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DÁIL ÉIREANN

TUAIRISC OIFIGIÚIL—*Neamhcheartaithe*
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DÁIL ÉIREANN

Dé Céadaoin, 12 Deireadh Fómhair 2016

Wednesday, 12 October 2016

Chuaigh an Ceann Comhairle i gceannas ar 11.30 a.m.

Paidir.

Prayer.

Leaders' Questions

Deputy Micheál Martin: Without question, one of the most disappointing aspects of yesterday's budget from a strategic perspective was the lack of any substantial response to the challenges of Brexit. What we were presented with was a sheet entitled Getting Ireland Brexit Ready which amounted to mere tokenism and was quite pathetic in itself. All of the measures on it would have happened anyway. Some were in place in advance of any Brexit referendum. It is really extraordinary because people were promised in advance that this would be a Brexit-proofed budget. However, the reality is that it is empty with regard to Brexit.

I put it to the Taoiseach that the Government should be planning for a hard Brexit. That should be the priority rather than praying and wishing for a soft Brexit and hoping that everything will be alright on the night. The base scenario in the budget document is that the Government is assuming an exchange rate of 85p to the euro next year. Yesterday, the exchange rate was 91p to the euro. Now, the Taoiseach is betting or assuming that sterling will strengthen by more than 6% next year. It seems to me an extraordinary bet or gamble to make.

In addition to that, the Department of Foreign Affairs has seen no increase in its envelope. What Brexit opens up for us are huge challenges and, yes, some opportunities. However, trade diversification has to be won through the search for new markets and the expansion of the international footprint for Ireland to make sure that we can secure those new markets. We are hugely dependent on the British market, particularly Irish-owned companies and food and agricultural companies. Farming is going through a terrible crisis at the moment, from grain, to beef, to dairy and across the board. There is nothing substantial happening in relation to that to prepare for the even further challenges that await as a result of the British decision to leave the European Union.

Likewise, Bord Bia, Enterprise Ireland, the IDA and so on are not, in my opinion, being adequately resourced to pursue ambitious targets around re-orientating the Irish economic effort internationally as a result of Brexit, which we will have to do. We will have to find and develop new markets. We will also have to attract inward investment. I know the IDA is working to

attract financial services from Britain. We also have the challenge of Irish companies that may want to relocate to the UK, for example, to secure markets there. These are very real issues that have not been addressed. The fundamental issue is the real and immediate issue of the currency crisis. IBEC and others have said that there should be contingency provision for businesses here around the devaluation of sterling and its impact on Irish companies and their export performance. Will such a contingency provision be put in place?

The Taoiseach: This is probably the greatest economic challenge facing not just Ireland but the EU in the last 50 years. The decision made by the electorate in the UK has brought about a situation of confusion, lack of certainty, great concern, anxiety and currency fluctuation that is impacting on business here and elsewhere. Our priorities are to look after the interests of our citizens, look after the interests of Ireland's economy, look after the relationship we have with both Northern Ireland and the UK, including the peace process, and look after our place in Europe for the future. Clearly, the decision has been followed by quite a number of comments from those who are dealing on behalf of the British Government on the question of Brexit and the situation that has changed from day to day. I note that this morning the Prime Minister indicated that there will be an opportunity to discuss the matter in the House of Commons and obviously statements made abroad have been changed, let me put it that way.

For us here, the immediate concern is the consequence of the devaluation of sterling against the euro and the difficulties that is causing for Irish businesses in terms of exports due to rising costs. This budget has included a number of issues that refer to Brexit. Obviously, there are new resources for the enterprise agencies. There are 50 new people to join Enterprise Ireland. I was in the RDS just last week with 140 of the people from abroad who have come back to talk about their potential sales for new markets and diversification into places like the United States, Canada or other areas in the EU.

The Minister for Agriculture, Food and the Marine, Deputy Creed, is rolling out a €150 million low-interest loan for farmers with cashflow and new business supports to help them. Quite a significant extent of our exports into Britain is from the agri-sector. There is an agrifood package of tax measures and we have maintained the strong support evident here in Ireland for the hospitality sector since the VAT rate was reduced from 13.5% to 9%. We have also included the extension of the reduction on capital gains tax for entrepreneurs. Most of those are small business in Ireland with very little profit margins. They are mostly outside the Dublin region. That scheme has been extended, as has the foreign earnings deduction for businesses in which people have to travel abroad in the context of their work to look for new markets. There is also an extension to the special assignee situation that applies to companies bringing in experts with particular skills. The-----

An Ceann Comhairle: Thank you very much, Taoiseach.

The Taoiseach: There is a whole lot more, a Cheann Comhairle. Obviously, the issue that Deputy Martin has raised is one that I will continue to brief Opposition leaders on as the case may be. Today I will meet Michel Barnier who is coming here on behalf of the European Commission. I point out to the House that irrespective of the work that the Commission will do here, it will be the EU Council - the elected leaders and heads of government - that will oversee the political decisions arising from Brexit.

Deputy Micheál Martin: The Taoiseach did not answer the core question of currency. The budget failed in properly addressing the Brexit issue. Any commentary on the budget in rela-

tion to Brexit is negative in opinion outside of this House and across the board. The budget is assuming a base scenario for next year of 85p sterling to the euro. Is the Taoiseach satisfied that is a solid basis on which to plan the economy for the next 12 months? I believe that is a very foolish gamble indeed. All of the measures the Taoiseach has outlined would have happened independent of Brexit. Most of them were in place prior to the Brexit referendum. All of them, in fact, were in place in one part or another in terms of the base schemes. Nothing substantial happened yesterday, which was a huge surprise to many people who expected such a package. Fundamentally, is the Government going to provide a currency crisis package for Irish industry? That is the key question, because that is happening right now. It is not something that we have to plan for; it is actually occurring right now. We know it from the mushroom industry and horticulture generally. The impact is very real. It has resulted in a loss of jobs. A currency crisis package should have been provided for in yesterday's budget. What is the Government's position on it? Will the Taoiseach answer the question about the 85p sterling to one euro exchange rate? Is that the base scenario the Government is sticking with for the next 12 months, as outlined in the budget documents?

The Taoiseach: The Department of Finance paper did indicate that, and clearly that was not the rate sterling was operating at yesterday. Personnel from the Department of Finance, the Department of Jobs, Enterprise and Innovation and the Strategic Banking Corporation of Ireland have been in Brussels to make an arrangement for credit at long-term, low interest rates for businesses that will suffer here and €1 million was ring-fenced for it in yesterday's budget.

Deputy Martin asks what is the Brexit issue. Is it a hard or a soft Border? Is it the situation that the United Kingdom wants access to the Single Market? I understand that today there are comments that it may wish to contribute to join that market. This situation is quite fluid until the Prime Minister moves Article 50. Since long before the Brexit vote, we have had a situation where we have been planning for contingencies that may or may not arise. I explained this to Deputy Martin and the other leaders already and will do so again.

We are conscious that currency fluctuations may have a serious impact on businesses here. We have had evidence of it already.

Deputy Micheál Martin: There is nothing in the budget.

The Taoiseach: That is why the Minister for Agriculture, Food and the Marine is making available €150 million in low-interest credit facilities for those in the agrisector who have exports to Britain, of which there are many with a multi-billion operation. However, we have to examine the prospect and possibility of putting together longer term low-interest facilities and our people are working on it. The sterling rate may vary depending on the situation that arises. Every time a comment has been made about Brexit, sterling has fluctuated and it has impacted on us here.

An Ceann Comhairle: Thank you, Taoiseach. Tá an t-am istigh.

The Taoiseach: Let me repeat that our concerns are for our citizens, our economy, the protection of the links we have with the peace process in Northern Ireland and the UK, and our future in Europe. We will discuss that with Mr. Barnier this afternoon also.

