasons. It is important, therefore, that the Government does not

add to their burdens.

Deputy Brian Stanley and another speaker referred to an issue I had not intended to raise, but I will do so. Last week, before a public meeting commenced, a girl who works in my office told me she did not have the skills to do a particular job. When I asked her what was wrong, she told me people had come to the office to tell her they thought they should end everything. A section of the population are in dire straits as a result of the cumulative effect of recent measures. They want to see light at the end of the tunnel. Families are being tortured by the large debts and negative equity associated with their homes. As Deputy Stephen Donnelly stated, some of them will be 55 years old before they have paid off the negative equity element of their mortgage and start paying off the true value of their homes. It is simply not on to add to their pain, even in a modest way, as the Minister will argue, by imposing a further charge of perhaps €4 per week.

The Government could accept the amendment. While I am aware that it must reach its targets, it is wrong to propose to generate €500 million in a full year through a property tax. One cannot generate revenue of this magnitude, while maintaining a semblance of fairness. An estimated 177,000 families are in mortgage distress. I refer to households rather than individuals as the figure does not include children. I was fortunate to get a ticket for the all-Ireland final in Croke Park in September where I joined a crowd of 82,000 people in the stadium. The average family consists of a mother, father and two children. How many times would one fill up Croke Park with the mothers, fathers and children of households in mortgage distress? Those in this position should not be burdened with additional taxation.

The amendment which is four measures rolled into one is sensible and I ask the Minister to consider it. While he may dismiss Sinn Féin's proposal for a wealth tax, he could implement alternative measures. For example, he deferred until 2014 the measure in the budget dealing with pension relief. Other areas of taxation could also be tackled. I ask the Minister to be very careful. While I do not often echo the sentiments of the Taoiseach, the property tax is unfair, unjust and immoral, and it is particularly so in the case of the four groups I have set out to exempt from it.

**An Leas-Cheann Comhairle:** As there will be a number of speakers, I ask Deputies to be brief.

**Deputy Joe Higgins:** While continuing to oppose this section and the legislation, we can certainly agree with the amendment tabled by Deputy Pearse Doherty in that it would ameliorate some of the worst injustices of the property tax. Before addressing the detail, the Minister sought to satirise the views of Deputies on the left for opposing this tax and tried to shanghai Karl Marx and Vladimir Lenin to the cause of supporting this legislation which socialists and Marxists everywhere apparently support. When I refer to "socialists" I mean real socialists, rather than the pseudo-social democrats the Minister frequently meets on his trips to mainland Europe, those who keep the name "socialist" in their party titles but engage in perpetual prostration before the speculators, financial marketeers and bondholders. It is not surprising, therefore, that they would go along with what is the wisdom of the marketplace and European establishment. Real Marxists and socialists believe one imposes progressive taxes on real surplus value and profit, not the homes of the worker or peasant, as the case may be. A home is not a productive asset. Its upkeep costs a great deal of money. In particular, it costs for those who have mortgages, even more so for those in negative equity.

Regarding the chargeable value, the Minister tried to make a virtue out of the fact that the price of homes had fallen dramatically since the top of the bubble. This is no consolation to the hundreds of thousands of householders trapped in the nightmare of negative equity. It reminded me of a clash I had with the former Taoiseach, Mr. Bertie Ahern, in 2006 at the height of the boom. Having met a young worker and partner who had just paid €375,000 for a new modest, three-bedroom home, which was the going rate at that time, and were on a 40-year mortgage, a banker worked out for me that, at 4%, they would pay €750,000 before they would be clear of their mortgage. It seems a long time ago, but it was only six years ago, which means that there are 34 more years of that mortgage to go. If they survive, which I hope they do, they will be in their 70s.

That massive millstone around their necks was caused by speculation and profiteering to which Fine Gael never once raised its voice in opposition. Now, the Government is landing a property tax on top of them and calls it progressive. I must say that the Minister's concept of fairness is upside-down, and his belief that it is fair to crucify someone on the dole with this new property tax is incredible.

The Minister made a conscious decision as to who he would hit. The troika, being representatives of European big business, big bankers and the financial markets, would not contemplate extra taxes on that sector despite the fact that accumulated uninvested profits in the eurozone amount to €3 trillion. These are the assets and profits that should be taxed to fill the hole.

In response to me, the Minister suggested that a 2.5% increase in corporation tax would raise €675 million. We have another model that would suggest significantly greater amounts if the effective tax rate was as it should be. Although there were and are alternatives, the Minister did not choose the fair option, but a grossly regressive situation.