Deputy Gerry Adams: I want to raise an issue today that I raised with the Taoiseach previously in private. He will recall that before the summer recess I gave him a file about the tragic death of Shane O'Farrell as a result of a hit-and-run incident in County Monaghan in August

2011. Shane's mother, Lucia, is in the Visitors Gallery today. The O'Farrell family believes that their son's death was preventable and that there were multiple failings by An Garda Síochána before and after Shane's death and they question decisions made by the Director of Public Prosecutions. They believe a statutory investigation is the only way their questions will be answered.

I am sure the Taoiseach has read the file. There appears to be serious irregularities in the interactions by some gardaí with the accused. The man in question was known to Interpol. He had 42 prior convictions, including convictions for drug offences, theft, road traffic offences, malicious damage and handling stolen property. At the time he killed Shane, he was on bail from the Circuit Courts in Cavan, Monaghan and Dundalk as well as Newry Court. He continuously breached his bail conditions and re-offended.

Shockingly, two weeks before Shane's death, An Garda Síochána was notified of this man's arrest in the North by the PSNI for being in breach of his bail conditions, but the Garda failed to take action and obtain a warrant for his arrest. On the day Shane was killed, the car carrying the accused was stopped by the Garda drugs unit. It had no NCT and was not roadworthy. The accused, who was a passenger when the car was stopped, assumed the driver's role in the presence of a garda despite not being insured. At the inquest into Shane's death, the court heard that the garda at the scene felt the occupants of the car were in possession of a controlled substance, but the car was not searched. Within one hour, Shane was dead.

Eleven hours later, the accused was arrested. He was released on bail a day later. Gardaí failed to inform the judge of his convictions or the breaches of his bail conditions. In the aftermath of Shane's death, the accused committed further offences. He served a week in Wheatfield Prison for a previous offence and was also arrested in Belfast on two counts of theft. He was eventually tried for motor offences connected to Shane's death and given the option of a custodial sentence or a return to Lithuania.

How could this happen? This is a rural family contributing to the State. They are looking after and rearing their children and minding their neighbours. The Taoiseach might tell me, as has the Minister for Justice and Equality, that Shane's case is with GSOC. It has been there for four and a half years, yet with no result. The case is multi-dimensional, shocking and sickening at every turn. It merits a proper statutory investigation. Will the Taoiseach commit to one?

The Taoiseach: I recall when this accident happened. Nothing I can say or do will bring back Shane O'Farrell, although I am happy to see his mother here in the Visitors Gallery today. I have read the file Deputy Adams gave me as well as the other extensive files on this case. I am aware that there is a civil action being taken against the State and that GSOC has been carrying out an investigation.

I would like to meet Mrs. O'Farrell and hear her story myself. I will do so from a humanitarian point of view. There are processes that are always followed. Nothing will bring back Shane O'Farrell, who I understand was a brilliant young student.

The Tánaiste and Minister for Justice and Equality recently answered questions tabled by Deputy O'Callaghan on this. She indicated that she had met the family herself, as have many others, and that she would like to have the response of GSOC, whose work was well advanced. However, as Deputy Adams points out, it has been going on for quite a while. My understanding is that GSOC wishes to interview a number of other gardaí and that the Minister will be

prepared to follow through on whatever are the recommendations of GSOC.

This is a very sensitive and sad situation for the O'Farrell family. I would like to think that the very least we can do is have every possibility examined so that Shane's mother, Mrs. O'Farrell, and his sister can at least know that the situation was examined in the way it should be.

I thank Deputy Adams for giving me the file, which I did read, and for his question. I will make arrangements to meet Mrs. O'Farrell when I have an opportunity.

Deputy Gerry Adams: I thank the Taoiseach for his response and, particularly, for agreeing to meet Mrs. O'Farrell. This young lad was 23 years of age, a brilliant student at Trinity College Dublin and about to start work at the European Parliament. He was a fluent Irish speaker. He was a gentle young man with a bright future ahead of him. Lucia, Jim and their family have been robbed of their pride and joy. He was an only son.

However, this case goes beyond his tragic death. It reveals a series of grievous flaws in the management and response of the justice agencies. There are 59 complaints relating to Shane's case with GSOC, but nothing to show for them four and a half years later. This delay is causing ongoing trauma to his family. I am sure the Taoiseach agrees that all citizens must have competence in our justice system. Of course, all systems have their failings, but we all have a duty to ensure that they are of the very highest standards. It is said Shane O'Farrell cannot be brought back, but his family can get justice.

I thank the Taoiseach for his reply and his agreement to meet Shane's mother. The family has asked for a statutory inquiry. Will the Taoiseach agree to that request today or, failing that, will he agree to make his position on the issue known after he has met Mrs. O'Farrell? Will he meet Mrs. O'Farrell as quickly as his busy schedule allows?

The Taoiseach: Yes, I will make my views known and arrange to meet Mrs. O'Farrell as soon as I have an opportunity. This is one of more than 200 cases where people feel grievously hurt on a broad range of issues across many years. A review panel was set up to look at all these cases, including the tragic death of Shane O'Farrell. The panel, which consisted of two very experienced senior counsel and five junior counsel, recommended that no further action be taken. I am not a senior counsel but my job in politics means I engage with many people. I have read the file and I will meet Mrs. O'Farrell. I will also make my views known.

I would like to think the GSOC inquiry is practically complete. That is my understanding, although that will not be of any value to people who have been waiting for so long without any clarity as to when they will have a completed document. The Minister for Justice and Equality stated she would like to get the report and, arising from that, decide what is the best option. I have no input into the civil action. It is a person's right to take a case against the State. I will meet Mrs. O'Farrell because I want to meet her on a humanitarian basis. This is one of a number of very tragic cases and, as I stated, nothing will bring back Shane O'Farrell.

Deputy Brendan Howlin: It is reported in *The Irish Times* this morning that the date on which social welfare increases will come into effect next year has not yet been agreed. Understandably, this has been the subject of considerable debate on national and local radio this morning. In recent months, the Labour Party argued for social welfare payments to be at least indexed. I welcome the fact that indexation has been delivered, although for some reason child benefit has been excluded from indexation and will not be increased.

That said, I cannot recall a Minister's spokesperson making an announcement on budget day that the date on which social welfare increases were to take effect had not been agreed. Apparently, such a statement was made yesterday by the spokesperson for the Minister for Social Protection, Deputy Leo Varadkar, who is seated beside the Taoiseach. An increase provided on 31 March 2017 will amount to €3.75 for the year rather than €5, while an increase provided on 1 March 2017 will be a little higher. The House needs to know what the position is before continuing with the debate on the budget. People who will make plans following this modest restoration of moneys also need to know exactly when increases in payments are to be made. Has an agreement been reached in government on the date on which all increases in social welfare payments will come into effect next year or do Fine Gael and Fianna Fáil intend to split the difference and have some sort of St. Patrick's Day gift?

The Taoiseach: The position is that when we considered the possibility of increasing benefits for a range of social protection recipients, I had a very strong view that increases should apply universally across the sector and that nobody should be left out. Obviously, the extent and range of the increases cover a substantial number of people and will generate a substantial bill. A €5 increase for pensioners is better than indexation and the €5 increase in other payments, including those to widows, blind people, the unemployed, the disabled and persons in receipt of invalidity benefits, is a little better than indexation would deliver. The payments will be made across the month of March and the matter will be dealt with in detail by the Minister for Social Protection when the social welfare Bill is published. That is the position as of now.

Deputy Brendan Howlin: I am afraid that is not a satisfactory position. The Taoiseach and I worked together for five years and even in the worst of times, we did not publish a budget document without knowing the precise figures. The Government has published tables that will be debated in the House. There is a cost involved for every week a payment is made. Will all the increases in social welfare benefits be paid in the same week? Will recipients of the pension, the blind pension, disability benefit and carer's allowance receive increases on the same day or will the increases be staggered? Alternatively, are all these matters still under discussion? If the latter is the case, it would be an unacceptable situation. Before the House embarks on the budget debate in a few minutes, Deputies need to know the dates on which social welfare increases are to be made.

The Taoiseach: Subject to the passage of the social welfare Bill, people will be in a position to receive their payments. The Bill will be published in two weeks.

Deputy Brendan Howlin: Are the documents outlining the costings accurate?

The Taoiseach: All the costings are fully available. People say they would like to have the payments made as early as possible in the new year but all these things cost money.

Deputy Brendan Howlin: The Government must make a decision because that is what Governments do.

The Taoiseach: The Government did not have an endless pot at its disposal. The position is that the Bill will be published in two weeks. I hope it receives the support of all Members because so many people receive a universal payment. The details and dates will be available when the Bill is published and processed.

Deputy Ruth Coppinger: It is surreal that on the day after a budget, the leader of the country is not questioned by the largest party in the so-called Opposition. I will take this opportunity

to question him because the budget produced by Fine Gael, Fianna Fáil and the Independents was billed in advance as a reparations budget, one which was meant to compensate those who were sacrificed in the eight-year bailout of the bankers and developers. People are looking at the budget details over their cornflakes this morning and asking whether this is it. While very little was given back to low and middle income workers and pensioners and even less was given back to young people who are unemployed, builders, landlords and people who are due an inheritance were rewarded as were businesses, which are due a windfall.

As long as the Government is working off a tiny fiscal space of €1.2 billion, it is inevitable that life will not improve for the majority of people. Today's edition of *The Irish Times* features a comment piece arguing that the budget no longer matters because the figure involved is only €1.3 billion. The Anti-Austerity Alliance agrees with that view. The debate about the fiscal space is completely false because the vast majority of the €230 billion produced in Ireland every year is untapped and untaxed.

In the time available to me, I will focus on one measure, namely, the much lauded centrepiece proposal on child care. I ask the Taoiseach to clarify the proposal for the nation and families. The new payment will be means tested for a relatively small number of households with a maximum income of €47,500 who happen to have their children in a crèche for 40 hours per week. How many families will gain from the payment?

12 o'clock

The universal subsidy ends at the age of three years, but, obviously, child care continues for a lot longer.

My main issue is this. Will the Taoiseach clarify whether people who use childminders will be included in the scheme? There is talk out of two or three sides of the Government's mouth on the issue. Nurses, shift and part-time workers and those on zero-hour contracts do not have their children in a crèche from 9 a.m. to 5 p.m., but they may have a child care worker or a minder collecting their children, yet they have completely been left out of this proposal. Will they be included and, if so, when?

Where is Scandinavian child care system people in this country were promised? We know that UNICEF recommends that a figure of 1% of GDP be spent; we spend 0.2%. The Scandinavian countries have higher corporation tax rates. In Denmark the rate is 24.5%; in Norway, 27% and Sweden, 22%. As long as Ireland continues to be a tax haven, we will not be able to provide affordable child care services in this country.

The Taoiseach: This and the previous Government prioritised children and their central importance in Irish society. That is why we had the appointment of a Minister for Children and Youth Affairs, a referendum to enshrine the rights of children in the Constitution and set up and funded Tusla, the Child and Family Agency. The Minister, Deputy Katherine Zappone, is following on the work already done in facilitating free GP care for every child under six years. The introduction of a second pre-school year is being followed by her reflections and proposals on how we can draw together the many disparate elements of child care in an effective, co-ordinated and comprehensive system that will both have a universal and a focused and targeted element for those at work, given the cost of child care in this country which is among the highest in Europe. The second free pre-school year is saving parents on average of some €4,000 per child. Some 127,000 benefit from it, while 65,000 can benefit from the introduction

of two weeks' paternity leave. As I said, added to this, free GP care for the under-sixes benefits the parents of over 435,000 children.

This year, obviously, people have to make a choice. Sometimes mothers will decide to stay at home or to have their children looked after by other members of the family such as grandparents and so on while they are at work. We are very clear that what happens in the early years really benefits children into adulthood. The budget is following through on progress in that regard. The home carers tax credit will be increased by 10% to €1,100 from 1 January. The new affordable child care scheme will commence in September next year. As I said, it will have both a universal and a targeted element. In respect of childminders who are members of the family such as grandparents who are not registered, clearly, the Government recognises the work they do as an essential part of family life, as it has been for generations. However, if the State wishes to subsidise child care, we need to know where the children are and who their childminders are. That is a responsibility with which the State has to comply. Childminders in that situation with children in the home can, of course, register with Tusla first if they wish to benefit, but that is a choice they have to make.

Deputy Ruth Coppinger: The Taoiseach has not answered the question. I was not asking about a family member, a grandmother or anyone else, minding a child out of kindness, rather I was asking about childminders, people who are qualified to do so. On the scheme the Government has implemented, it was announced yesterday that only Tusla-run child care centres would be included; therefore, the Government is excluding a huge number of parents, particularly those with more than one child, where it would be more economical for them to have a childminder minding two or three children. The Taoiseach did not prioritise children. This is the first Government in a long time which has not increased child benefit in a budget, as has been remarked on. Who advised the Taoiseach on the budget? Was it Michael O'Leary, whom he invited to the Fine Gael think-in-----

Deputy Marcella Corcoran Kennedy: He was not there.

Deputy Ruth Coppinger: -----at which there was brilliant applause and they all laughed and clapped at his jokes? Was it he who was introduced by the Minister for Finance, Deputy Michael Noonan, as Ireland's leading altogether decent person, who had castigated RTE, the public sector, bus workers and practically everybody else, or was it Tom Parlon? There is one measure the Taoiseach introduced for which he has to answer. Nobody had advocated for a first-time buyer's grant. The housing committee had not done so, yet Tom Parlon apparently did and he gets what he wants. It will not even apply to cheaper second-hand homes for young people.

An Ceann Comhairle: I am sorry, but the Deputy may only raise one matter during Leaders' Questions.

The Taoiseach: I completely reject Deputy Ruth Coppinger's assertion that the Government has not focused on children.

Deputy Mary Lou McDonald: What about child benefit?

The Taoiseach: We have just given, for the first time ever, 11,000 medical cards to children in respect of whom a domiciliary care allowance is paid. It was an issue for years but was unable to be touched. However, it has now been dealt with. The Minister for Health, Deputy Simon Harris, has achieved the highest budget ever for the health service, much of which will

be focused on the provision of facilities for children. The Minister for Education and Skills, Deputy Richard Bruton, is employing 2,500 new teachers next year and there will also be a serious capital programme to provide school facilities. I, therefore, reject the Deputy's assertion completely. Resource and special needs teachers have an impact on children's lives. I do not accept from the Deputy that the Government has not focused on children as a priority.

Deputy Ruth Coppinger: What about child benefit?

The Taoiseach: That is why children are represented by a Minister at the Cabinet table and, for the first time ever, there is a really serious injection of finance that will help thousands of people with child care costs which are very expensive.

Deputy Joan Burton: Just €32 million has been allocated in the budget.

The Taoiseach: All of these things will contribute to a reduction in the level of child poverty and are to the benefit of parents, whether they be single or part of a couple.

An Ceann Comhairle: In accordance with the order of the House of last week, we will have two further sessions of Leaders' Questions to compensate for the fact that we did not have Leaders' Questions yesterday. I will proceed to the fifth question.

Deputy Micheál Martin: The EPSEN Act was passed in 2005. It deals with special education and was meant to confer statutory rights on children with special needs in terms of assessment and the provision of individual education plans. What is quite extraordinary is that 11 years on key sections of the legislation have never been commenced. It is those sections which confer on children the right to an assessment and to have an individual education plan. The sections that have been commenced relate fundamentally to policy, the establishment of the special education review council and other structural elements of the Act. However, the parts of it that give rights to children have never been commenced.