The Minister stood up tonight and sought, by invoking Revenue, to terrify decent, ordinary taxpayers who in their hundreds of thousands opposed and boycotted the household tax because it was their understanding that not only was it fundamentally unjust but that it was also a bail-out tax to help bondholders and bankers. The Minister's legislation smashes the pretence of a broadening of the tax base, which I am amazed that he has again tried to justify despite the fact that, in the same breath, he referred to Revenue being in charge of collecting it and putting its hand into exactly the same pot of workers' incomes or social welfare to pay this tax. The Minister must give up this pretence, yet he sought to terrify. It is clear that he is relying on fear to try to coerce people into swallowing this injustice.

In a democracy, the Government should fear the people, not the other way around, but there are states that are stronger than fear. A sense of injustice and indignation is stronger than fear. People rightly have that sense, given what has been done to our society by a tiny cabal that is being legislated for week after week in this Chamber to bail it out at the expense of low and middle income earners. The inability to pay is stronger than fear. The Minister's cynical view that people's opposition will simply melt away like snow because he waved Revenue in front of them will prove a costly miscalculation for him. The Government and Revenue will rue the day that they took this course of action. They are entering into territory where they have never been.

**Deputy Shane Ross:** Hear, hear.

**An Leas-Cheann Comhairle:** I call Deputy Donnelly. I ask Members to keep their comments brief. I cannot force them to do so, but there are many speakers and little time.

**Deputy Stephen S. Donnelly:** I support the amendment. In fairness, I give the Minister ten out of ten for style - it was a good reply - but probably a bit less for substance. His reply went to the heart of the concern held across the House, one that has been echoed by his backbenchers. He stated that this was a tax on assets, but it is not. That is the problem. Let us keep using the example used by Deputy Pearse Doherty. The purchase price of a house was €250,000 and its market value is €60,000, but what is the asset? The asset is the loan, the €250,000 that the bank owns. If we are to tax the asset, let us tax the bank. In fact, the bank owns the house and the additional €190,000.

The Minister mentioned the Thornhill report and that this tax was based on it. However, the report's recommendation was not a rate of 0.18%. As the Minister knows, it was 0.1%, a little over half of what this tax will accrue. Critically, the Thornhill report recognised the issue of stamp duty, the tens of thousands of euro already paid by people, many of whom are now in negative equity and who do not own the assets on which they are being taxed. I would be pleased if the Minister considered some of the other recommendations in the Thornhill report, for example, halving the rate, recognising stamp duty and considering the asset.

The Minister eloquently deconstructed the Title to the Bill and I accept that it is a tax on property. However, I disagree with him on "local". I can use my situation as an example. I rent where I live in Greystones. I will not need to pay the tax there, although I would do so. Like other Deputies, I am paid a very good wage for what I do. I would pay the tax to Wicklow County Council because my family and I use services provided by it, but I will not need to pay.

I own an apartment - rather, the bank owns an apartment with my name on it - in Dublin. I will pay on that Dublin property, which I do not live in, and I will not pay on the property in Wicklow, which I do live in. I will pay on negative equity in Dublin. This goes to the heart of the bizarre nature of and technical flaws within this legislation. I would not have a problem with paying a local government tax in Wicklow as a resident of Wicklow who is on a decent income, but I will not be required to do so.

I thank the Minister for his reply to my question. He stated that the amendments would be dealt with, but they will not be addressed tonight. Rather, they will be dealt with as part of the finance Bill. When he mentioned the elements that would be addressed, he did not mention negative equity. He did not mention ability to pay or regional variations either, the latter of which might, according to Deputy Olivia Mitchell, lead to revolution in Ireland.

I will conclude with two observations which are relevant to Deputy Doherty's amendment. On Second Stage of the Bill, colleagues and I spoke about the inability to pay issue and the stress that will be placed on households as a consequence of the measure set out in this legislation. We referred to people coming into constituency offices and indicating that they were suicidal because they could see no way to meet their debt obligations. As Deputy Joe Higgins observed, people in that situation will now owe an additional debt to the Revenue Commissioners. It is bad enough to owe money to the bank; one certainly does not want to be in hock to Revenue. The Personal Insolvency Bill will be of no assistance to such persons because money owed to the State or to a local authority is exempt from any insolvency process. I ask the Minister to reflect on this issue over the break, on the assumption that these provisions will come back to the finance committee or this House.

My second observation relates to the role of the IMF on the international stage. The Minister has claimed that it is a requirement of the troika that a property tax be introduced in this

country. If one studies what the IMF has done in recent decades, it is clear why it has come in for a great deal of criticism. The IMF, in fact, has made a lot of bad decisions, including privatising education in parts of Africa. In that instance, people argued locally that it should not be done because children would be pulled out of school, to which the IMF responded that according to its economic models it was the right thing to do. In other words, it was theoretically the correct action to take. The outcome, however, was that children were indeed pulled out of school because their parents did not have the money to meet the theory. Reality and practice simply did not align. Theory is all very well for steady state economies that can afford to adhere to a model which demands that the revenue base be broadened and local services improved through such measures as a property tax. In an economic crisis situation such as we are currently experiencing, however, theory will not suffice. The problem is that the IMF has been guilty time and again, all over the world and for several decades, of enforcing theoretical solutions to crises. What is happening here seems to me a case of more of the same.

In 2008, ironically, the IMF was running out of money as a consequence of the global boom. Its leaders came to Harvard Kennedy School at that time and offered a full *mea culpa* for its past mistakes and undertook to change its ways. The problem from their perspective was that suddenly there was no money to send their children to private school in Washington DC. That sounds flippant but was actually the case. The IMF was running out of money because it could not lend to anybody, which is how it pays for itself. Its representatives claimed to have learnt from the past, but we can see now that they did not.

I do not accept that the Minister is obliged by the agreement with the troika to introduce this tax, but I absolutely accept that the IMF is supportive of it. It is, according to its own theoretical models, the correct action to take. I conclude by asking the Minister again to reflect during the break on the points raised in this debate, namely, the inability to pay issue, the stress on households and the fact that the IMF gets it wrong most of the time when it applies theory to crisis. That approach simply does not work.

**Deputy Catherine Murphy:** I support amendment No. 4, which is line with amendments I have tabled dealing with such issues as negative equity and stamp duty. These are issues the Fine Gael Party referred to specifically in its election manifesto - on page 27 of the document, if I recall correctly. Many people paid a great deal of attention to what the party had to say before the election and decided to elect its members to the Dáil on that basis. Those voters had an expectation that a tax on the family home would not be introduced by this Government. They paid careful attention when Fine Gael expressed concerns regarding the implications of a property tax for people who were asset rich and income poor and those who had paid sizeable sums in stamp duty in recent years. The Minister said earlier that people with larger houses tend to have larger incomes. That was not his view at the time his party manifesto was drawn up. In fact, there are many people who are asset rich and income poor and they will be impacted in precisely the way the Minister's party undertook not to permit.

One of the observations that is often made regarding Independent Members during elections is that we are not on a par with the parties because the latter put together policies and manifestos setting out clear choices for voters. The reality, however, is that we have seen the Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte, on television in recent days telling us that such undertakings are simply what parties do before an election. The views offered by Members on this side of the House are treated by the Government as some type of comedy sketch, even though they are the same views set out in the Fine Gael manifesto before the election and to which people consequently believed that party would adhere in government.

Moreover, the Fine Gael manifesto was drawn up in full knowledge of the memorandum of understanding with the troika. The party knew what was the economic situation when it put together its policies. People have an absolute right to be enraged at the difference between what was promised and what is being done by Fine Gael in government.

There was certainly an expectation that the plight of home owners in negative equity would be given a high priority by this Government, with solutions rolled out at an early stage. Many of these householders, because they are of a certain age and bought at a certain time, are the same ones whose mortgages are distressed. Instead of offering solutions for that cohort, however, the Government is lumping additional pain on it. Talking frivolously about the new tax being only €4 per week ignores the reality that some of these people are absolutely at breaking point. I do not want to keep reiterating the point regarding suicide, but I had three constituents visit me on a Friday afternoon recently who told me they were contemplating taking their own lives. What does one say to somebody who is in that horrific situation? There is a breaking point for people and large numbers in this country are getting closer to it by the day. What we see here is a situation where there are two Irelands. One of these is doing so badly that the people who make up its population are being put at real risk.

I particularly support the provision in the amendment for account to be taken in assessing the value of a property of any adaptations made to accommodate householders' disabilities. There is a great deal of irony in a situation where a household deemed eligible for a grant from a local authority - which depends, of course, on whether one lives in the right county and the local authority has a discretionary fund to enable it to draw down moneys for that purpose - to construct an extension to accommodate a family member with a disability, and whose home consequently increases in value, will be liable for a higher property tax payment, even though the adaptation made might have kept the person with the disability out of residential care. I urge the Minister to give this proposal careful consideration.

Like other speakers, I have a difficulty with the word "local" in reference to the property tax. We do not have a system of local government in this country but rather a very poor and dysfunctional system of local administration. Local decision making is essentially centralised and the notion that there will be major reform in this regard, with up to 40 councillors in a room, is nonsensical. In the absence of any steps towards meaningful local government reform, it is difficult to ask people to countenance a local property tax without making clear exceptions where there is a clear need for such. I understand, for example, that the Commission on Taxation proposed a seven-year exemption for householders who paid stamp duty in recent years. That proposal should be revisited. It is simply immoral to ask people who already essentially paid a property tax lump sum to pay it again within such a tight timeframe, especially when many such householders are burdened with 100% mortgages.