When one talks to parents of children with special needs, it is very disturbing to learn about the obstacles they have to face in seeking basic assessments for their young children in order that the education provisions made can properly respond to their complex needs. In terms of psychological services, for example, most principals will say they have to play God every year and that, in terms of the availability of the National Educational Psychological Service, they have to select from a large number of children who can avail of the two psychological assessments provided in the school. On physiotherapists, occupational therapists and speech and language therapists, there is appalling provision for children with special needs. The current model, situated in the HSE, is simply not working. Progressing disability services is a myth. It will never happen. It is the wrong model because it takes children out of the classroom. What is required is a multidisciplinary response in the classroom or education setting whereby the physiotherapist, occupational therapist and speech and language therapist work with the teaching professionals and an adequately resourced psychological service to attend to the needs of children with special needs. In yesterday's budget, the provision in that area was unclear but it is critical to the proper development of the child that he or she has access to a proper, timely assessment of his or her particular condition or special need.

It speaks volumes that no one within the system has ever taken it upon himself or herself to say the sections of the EPSEN Act that are key to the rights of the child have never been commenced. The Act was passed 11 years ago in the midst of considerable debate, which I remember well. The failure to commence the sections probably goes to the heart of why advocacy

for children with special needs is still missing in our education system. Could the Taoiseach indicate why the relevant sections of the Act have not been commenced?

The Taoiseach: This has dragged on for a very long time. The Stack report, which was produced by a former inspector in the Department of Education and Skills, has set out a new pilot scheme for the early assessment of children in a way that is radically different from what has applied up to now. This budget has increased the number of resource teachers by 46% and special needs assistants by 22%. The Minister for Education and Skills, Deputy Richard Bruton, is working on a new model to strengthen the function and capacity of resource teaching in schools, which will deal with this. The changes over time will allow for the fulfilment of the remaining sections of the EPSEN Act that remain to be dealt with.

There was an increase in funding for the disability sector yesterday. Obviously, the moving of the speech and language therapists into schools will be of enormous help in terms of the multidisciplinary approach the Deputy rightly refers to. The Minister is considering that but would like to see the impact of a number of pilot schemes first.

Not everything is included in this budget but there is a significant increase in the number of resource teachers and special needs assistants and a strengthening of the functions and capabilities of resource teachers under the model. A number of pilot schemes on the moving of multidisciplinary skills into schools are being examined. The Minister is anxious to see how that might work in practice.

Deputy Micheál Martin: I have long been campaigning for therapists to go into the school classroom. That was the case with special schools until Progressing Disability came along. It is threatening to dilute the presence of such therapists in the special schools. The arrangement should be extended into mainstream schools across the country.

My key question for the Taoiseach is based on the fact that the sections of the EPSEN Act that have been commenced relate to general matters concerning the establishment of the special education review council. Those sections that have not been commenced are those that relate to educational assessment for all children with special educational needs, the consequent development of a statutory individual education plan, the delivery of detailed education services on foot of this plan, the designation of schools mandated to take in children with special needs, and the duty of the Minister for Health and Minister for Children and Youth Affairs to make resources available. Fundamentally, I accept that the special education review council is doing what it can in the absence of this legislation and progressing with pilot schemes and so on, but the reality is that thousands of children do not have the key access they require, particularly to early assessment. This is so much so that the Stack group is now progressing with an idea whereby there should be no assessment, just provision. I understand that people want-----

An Ceann Comhairle: The Deputy should conclude.

Deputy Micheál Martin: I accept that point, but this only arises because the Act is not in place and does not provide for the assessment of children at the earliest stage possible.

Does the Taoiseach not accept that, at the very minimum, someone in the Departments responsible for education and health and the Taoiseach's Department should have reviewed all this and identified the obstacles and policy response required to confer basic rights on children with regard to the assessment of their conditions? We are going nowhere if we do not have the assessment. I refer to how the system can respond properly to a child's needs.

An Ceann Comhairle: We are significantly over time.

The Taoiseach: I did actually address this. I will send the Deputy a copy of the Stack report if he has not read it. It sets out a whole new model for the early assessment-----

Deputy Micheál Martin: I met those concerned and know all about them. I am talking about the Act.

The Taoiseach: That is all right. Yesterday's budget provided 1,000 extra staff to deal with special needs children in schools. This will be of major benefit to parents and particularly the children.

Deputy Danny Healy-Rae: The housing crisis rolls on and its cause is the lack of supply. Would-be developers and building contractors cannot start building in the private sector as they cannot borrow from many of our mainstream banks. The banks will not lend them any money. Would-be builders do not have any money of their own and the only option is to borrow from lending institutions outside the State that are imposing interest rates with double-digit figures. Can the Government intervene and ascertain why banks in this country will not lend to developers or building contractors? That is where we have to start.

The second blockage is the amount of levies and State taxes being demanded from developers and building contractors. Grant Thornton carried out an independent review and found that the levies, taxes and VAT amount to 37% of the cost of building a house. Can the Taoiseach do something to reduce these charges? Local government levies for road, water and sewage infrastructure are very excessive. Can the Taoiseach intervene here? Builders cannot start without a water connection. It is fine paying the full cost of the water connection but the trouble is the levy. It costs builders a lot of money, which must be paid up-front. They cannot pay it up-front. This has to be addressed if we are to resolve the housing crisis. VAT, taxes and PAYE for workers have to be paid in every two months even though the builder will not be paid for the house or any part of it until it is completed and the key is turned in the door. The Minister responsible must deal with these issues.

Previously, the builder or developer was paid in stages when a house was bought from the plans. On the first stage, the builder was paid for the site. A second instalment was paid when the building was at ground-floor level, and a third was paid when the roof was on. The last payment was demanded only when the house was finished. New rules mean the builder now cannot be paid until the house is totally finished. This regulation was put in place to deal with rogue builders but most builders, or 95%, were always fine. The 5% could be dealt with by having quality or standard checks organised by an independent body, established by the Government, or the building control officials in the local authorities. Payment should be allowed at different stages. Builders will not even dream of starting under the present arrangement. They must take all the risk and deal with all the safety regulations and the burden of waiting for money, finishing up with a profit margin of 2% to 3% because of the cost of their loans, if they get them.

The Taoiseach: From that, I believe Deputy Danny Healy-Rae has built all the houses we need. I should send him a copy of the Minister's programme for house-building. It covers all these areas across five different pillars, ranging from homelessness and social housing to the responsibilities of local authorities, costs for builders or developers, both in towns and rural areas, and money being put up to demonstrate that we can get back to a point where the real problem, the supply of houses, can be dealt with. Part of that was included in the budget yesterday, with

a targeted, focused initiative for the provision of new houses. As the Deputy is aware, the Government made available a €200 million fund so that local authorities could open up sites that are currently inaccessible and where roads or bridges might be needed. There are opportunities for the local authorities, which have the devolved authority in setting the levies for builders, to deal with such applications by payment upfront which is then returned, depending on whether the houses are built on time and to standard. Many variations can be followed through by the local authorities with the builders or developers of houses. There is a full range of initiatives in that regard as well as decisions to be taken. Builders will not build houses unless they make a profit. The cost of some of these was prohibitive in the past and, with the collapse of the construction sector, we are now way behind in the supply that is needed. The decision yesterday on that targeted initiative was for the building of new houses to deal with supply. Yes, there will be arguments that if the VAT level is reduced, a better result will be achieved. The important thing is that there is a timelined initiative in this area. There is a three-year timescale so that builders will have the opportunity to provide houses for those who wish to avail of them and avail of this targeted initiative.

The housing programme is much broader than this. It seeks to deal with the social housing challenge we face, the homeless and the return of voids to a situation where they can be used and lived in by families. This is the most comprehensive housing programme ever produced by any Government, and it is being rolled out now right across the country. The points the Deputy made as to when a deposit might be paid are relevant and when the first, third, fourth or fifth payment will be made. However, the issue has moved on since then. We need a prioritised set of initiatives to make this happen if we are to deal with supply because when that cannot be dealt with, rents and house prices go up, which is not in the interest of those who have an opportunity to get their own houses.