My final point relates to the role of the Revenue Commissioners in collecting the property tax. This will create a monster out of Revenue while lumping an enormous responsibility onto it. There is a breaking point in that organisation and this new role will endanger the orderly collection of other taxes. That is a matter of serious concern. One could very easily see queues of people seeking transfers from the Revenue Commissioners. After all, they are people and they will be put on the front line in this case. I believe we will cause serious problems into the future that will go beyond a mere property tax.

**Deputy Michael McGrath:** Amendment No. 4 deals with negative equity, stamp duty and necessary adaptations to cater for people with disabilities and so forth. We tabled separate

amendments, which will clearly not be reached, relating to negative equity in amendment No. 27 and stamp duty in amendment No. 26, so I will speak to amendment No. 4 on these issues.

The first issue is negative equity. Many speakers on this side of the House have spoken well and eloquently on the matter. There is a generation of people who are broken and destroyed. The Minister can blame the banks, the builders or Fianna Fáil, but it does not matter. They have a problem and they must deal with it. It is an extremely serious problem. We all know people who are deep in negative equity. They are people with whom we went to school or college or with whom we worked. Consider what the problem means for them. They now cannot afford to hold onto their home. They might have decided to move in with their parents or they might have had to move elsewhere to get work. They might own a house in Cork, for example, and could not get work there but managed to get work in Dublin.

The consequences for them are quite severe. First, they will lose the mortgage interest relief they enjoyed as an owner-occupier of the property. If they were fortunate enough to have a tracker rate, they will lose it because they are not occupying the property. A potential stamp duty issue arises, depending on when they first bought the property, because they have now vacated the property. They will now pay universal social charge, PRSI and income tax on the rental income they are receiving. Of course if they are also renting themselves, as many are, they will pay the private residential tenancies board, PRTB, charge and the non-principal private residence, NPPR, charge in respect of the house they are renting out.

These are the people who are in negative equity. The Minister is a wily politician and has much experience. In the last general election campaign he identified a market, targeted the people who bought their homes between 2004 and 2008 and promised them additional mortgage interest relief. He delivered on that in the Finance Act earlier this year. It was a crude measure and could have been better targeted, but the Minister implemented it and it helped many people in that category. However, he appears to be oblivious of the circumstances in which these people find themselves in respect of this property tax. As has been said, these people will spend the next 20 or 30 years getting back to a starting position.

What annoys me is that the Minister is proposing exemptions in the Bill for people who buy property now or in the next number of years. These are people who will buy at what might be the bottom of the market, although who knows whether property prices might fall by another 50% over the next two years? People who buy for those prices will get a break and will be exempt from this property tax up to 2016, but people who bought at the peak in 2006 and 2007 will get no relief. That is fundamentally unfair. If Fianna Fáil had proposed this, the Minister would say we were bailing out builders, developers and looking after our friends again. That is what the Minister is doing here, and he is ignoring the plight of the people who paid at the peak and many of whom are now in negative equity. Let us be honest, anybody who bought a house from the turn of the millennium on is now probably in negative equity. It is a major problem for them.

On the stamp duty issue, the average amount of stamp duty paid on the purchase of a house was approximately €20,000. The Thornhill report examined this and did not recommend that the Minister take that into account. The Commission on Taxation also examined it and came to a different conclusion. It recommended that the Minister make some type of credit available for people who paid a large amount of stamp duty. The people who paid the stamp duty probably will be the people who purchased their houses in recent years and probably will be in negative equity. They might have paid €20,000 to €30,000 in stamp duty. As far as they are concerned,

they have paid their property tax for many years to come.

Earlier, the Minister outlined his definition of fairness. He said everybody should pay something. There is merit in that argument, but the problem with the way the Minister has structured this tax is that it is not based on capacity to pay. The Minister said people should pay something based on their capacity to pay. However, two families could be living in houses that are located side by side. One family might have two handsome incomes and be doing quite well. This property tax will be a bearable burden for them and will not cause a dramatic change in their lifestyle. The family next door, however, might have had only one income and have suffered the loss of that income due to the economic crisis and now face unemployment. The family lives in an identical house which will be valued at the same level under this tax. The family's liability for the tax will be also identical, despite the dramatically different circumstances in which both households find themselves. That is not fair. I do not agree with the Minister's definition of fairness if that is what he means. There should have been a way of taking capacity to pay into account in this proposal.