Deputy Danny Healy-Rae: Nothing has moved on and nothing is moving, and that is the truth of it. I am not happy with the Taoiseach's answer because he moved away from the two questions I asked him to deal with. If he keeps doing that, we will finish up where we are with no house being built. The fact of the matter is that developers cannot access money in this country at present and they do not have money of their own because they have been out of business for the past eight or nine years. That is one problem. The other problem is that the levies, taxes and VAT, which amount to 37% of the cost of the building of the house, must be paid upfront. I ask the Government to intervene here and do something about this. It can have all the pies in the skies and all the notions and all the strategies but they will amount to nothing if it does not deal with the fundamental problem, which is money for the builders to get them going. Maybe if they were rolling for two or three years again, they could keep rolling, but they cannot even start now because they cannot access money. It is not available from any Irish bank, and if they get money it is at a cost of 10% or 12.5% and it is from outside the country. That is not fair. If the Government does not address these two issues, it can keep developing strategies and printing books and papers, but it will not result in houses and we will finish up where we are, that is, nowhere.

The Taoiseach: I am sure the Deputy does not want to go back to having ghost estates, unfinished houses and builders going bust. There was previously very little regulation in this country over the amount of money that could be borrowed by builders. Loans of 100% were being made available and houses were then being sold on because of the profit that could be made on them. That all went bust, and Deputy Healy-Rae has evidence of it in his county, where there were ghost estates and unfinished houses before the sector collapsed. The same

rules cannot be applied today. It is different and it must be so because we will not go back to that situation. That means that builders looking to get into the business of developing houses must have a basic level of capacity to obtain credit themselves because they will not be able to borrow 100% from banks. That requirement was brought in because of what happened. How many hundreds of thousands of young people looking for houses were left in the lurch because builders went wallop and because of the lending processes? If we are to build houses now, we will build them in a proper fashion, which will be overseen, so that people can have affordable houses to live in. To help with this, the Minister has made available, with Government approval, a whole range of initiatives for builders to get back into business. I have heard what the Construction Industry Federation has said about this. If these targets are met, there will be an explosion in building, which will be very good, if properly monitored, and in the interest of thousands of people who can fulfil their aspirations to have a house. However, it will not be done in the way in which attempts were being made before. Times have changed.

Deputy Danny Healy-Rae: The Taoiseach has gone west again.

Deputy Mattie McGrath: Yes.

Financial Resolutions 2017

Financial Resolution No. 2: General (Resumed)

Debate resumed on the following motion:

THAT it is expedient to amend the law relating to inland revenue (including value-added tax and excise) and to make further provision in connection with finance.

- (Minister for Foreign Affairs and Trade).

The Taoiseach: Budget 2017 is the first budget of this new partnership Government. This is a different type of Government but it is one that is committed to combining all our different talents to build a strong economy in order to deliver a fair society. This budget reflects the issues that are most important to our people and the future of our country. Firstly, it will not jeopardise our recent economic progress by taking reckless risks. While our economy is recovering, that recovery has not been felt in every community or by every family. We must ensure that the right decisions are taken so that the benefits of a strong economy and a fair society can be felt by everybody.

Secondly, the years ahead will be dominated by the upcoming negotiations on the withdrawal of the United Kingdom from the European Union and its impact on our economy and society. The Government was prepared for that eventuality and now we must continue to take action to lessen the impact as much as we can. Related to this is our absolute need to get Ireland working again. While we have made huge progress in creating new jobs, there are still too many people out of work. Continuing to reduce unemployment, with a special focus on regional and rural development, is a top priority.

Thirdly, this budget will continue to use the fruits of a recovering economy to make our people's lives better. New funding and initiatives in health, education, policing, child care

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and social welfare will make a positive impact on the daily lives of everyone living in Ireland, young and old.

Finally, one of the biggest economic and social problems is the continuing lack of available housing following on from the crash in the construction industry. This budget provides significant funding to many of the measures outlined in the Government's action plan for housing.

The approach to the preparation of this budget has also been very different and it has been more open, inclusive and transparent than ever before. I commend the Ministers, Deputies Noonan and Donohoe, for their work along with all Government Ministers in designing a package that helps to address many of the challenges we face. In designing this budget, there has never been so much consultation, and I commend all those who engaged constructively in that process.

This year we conducted the second national economic dialogue, published some of the key budgetary inputs, including strategy papers on tax, and engaged more deeply and widely with others. The Oireachtas has rightly become a much more significant participant, including through the work of the Committee on Budgetary Oversight established in July. I expect that the committee will play a significant role in the years to come.

While the budget is a significant milestone for this Government and this Oireachtas, it is only a step, although an important step, in the ongoing journey of a healing that we are taking as a people. To make sure that we all get to that destination together, we will not contemplate any reckless risks that might derail us. In a week in which we have seen sharp volatility in foreign exchange rates, this budget needs to acknowledge the uncertain international environment in which Ireland now finds itself. As a consequence, the Government's commitment to the sound management of the public finances remains absolute. Economic and social progress go hand in hand, but only a strong economy, supporting people at work, can pay for the services needed to create that fair society. As a country, we can continue to draw strength from the progress we have made. Our economy is growing at a healthy rate, reflected in strong tax returns, increased domestic demand, growing consumer spending and new jobs. We expect to grow at about 4.2% this year, well ahead of our European partners. The public deficit is set to be under 1% this year and we plan to eliminate it altogether in 2018. From a high of 120% in 2012, our debt-to-GDP ratio now stands at 79%, and we will continue to move closer to the new goal set by the Minister for Finance of 45%. It is true that GDP, deficit and debt figures mean little to families who struggle to cope with financial pressures, but we need to avoid at all cost the cycle of boom and bust which devastated our country and split families to the far corners of the world. We need to plan for steady, reliable growth and we need to do this at a time of unprecedented international uncertainty. We have seen a slowdown in world growth, increased geopolitical risk and low inflation.

The biggest source of uncertainty is the UK's decision to leave the EU which will have wide and deep ramifications, globally and within Europe, but especially for this country. This is the first budget since the decision was taken, and much work remains to be done by us and by others before the shape of things to come becomes clear. We have seen much market volatility since the UK Prime Minister outlined her preference on when to trigger Article 50 of the Treaty of Lisbon.

While the Government is continuing to revise and implement its Brexit response in light of emerging positions, we are taking steps in this budget to ensure that the country, its businesses

and its people are better equipped to deal with what lies ahead. Enterprise Ireland, IDA Ireland and Bord Bia will continue to work closely with our small and medium-sized enterprises and other businesses to help them manage the many practical implications. For small and first-time Irish exporters, the UK will remain a natural first market with all the benefits of proximity, same language and similar business culture.

We are taking action by putting extra resources and up to 50 new staff into the enterprise agencies based in Dublin, the UK and other target world markets to support businesses to maintain sales, to develop new sales opportunities by diversifying markets and to attract overseas investment in response to the Brexit decision.

The additional capital funding for the enterprise agencies delivers on the Government's commitment to regional development through the eight regional action plans. This will involve targeted funding in support of the IDA Ireland regional property programme that will deliver new advance factories this year and next year, and competitive regional funding calls through Enterprise Ireland and the local enterprise offices.

The Government has been implementing a strategy to reduce overall reliance on the UK and to support companies expanding into new international markets. Over 40% of Enterprise Ireland client companies are now exporting to more than five countries, a clear indication of progress, but much more still needs to be done. I intend to ensure Irish exporters continue to have the support to help them both deepen their presence in the UK and diversify globally.

The Government is aware of the need to adjust existing schemes and to introduce new schemes to help Irish businesses at a difficult and uncertain time. The Minister for Jobs, Enterprise and Innovation and the Minister for Finance are working to deliver on these new schemes related to risk sharing in the coming weeks.

To help farmers deal with the fallout of Brexit the Minister for Agriculture, Food and the Marine, Deputy Creed, has announced a new loan fund of €150 million which will support highly flexible loans for up to six years for amounts up to €150,000 at an interest rate of 2.95%. It will be available to livestock, tillage and horticulture farmers. These loans will enable farmers to improve the management of their cashflow and reduce the cost of their short-term borrowings.