I have no problem with the third issue relating to adaptations which was outlined by Deputy Doherty,

**Deputy Michael Healy-Rae:** We were doing fine until the Minister made his contribution. It was a colourful contribution. However, he totally dismissed what was said by Members on this side of the House, and that was wrong. That is not a fair way to operate when people make sensible, grounded proposals and when they articulate opinions on behalf of the people with whom they deal every day. I support the amendment proposed by Deputy Doherty.

The Minister omitted something which I hope he will discuss when he replies, and not ignore the people concerned. I and my colleagues spoke about young couples. How many times did the Minister hear the words "young couples" and "struggling young couples" from this side of the House? He completely ignored the issue in his contribution. While other Members heckled him, I did not because I was anxious to hear if he would mention young struggling couples. Does he have a concept of what is a young struggling couple? If he does, he ignored them in his contribution. As Minister for Finance, he was wrong to do so. These people are looking to the Minister and at what he says each day. They are hoping that he will help them.

I appreciate the Minister's endeavours in the past but it is not fair, right or proper to burden such young couples with a property tax at this time. It also worries me. Given that the Minister chose to omit these young couples, I wonder if he is less tuned in than Deputy Bannon was in his contribution. I am dealing with them and so are all other Members. We are here to speak up for them tonight. That is our job. If I returned to Kerry without having articulated my views on behalf of these people, I would be wrong. They must be visiting the Minister's clinics too, if he is holding such clinics and is in charge of his constituency. Perhaps as a Minister he is not, but considering his track record I believe he is. He must be hearing the horror stories from young couples. They simply cannot pay. Deputy McGrath correctly spoke about capacity to pay. However, there is ability and capacity, and the couples on whose behalf we are speaking have neither the ability nor the capacity to pay this tax.

Ultimately, they will be faced with a choice, whether to pay their mortgages or the property tax to the Government. If they do not pay the tax, the Revenue Commissioners will pursue them. The Minister made a mock and a skit out of what the Revenue Commissioners is for. We are tax compliant and I am tax compliant. I have been dealing with the Revenue Commis-

sioners for a long time and I know what it is like. People have other worries, such as raising young families and struggling in an ever-increasing spiral of debt, as was pointed out in Deputy Joe Higgins's example. That young couple will face paying a massive mortgage into their 70s. That is not living at all; it is suffering. When Deputy Noonan became the Minister of Finance and when Deputy Enda Kenny became Taoiseach, we were hoping they would acknowledge those people. I certainly thought the Minister for Finance would mention them when he made his contribution. I would like to hear the Minister speak about that group of people. He should not ignore them again.

**Deputy Mick Wallace:** I also support the amendment and many others that we will not have an opportunity to address. I do not accept it is a good idea to introduce a property tax. A property tax seems like a good idea in normal times but these are not normal times. The conditions are too poor at present. Aside from mortgage problems, negative equity is a factor and, if people are realistic, they do not own the properties. The banks own the properties and people will pay tax on them as well as arrears if they want to remain in them.

Crazy amounts of stamp duty were paid. We say that everyone in Europe pays house tax but they did not pay stamp duty on primary residences. It is unheard of in Europe. If one purchased a house in 2000 and paid €200,000, stamp duty at 6% amounts to €12,000 and, over the course of a 25-year mortgage, it becomes €25,000. This amounts to €1,000 a year and it is not as if people are not paying house tax if they are paying €1,000 a year through the mortgage.

There is a notion that the local authorities will pay the tax on social housing but the local authorities are all broke. How will they get the money? They will get money from the clients and push it onto clients. Likewise, many people purchased houses under affordable housing schemes in the past ten or 12 years. It seemed a good idea at the time because it did not seem quite so expensive. However, repayments on affordable housing have become unaffordable. I sold properties to people who purchased them under Part V through the council. They paid between €220,000 and €240,000 for two-bedroom apartments. They seemed like a bargain at the time because the full price was much more. The families qualified for the scheme because they could not afford the full price. The figure they paid became insurmountable and they will be asked to pay property tax as well.

Other speakers mentioned pyrite. Aside from properties identified as being affected by pyrite, the State has an obligation to ascertain whether a property is affected by pyrite. Many people are living in limbo, wondering whether they have pyrite, and the State has an obligation to test the houses and give them a clean bill of health or deal with the problem if it exists. The problem is not of the making of the person who bought the property.