In a related measure to help farmers manage cashflow we are also introducing a step-out year from income averaging. This will allow a farmer facing an exceptionally poor year to pay only the tax due on a current-year basis with any deferred tax liability becoming payable over subsequent years. This year is a case in point, particularly for grain farmers.

When it comes to attracting new jobs and investment into Ireland our advantage of having a strong pool of highly skilled, multilingual workers in the only English-speaking country within the eurozone, and soon the European Union, will put Ireland on the shortlist for additional investment post Brexit.

Ireland consistently ranks as one for the best countries in the world in which to do business. This ranking is testament to Ireland's favourable business and regulatory climate. We recognise that competition for new investment will be very competitive and as such we must remain competitive and attractive for new business.

Reducing the high rates of personal income taxes has been identified as essential to make

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work pay for all workers and to attract home emigrants with new skills. Budget 2017 is the next step in a now three-year process of reducing income taxes, with a particular focus on alleviating the tax burden for low income and middle income earners.

The threshold for entry to USC has been increased from €10,036 to €13,000, with the result that 30% of income earners, more than 748,000 individuals, are now exempt from any payment of universal social charge. The lowest two rates of USC have now been reduced in three successive budgets. On 1 January, we reduced the marginal tax rate on middle income workers to 49.5%, the first time since 2009 that this rate had fallen below 50%. This marginal rate will fall again from January 2017 to 49%, as the 5.5% USC rate is being cut again to 5%. The programme for Government commits to the continued phasing out of the emergency USC tax in the lifetime of this Government in order to make work pay.

For the self-employed a new earned income credit was introduced this year and is being enhanced in budget 2017 to a total annual credit value of €950. This credit is estimated to be of benefit to approximately 150,000 self-employed taxpayers across the country. In line with the programme for Government we will finish the job of matching this credit with the PAYE credit by 2018.

As part of our goal to make Ireland more attractive to entrepreneurs and start-ups we are also reducing to 10% the capital gains tax rate that will apply to the disposal in whole or in part of a business up to an overall limit of €1 million in chargeable gains. The relief will represent a simplified and upfront benefit for individuals who propose to sell their business and start new enterprise challenges.

We are also maintaining the start-your-own-business relief up to the end of 2018, enhancing the foreign earnings deduction relief and extending the special assignee relief programme to the end of 2020. These are all small but important measures.

In continuing our strong ongoing support for the agrifood industry the Government is also introducing a series of new measures on VAT reform, the extension of farm restructuring relief and the scheme of accelerated capital allowances for investment in energy-efficient equipment. The Government has also decided to maintain the special reduced VAT rate for the hospitality sector in order to help a vital source of local jobs in the post-Brexit world.

All of these measures have one thing in common. They are designed to help protect jobs and to create jobs. I know from talking to people up and down this country how much a job means, especially to those who have lost one. I know that people want to work. They want to make that wider contribution to society and to develop themselves to their fullest potential. They want the dignity that comes from a job, and they want a secure future for themselves and their families. That is why I am particularly encouraged by the milestones we have recently passed.

Earlier this year more than 2 million people were at work for the first time since 2009, an increase of 56,200 over the same time last year. Over 175,000 new jobs have been added to the economy since the launch of the first Action Plan for Jobs in back in 2012. Our target now is to add 200,000 more jobs to the economy by 2020, including 135,000 outside of Dublin. Creating more jobs across Ireland's cities, towns and villages is a key part of our plan for making Ireland's economy stronger.

I have already mentioned the eight regional action plans for jobs that are being implemented

and this budget will provide the funds to continue to build advance factories and fund regional competitive funds for domestic businesses. In addition we are providing for a wider rural development package with additional resources for the roll-out of the national broadband plan, boosting the rural development programme by €100 million to take its 2017 budget to over €600 million. Our plan for rural development also benefits our coastal communities with funding available to implement the seafood development programme in addition to a new income tax credit for fishermen. To help lower income farmers we will introduce improvements in the means-testing arrangements on farm assist and we will also expand the rural social scheme by 500 places.

Rebuilding a strong and balanced economy is not an end in itself. A strong economy is meant to work for the families and people who depend on it. The economic crash of recent years, the near collapse in the public finances, and subsequent international bailout of Ireland by the EU and the IMF took a heavy toll on new investment in public services. Thanks to the sacrifices of the people and the careful management of the economy by the Government in recent years we are now in a more stable environment where we can plan for new investment in public services with a stronger degree of confidence. In our Programme for a Partnership Government, we committed to spending at least €6.75 billion more on public services by 2021 compared to 2016. This increase will go towards targeted improvements, with particular focus on health, education, disability and child care. We will oversee the recruitment of additional front-line service professionals such as doctors, nurses, gardaí, teachers and social workers. That work is already under way.

The growth in our economy has provided increased funding to our health service. The allocation in budget 2017 is €900 million more than this time last year. It also represents the highest level of health funding in the history of the State. Most importantly, it is testament to the priority placed by the Government on the health and well-being of our people. Quality care and improved services to patients when they need them will be the touchstone of this budget increase to our health service. With this increase in spending, comes a huge responsibility, including better outcomes for patients, protected and enhanced services and support for the vulnerable and the sick when they need help and assistance. The additional funding will allow for 1,800 additional staff, including nurses, doctors and health care professionals. It will also help overcrowding in emergency departments, improve waiting times for patients by allocating funding to the National Treatment Purchase Fund, provide a medical card to the 11,000 children who receive the domiciliary care allowance, support mental health services and establish a healthy Ireland fund which is so important in the context of obesity and the range of chronic ailments that arise from that. Home care services are critical to allow older people to stay in their own homes for as long as possible. For this reason, there is also a special effort to fund more services for our ageing population to prevent unnecessary nights in hospitals and to provide the supports to allow people to remain in their own communities. The extra funding will support 950 additional home care packages, additional transitional care beds, the expansion of community intervention teams, additional acute beds and increased funding for particular aids and appliances. Funding has also been provided to increase the number of doctor training places, and to deliver on the 80 additional primary care centres around the country.

The Government is determined to build on supports for parents in regard to child care. Child care needs differ in every home. Parents want more choice and more affordable options. The cost of child care is on the minds of working parents when they consider whether it is worth while going out to work. For parents who choose to stay at home and care for their children

they too want to see some additional support. The home carers' tax credit is being increased by 10% to €1,100 from 1 January and the new affordable child care scheme will start from September next year. The new scheme will be both a universal and a targeted scheme ensuring that all children will get a fair start. Access to quality and affordable child care can be one of the highest hurdles confronting parents, particularly those returning to the workplace. As we reflect on 100 years of independence, the opportunity for Ireland now that our economy is growing again is to make a conscious choice to invest in people, their well-being and in their future. There is clear evidence that shows what happens early in life affects health and well-being in later life stages. It is now six years since I established the Department of Children and Youth Affairs. It was one of just two Departments that I created in the last Government. We have come a long way and have had a referendum on children and a new Child and Family Agency. The Minister for Children and Youth Affairs, Deputy Zappone, has carried this progress and just last month introduced a second preschool year and two weeks paternity leave for new fathers. The extension of the preschool programme saves parents on average €4,000 per child and benefits up to 127,000 young children through early education and care. This budget builds on the progress made to date. It is with the principles of equality of opportunity, enterprise and reward and hope in mind that I welcome the package of child care measures.

The key priority of the Minister for Education and Skills, Deputy Bruton, is to make Ireland's education and training system the best in Europe. Budget 2017 brings that plan a significant step forward. The additional funding for the education sector will deliver an extra 2,400 teaching posts in schools, additional resource and guidance teachers and SNAs. This will cater for over 11,000 extra primary and post-primary students, provide for extra resource teachers, and teachers involved in guidance provision. We are also continuing the ambitious investment programme in school building and extension that will result in the capacity increase of an additional 20,000 school places next year.