With regard to deferrals, the Minister makes the point that it is not a massive amount over a long period of time. For many people in Ireland, the notion that they will die and have debts hanging over the house is a major issue. It may not be a large amount for some but it is for others. The concept of home and owning one's property is stronger in Ireland than in any country in Europe I have been to. There is no point in going into the reasons for it now. We have a different feeling about property, which we want to own and perceive to be ours, even if the bank has the biggest claim to it. I do not want to talk all night. I find it ridiculous that so much time can be taken up for each amendment.

The powers being given to the Revenue Commissioners are monumental. This is the most draconian legislation that has been introduced in the House because of these new powers. It

represents a serious level of disconnect between how Members feel about its implementation and how ordinary people feel about it. I have often mentioned that it was a shock to come in here after spending most of my life in the real world. I find the House a bubble and there is a serious disconnect from people. I am not giving out about the Revenue Commissioners, but giving the Revenue Commissioners the power to do what it will do in the collection of this property tax is completely new and very harsh. It represents a serious disconnect.

**Deputy Noel Grealish:** I will be brief, but I am disappointed that there will not be an opportunity for the Minister to reply in light of the guillotine at 11 p.m. and the fact that other Members have indicated they wish to speak. I would like a commitment from the Minister that there will not be a guillotine on the Finance Bill. The Minister said many of the amendments could be discussed during the Finance Bill. I am pleased to see the Chief Whip in the Chamber. I hope we can discuss the proposal put forward by the Opposition. I notice only one speaker from Fine Gael. No Member from the Labour Party contributed-----

**Deputy Paul Kehoe:** Is Deputy Grealish here for the Progressive Democrats?

**Deputy Olivia Mitchell:** If everyone was not making Second Stage speeches, we would have a chance to speak.

**Deputy Noel Grealish:** The Minister said the Revenue Commissioners could pursue landlords for the household charge. What about rogue landlords? What is to stop rogue landlords from claiming that the value of a property is €200,000 and trying to get property tax representing that value from tenants while registering the property at €100,000? Is there an avenue within the Bill for those renting properties to find out the value the landlord registered with the Revenue Commissioners? The Minister knows there are many rogue landlords. We have many in Galway. They are landlords from Dublin who send shady characters to collect rent every month. I have seen them and reported them to the Garda Síochána. What will protect the tenants with regard to the valuation? A landlord can claim he paid €500,000 for the house and wants a property tax equivalent to a value of €500,000. However, he may only value the house at €80,000.

**Deputy Clare Daly:** It is difficult to make any points so late in the day. The points made by the Minister reflect a disconnect with reality that I have seldom seen. People's homes are the greatest source of financial pressure on their lives when they are struggling to meet mortgage payments. They are shackled to a property and, even if they can find someone to buy it, it would not discharge their liability on it. In instances where they spend their whole life paying for the property, the idea that the Minister would package that and call it an asset to be milked for further taxation is a ridiculous concept. The fact he would have the neck to accuse this side of the House of being out of touch does not make any sense. The disconnect is completely on the Government side.

The Minister said he would look at some of these issues in the Finance Act. That is not good enough. It is a total cop-out, in terms of pyrite. The findings of the pyrite panel were given to Government more than six months ago. It recommended that houses with pyrite should be exempted from the property tax.

**Deputy Michael Noonan:** They will be.

**Deputy Clare Daly:** We do not know that. The Minister said houses that demonstrate pyritic heave beyond a certain certifiable amount would be looked at in the Finance Act. Who

will certify it? Who will pay for testing and at what level? Already, thanks to the pyrite panel, Premier Insurance, which was remediating houses with pyritic heave, is now not doing so because those houses do not display a visible enough sign of pyrite. Will 1,000 houses or 12,000 houses be exempted? We do not know. Until those questions can be answered, people with pyrite cannot get any solace from the Minister. Will the Government pay for the testing and for every single house in an estate with pyrite? Those houses are valueless. Coincidentally, they were purchased in the commuter belt at the height of the boom and are in massive negative equity. We must address that issue.

By using the Revenue Commissioners, the Minister might succeed in putting his hands in people's pockets or pay packets and take the tax from them, but at what price? If people are down that amount of money from their wages, and already 50% of families are struggling with less than €100 a month of disposable income, something else has to give. This is a tipping point or a turning point.

This is much more like a European situation. People say we should be more like the French or the Italians. In Greece, for example, the property tax is connected to people's electricity bill. In Ireland, 30,000 houses are having their electricity disconnected every day.

**An Leas-Cheann Comhairle:** Deputy, amendment No. 4 is very narrow.

**Deputy Clare Daly:** It is, and it deals with properties that are struggling and home owners who are struggling in negative equity, are in arrears and have paid stamp duty.

**An Leas-Cheann Comhairle:** The amendment deals with deductions from market value.

**Deputy Clare Daly:** It does, and everyone else touched on every other subject under the sun, in fairness. I know it is late in the day and we are all getting grumpy. This is reflective of the fact that the Government has ruthlessly guillotined the debate on the most draconian legislation to come before the House. The Minister might think he can get away with it inside the House but he certainly will not get away with it outside it.

**An Leas-Cheann Comhairle:** I call Deputy Richard Boyd Barrett.

**Deputy Michael Noonan:** Will I not have a chance to reply, a Leas-Cheann Comhairle?

*(Interruptions).*

**Deputy Richard Boyd Barrett:** A Leas-Cheann Comhairle, I was called to speak.

**An Leas-Cheann Comhairle:** As we are discussing Deputy Doherty's amendment I will allow Deputy Boyd Barrett to speak. Many Deputies who wish to speak will not have an opportunity to do so.

**Deputy Richard Boyd Barrett:** It is ironic that the Minister would ask for five minutes to reply, when he has ruthlessly guillotined the debate.

**Deputy Michael Noonan:** I want the courtesy of a reply.

**Deputy Michael Noonan:** The Minister has it within his power to give himself and every other Deputy time to debate the Bill, and he has refused to give us that time. Why would we give him the time?

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When I heard the Minister's response, I thought I was looking at "The Mario Rosenstock Show" or "Irish Pictorial Weekly". The Minister should audition for them-----

**Deputy John Perry:** So should Deputy Boyd Barrett.

**Deputy Richard Boyd Barrett:** -----because he would be better off working for them than designing taxes like this. This is farcical.

**Deputy Paul Kehoe:** The Deputy should go back to St. Michael's school, with his little peaked cap.

**Deputy Richard Boyd Barrett:** These amendments highlight how farcical, how unfair and how full of anomalies, holes and injustices the Bill is.

**Deputy Paul Kehoe:** The same as Deputy Boyd Barrett, full of anomalies and holes.

**Deputy Richard Boyd Barrett:** Earlier this evening, the Minister revealed the prejudice that lies under his humour and intelligence, because he is funny and intelligent. Underlying his earlier comments was a deep prejudice. He said some people get up for work in the morning and walk past houses where other people do not get up for work in the morning, and why should they not make a contribution too? That gets to the heart of the prejudice within Fine Gael to which the Labour Party is giving cover. The people who do not have work in the morning are not staying in bed out of laziness, because they do not have to contribute or would not like to be in a position to pay their taxes and contribute to the functioning of our society. They are out of work through no fault of their own.

**Deputy John Perry:** Good enough for them.

**Deputy Richard Boyd Barrett:** They are out of work through the reckless behaviour of bankers and speculators and the mismanagement of the State by Fianna Fáil and by the Opposition who did not raise a voice against Fianna Fáil's facilitation of those developers, bankers and speculators. That is why they are out of work, not in a position to pay this tax and in negative equity. They had to pay enormous sums of money in stamp duty. If they have to pay this property tax, they will be doubly taxed.

This is more than an injustice. The Minister has not answered the question. How can people who are in mortgage distress and barely able to keep up with their mortgage payments be expected to pay this tax?

**Deputy Michael Noonan:** The Opposition will not let me reply.

**Deputy Richard Boyd Barrett:** This point has been raised with the Minister time and again. He gives us a comic routine in response.

**Deputy Noel Grealish:** Give us another half hour.

**Deputy Richard Boyd Barrett:** It is not funny for the people who cannot make these payments. Government party Deputies do not like it now. They put the guillotine on.

**Deputy John Perry:** The Deputy is breaking the law.

**Deputy Paul Kehoe:** The Deputy is breaking the law.

**Deputy Richard Boyd Barrett:** The Government is breaking our economy and families and destroying lives and livelihoods. They do not like it when they cannot give a smart answer back.

*(Interruptions).*

**Deputy Richard Boyd Barrett:** The Minister also made an erroneous comment about funding local government. He did not answer the point that local government will be charged. Local authorities will get nothing from the property tax this year but they will be liable to pay for every council house in their ownership and they will load that cost onto the rents of local authority tenants. Even if they get money, they will pay back every penny they get.

The Minister said this is the alternative to what he calls a tax on work. If the property tax is to be taken out of pay packets and social welfare payments, is that not a tax on income? Of course it is. The Minister must think people are fools if they cannot figure that one out. People are not fools.

The Minister's history is wrong. He was wrong when he referred to Lenin not supporting property owners.

**Deputy Barry Cowen:** I thought the Taoiseach was the expert on Lenin.

**Deputy Richard Boyd Barrett:** The revolution in Russia was spurred on when the peasants joined up with those in the cities who were faced with injustice.