With regard to safer communities, the Government supports the tireless work of An Garda Síochána in keeping our communities safe. Following on from the reopening of Templemore training college, we will continue the significant investment in An Garda Síochána. We will increase Garda numbers to 15,000 starting with the recruitment of 600 gardaí this year, 800 gardaí next year and up to 500 civilian staff by the end of 2017. I particularly welcome the €30 million to be injected to support An Garda Síochána in its ongoing emergency response to organised crime as well as to burglaries and other operational priorities.

I will now turn to housing. The budget provides for a substantial package to deal with one of the biggest social and economic challenges facing our country which is the lack of available and affordable homes. The residential construction sector has not fully recovered from the devastating collapse which saw the number of new homes built plummet to all time lows. The knock on effects have been felt by everyone looking for a new home, whether they be first-time buyers, renters or those who need social housing. The only sustainable solution is to increase the supply of private and social housing. How we achieve this is set out in our action plan for housing launched within the first 100 days of this Government. Our plan aims to double the annual level of residential construction to 25,000 units and deliver nearly 50,000 new social homes by 2021. To help deliver new private sector housing in high demand urban areas, we launched a new €200 million local infrastructure housing activation fund. As a consequence of this measure, demand is very high, with new projects expected to break ground foundations in January. First-time buyers have never had more difficulty in buying their first home. This Government makes no apology for our belief that home ownership is a good thing and should

be facilitated as long as it is a sustainable arrangement for any prospective home owner. To help bridge the affordability gap for first-time buyers we are introducing a new help to buy scheme. For those looking to buy second-hand homes or to extend their existing home, the Government is extending the very successful home renovation scheme for another year. The number of available rental properties continues to be a real problem that is driving higher prices for rent. In response the Government is increasing the tax relief for landlords to encourage them to stay in the market and others to make available new units. We are also boosting the generous tax relief for those with spare rooms to rent under the rent a room scheme. This is very important for students in university cities.

This is an ambitious budget from an ambitious Government. Despite the cynicism, this Government is delivering for people and is protecting the progress we have made to date. This budget is a major step in delivering on our programme for Government commitments but there are many more steps to take to fulfil its promise. As leader of the Government, I want to assure the House that this Government and its Ministers, whether Independent or Fine Gael, are working flat out to deliver on that promise. I have ensured that there is a major programme of work in the months ahead that involves every Government Minister, Department and agency to deliver on the programme for Government. The coming weeks will see a lot of activity to implement the budget, the action plan for housing and continued preparations for the Brexit negotiations. We are also busy drafting a new action plan for rural development and a new Atlantic economic corridor plan that will be launched in the coming weeks. Before Christmas we will publish a new Pathways to Work strategy that specifically targets new policies to help those in long-term jobless households move back into the world of work. This is essential to break the cycle of inter-generational poverty that some families are trapped in and have been locked in for many years. I want to see the continued progress on the National Children's Hospital, the National Maternity Hospital and the review next year of the €42 billion capital development programme which will see an additional €5 billion provided over the period of the plan. We will also continue to deliver on the task force for Dublin's north inner city and apply learnings from this to other areas of the country under my personal stewardship and with Mr. Kieran Mulvey conducting comprehensive analysis of all the organisations working in the north inner city. This coming Saturday will see the first meeting of the recently established Citizens Assembly which will begin work, including consideration of the question of the eighth amendment of the Constitution. In November, the Government will consider the response to the publication of the report from the expert commission on domestic public water services and engage with the Oireachtas committee. The Government and the Oireachtas will be busy with an ambitious legislative programme that includes many issues of vital interest to our people.

The budget marks the start of a new phase in Irish life, politics and Government. It shows the partnership Government is working and delivering. We do not have the luxury of playing politics with people's lives. We know that after all they have given and all they have endured, people now have the right and the expectation to look forward to a better and more hopeful future. They want to be able to look at the Government and see that all its Members have a sense of where they and their families are at in their lives. The budget is a first step but an important step. There will be no going back to the days of boom and bust. We must now move forward in partnership. In this context, the contribution of the Independent Alliance and members of my party, and our conversations with Fianna Fáil in respect of the confidence and supply agreement, are to be commended in the interests of the country. On this basis, I commend the partnership budget to the House.

Deputy Micheál Martin: The election of the Fine Gael and Labour Party Government in 2011 brought with it a decisive shift in budgetary policy. A progressive approach was replaced with one weighted to favour the very wealthiest. Five out of the five most recent budgets were regressive. Each year we heard speech after speech from Ministers talking about fairness, but the reality was always one of budgets which made Ireland a more divided and unfair country.

In February we had an election campaign in which a self-satisfied Government called on the people to keep it going. The core of this was a promise of US levels of taxation and the single largest tax cut ever promised in an Irish election. The people heard this and, in overwhelming numbers, they rejected it. No one can doubt the people voted for a significant change in policy. The core of this is defined by a demand for greater fairness and urgency in addressing a mounting series of crises which the previous Government allowed to develop. This budget marks one important move forward; the regressive and right-wing ideology of Fine Gael has been curbed. That party's plans for massive tax cuts weighted to the wealthiest have been stopped, and Ireland is not heading down the road to US levels of taxation and public services.

The budget is more progressive than any of the five which preceded it and it begins to undo some of the worst damage done by the previous Government. However, it consists of a series of individual measures which rarely fit within any coherent strategy. In most areas, the impact of specific proposals will be reduced because the Government has no idea of what it is trying to achieve and, of course, the policy of overspinning and underdelivering continues unchanged. This has nothing to do with the Government's minority status but everything to do with its drift and lack of either urgency or ambition.

The budget is not a major move forward but it is an important change of direction. It is, to quote the Minister for Social Protection, Deputy Varadkar, yesterday, the first fair and socially just budget in a very long time. It is a stark but honest admission that he and his colleagues used their dominant majority to introduce unfair and socially unjust budgets. The one and only reason for this change of direction is the confidence and supply arrangement with Fianna Fáil. This is not our budget, and it certainly does not fully reflect the policies on which we fought the election or included in our proposed alternative programme for Government, but it is a budget we have influenced in important ways. Unlike others, we have not taken a destructive all or nothing approach to working for the people we represent. We believe that every Member of the House has an obligation to be constructive. Such arrangements are common in Europe but have not been seen here before this year.

Fianna Fáil won a major mandate from the people in February based on a very clear set of promises. Alone of the Deputies elected to the Dáil, Fianna Fáil Deputies voted three times to remove the previous Government and put in place the only possible alternative Government. All of the speeches we are hearing from other parts of the Opposition, particularly the different shades of left, must be filtered through the fact they did nothing to remove Fine Gael from Government, so I ask them please to give us a break from their self-righteous posturing about us allowing the Budget to be passed. It is nothing but empty and cynical politics, which simply reinforces the fact they have no interest in using their mandates constructively.

It is hard to listen to accusations from Deputy Mary Lou McDonald about Fianna Fáil protecting its hide given her party's history. As far as we can see, and subject to implementation, the budget meets the basic commitments contained in the confidence and supply agreement. There are items which we believe should have been addressed in this year's budget, and the handling of the process has been unacceptable, but the core redirection away from Fine Gael's

ideology has been achieved and therefore we will, of course, honour our agreement concerning the budget. However, let no one be in any doubt the lack of strategic purpose, the non-transparent figures and the shambolic process is not sustainable.

The basic economic background to the budget is positive in comparison to many countries, but contains very important causes for concern. Past strategic investments in education, skills, research, infrastructure and a pro-enterprise tax regime remain the primary drivers of economic growth. Completely absent from the speeches and documents issued yesterday was any engagement with the fact that we cannot stand still and we cannot take growth for granted. Just as the global economy is rapidly changing and throwing up new threats and opportunities, Ireland has to keep innovating if it is to achieve and sustain high living standards. This is a Government which has a fiscal policy and a political objective but no general economic policy. It has no proposals concerning any new strategic direction or objectives for the economy. The basic plans produced in the decade and a half before the previous Government took office remain in place, often repackaged in the covers of shiny new documents but with no substantive change. This is what is at the heart of the drift we see. For example, the two-tiered nature of the recovery, the split between high-skills employment and increasingly insecure employment, is the direct result of failing to engage with new problems.