*(Interruptions).*

*11 o'clock*

**Deputy Pearse Doherty:** As the mover of the amendment, can I ask the Government to allow for extra time so we can hear the Minister's reply?

**Deputy Michael Healy-Rae:** We support that.

**Deputy Noel Grealish:** We will support that.

**An Ceann Comhairle:** An order was made this morning. As it is now 11 p.m., I am required to put the following question in accordance with an order of the Dáil of this day: "In respect of each of the sections undisposed of, the section is hereby agreed to in Committee, the Schedule and the Title are hereby agreed to in Committee, the Bill is, accordingly, reported to the House without amendment, Fourth Stage is hereby completed and the Bill is hereby passed."

Question put.

The Dáil divided by electronic means.

**Deputy Aengus Ó Snodaigh:** As a teller in the last vote, given this is a new tax that is being imposed as a huge penalty on many households in the country, it is appropriate people be given a few more moments to reflect on the vote they are casting and I call for a vote by means other than electronic.

**An Ceann Comhairle:** As Deputy Aengus Ó Snodaigh is a Whip, under Standing Order 69 he is entitled to call a vote through the lobby.

Question put:

The Committee divided: Tá, 84; Níl, 44.	
Tá	Níl
Bannon, James.	Adams, Gerry.
Breen, Pat.	Boyd Barrett, Richard.
Bruton, Richard.	Broughan, Thomas P.
Burton, Joan.	Browne, John.
Butler, Ray.	Collins, Joan.
Buttimer, Jerry.	Colreavy, Michael.
Byrne, Catherine.	Cowen, Barry.
Byrne, Eric.	Crowe, Seán.
Cannon, Ciarán.	Daly, Clare.
Carey, Joe.	Doherty, Pearse.
Coffey, Paudie.	Donnelly, Stephen S.
Collins, Áine.	Ellis, Dessie.
Conaghan, Michael.	Ferris, Martin.
Conlan, Seán.	Fleming, Tom.
Connaughton, Paul J.	Grealish, Noel.
Conway, Ciara.	Halligan, John.
Coonan, Noel.	Healy, Seamus.
Corcoran Kennedy, Marcella.	Healy-Rae, Michael.
Costello, Joe.	Higgins, Joe.
Creed, Michael.	Kelleher, Billy.
Deasy, John.	Kirk, Seamus.
Deenihan, Jimmy.	Kitt, Michael P.
Deering, Pat.	Mac Lochlainn, Pádraig.
Doherty, Regina.	McConalogue, Charlie.
Donohoe, Paschal.	McDonald, Mary Lou.
Dowds, Robert.	McGrath, Finian.
Doyle, Andrew.	McGrath, Mattie.
Durkan, Bernard J.	McGrath, Michael.
English, Damien.	McLellan, Sandra.
Farrell, Alan.	Murphy, Catherine.
Feighan, Frank.	Naughten, Denis.
Fitzgerald, Frances.	Nulty, Patrick.
Flanagan, Charles.	Ó Caoláin, Caoimhghín.
Flanagan, Terence.	Ó Feargháil, Seán.
Gilmore, Eamon.	Ó Snodaigh, Aengus.
Griffin, Brendan.	O'Brien, Jonathan.
Harrington, Noel.	O'Sullivan, Maureen.
Harris, Simon.	Pringle, Thomas.
Hayes, Tom.	Ross, Shane.

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Heydon, Martin.	Shortall, Róisín.
Humphreys, Heather.	Smith, Brendan.
Humphreys, Kevin.	Stanley, Brian.
Keating, Derek.	Tóibín, Peadar.
Kehoe, Paul.	Wallace, Mick.
Kelly, Alan.	
Kenny, Seán.	
Kyne, Seán.	
Lawlor, Anthony.	
Lynch, Ciarán.	
Lynch, Kathleen.	
Lyons, John.	
McCarthy, Michael.	
McEntee, Shane.	
McHugh, Joe.	
McLoughlin, Tony.	
McNamara, Michael.	
Maloney, Eamonn.	
Mathews, Peter.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Dara.	
Murphy, Eoghan.	
Nash, Gerald.	
Noonan, Michael.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Mahony, John.	
O'Reilly, Joe.	
O'Sullivan, Jan.	
Perry, John.	
Phelan, John Paul.	
Ring, Michael.	
Ryan, Brendan.	
Sherlock, Sean.	
Spring, Arthur.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	

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Wall, Jack.	
Walsh, Brian.	
White, Alex.	

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Seán Ó Fearghaíl and Aengus Ó Snodaigh.

Question again declared carried.

The Dáil adjourned at 11.25 p.m. until 10.30 a.m. on Wednesday, 19 December 2012.