The weak and directionless response to the Brexit vote is deeply serious. The budget should have included a number of specific scenarios for the impact of Brexit, but instead it is full of repetition of small measures, which are just tokenism. Brexit demands and requires further action. The list we received yesterday was very disingenuous. There was expansion of some issues already in previous budgets, but it was in no shape or form a coherent response to Brexit. The base scenario in the budget assumes an exchange rate for next year of 85 cent to a euro. Yesterday the exchange rate was 91 cent to a euro. Given the behaviour of the May Government, assuming that sterling will strengthen by more than 6% is worse than foolish. The Government needs to address this core issue because the devaluation of sterling represents the most immediate and very serious threat to Irish owned businesses exporting to the British market. It also has serious implications for the Border counties and North-South trade. The impact is already being felt and we have seen the fall out in the horticultural industry. There is no evidence in anything in yesterday's budget which seriously addresses these core issues. As I have stated, the negative impact of Brexit is not hypothetical, it is already hitting our exporters. The slow and partial response of the Government is a direct threat to economic growth. IBEC is calling for a currency crisis package and this should be considered. I would have thought it should have formed part of yesterday's budget.

In infrastructure, research, transport, industrial priorities and many other critical areas, there is no substance in the budget or in the Government's ongoing work. This has nothing to do with the Government's lack of a majority. I know there are those who wake up in the morning and have a fit of the vapours at the thought of a weak Government. They should remember we have just had five years of a Government with the largest majority in our history yet it failed to do any serious strategic planning and allowed problem after problem to escalate to crisis level, particularly in housing, homelessness and health.

Ministers have major policy resources available to them. Only they are in the position to develop detailed plans for their areas.

1 o'clock

12 October 2016

Their failure to do so is due to their lack of interest or commitment, not their lack of a majority in Dáil Éireann. There is a need for greater cohesion and better strategic planning. Many in this House are wondering what the Minister for Transport, Tourism and Sport is doing in his portfolio. There has been absolute silence for the past few months.

Deputy Dara Calleary: He is wondering himself.

Deputy Kevin Boxer Moran: He is working hard. He is a new Minister.

Deputy Micheál Martin: We are all wondering what will emerge from that Department in due course.

Deputy Brendan Howlin: Nothing.

Deputy Micheál Martin: The Taoiseach may take the matter in hand. There was a time when he was very enthusiastic about report cards. I respectfully suggest the report cards of some of his Ministers would not be glowing at this juncture.

Deputy Michael McGrath: Zero for effort.

Deputy Micheál Martin: There is no room for taking fiscal risks at this time. The international situation is far too uncertain. We have to be in a position to respond to any number of possible economic crises. The longer term debt target announced yesterday is essentially irrelevant as it is too far out to be meaningful. What matters is the immediate future and in this regard, a prudent approach is absolutely essential.

It is a pity that the Government has gone from being sceptical about the huge GDP revision for last year to embracing it as a vindication of its policies. The underlying position is nowhere near as positive and more restraint and less spin are in order. It reveals the lack of a strategic direction that no effort was made in advance of publication of the CSO figure of 26% growth for the country and the Government to have a more realistic model to outline the true underlying position in the economy. The overall fiscal stance must help to underpin domestic confidence and address critical issues which are, undoubtedly, a drag. The proposed outturn is mildly expansionary and sustainable.

The rainy day fund which we have promoted, on which Deputy Michael McGrath has been consistent in the past two to three years and which the Government proposes to adopt in the next year or two is prudent and should in time, once implemented, ensure Ireland will have one of the better outcomes of any country in meeting our fiscal treaty obligations, although the reservations of the Irish Fiscal Advisory Council should be given more serious weight by the Government. It is our sense that the Government has been too dismissive of the council in recent years and that seems to be a continuing trait of the Ministers for Finance and Public Expenditure and Reform.

It should be noted that in the pre-budget proposals produced by groups and parties there was no economically credible alternative to the proposed fiscal aggregates. The €25 billion package announced by the AAA-PBP group is welcome because, for the first time, it lays out in detail the incredible anti-worker policies of the hard-left.

Deputy Paul Murphy: How so?

Deputy Micheál Martin: Because massive new taxes on the private sector and other tar-

geted hits designed to drive up private rents show a consistent ideology.

Deputy Paul Murphy: All workers would benefit.

Deputy Micheál Martin: While the Socialist Party and the Socialist Workers Party which form the core of the two alliances have still not been able to agree on everything, they have finally shown to every private sector worker what they stand for. It would result in the loss of thousands of jobs if Deputy Paul Murphy's policies were to be implemented.

Deputy Paul Murphy: A total of 50,000 jobs would be created.

Deputy Micheál Martin: Everywhere except in the private sector. You do not believe the private sector should increase the number of jobs.

An Ceann Comhairle: Will the Deputy, please, address his remarks through the Chair?

Deputy Micheál Martin: I am, a Cheann Comhairle, through a circuitous route.

Sinn Féin is obviously uncomfortable with the full scale of the policies it advocated in the Right2Change manifesto this year. Everybody should read the manifesto to which the party has signed up because its alternative budget includes almost €2 billion in new taxes. The claim that this would have no negative economic impact shows that the party remains obsessed with its left flank rather than offering a credible alternative.

I congratulate Deputy Brendan Howlin for his newspaper article on Monday in which he condemned the budget as not being "fair, progressive or sensible". Given that even his one-time colleague, the Minister for Social Protection, has said the past five budgets were not "fair and socially just", the Labour Party is clearly still living in denial.

Before dealing with the detailed areas covered by the budget, it is important to address the budgetary process which is a shambles. It works directly against soundly-based policy and credible political debate. This must be the last budget produced in this manner. If we assume - I accept that the assumption could be naive - that the Government was not deliberately misleading people, both in public and in private, the appearance of an additional €300 million in the past week suggests, at best, a lack of control. It was not acceptable that so many additional millions of euro became available at the eleventh hour and communicated to other parties a few days in advance of the budget announcement.

There has been no serious review of what the budget will deliver or the figures behind it. Ongoing activity is sold in the same way as new initiatives and the debate is reactive rather than strategic. The spring economic statement and announced spending envelopes are meaningless and never reflect the final outcomes. The idea of an annual budget day should be ended. Let us have detailed scrutiny of "no-policy-change" Estimates and policy initiatives in advance. A single high-stakes political showpiece makes no sense and does not deliver good policy. Most countries have a more lengthy and iterative process which makes greater demands on the government and the opposition alike. We will insist on the early establishment of the independent Oireachtas budget office and seek early discussions on a deeper reform of the budget process. That would impact on the Opposition as well as on the Government and would carry with it responsibilities for Opposition parties in making proposals. The Committee on Budgetary Oversight was not in position early enough to have a meaningful impact on this budget. People need to face up to the challenge. If we have proper budgetary scrutiny within Parliament, people

must properly assume responsibilities in that regard.

As I have said previously, the fact that the fiscal space is limited still allows for choices. The forced rebalancing of the budget towards essential services and supports has allowed for some improvements. Public services have been cut to the bone in the past five years and had to be given priority. Fianna Fáil insisted on services being given priority over tax cuts as it was the right thing to do. The increases in pension and other payments are a direct result of the rebalancing and specific provisions of the confidence and supply agreement. To brief otherwise fools no one.

On pensions, Fianna Fáil makes no apology for giving priority to the elderly. In recent years cuts to a range of vital supports for the elderly, including the fuel allowance, the abolition of the telephone allowance, the increase in the prescription charge from 50 cent per item to €2.50, and the imposition of the property tax have had a disproportionate impact on those surviving on the State pension. All of these measures, cumulatively, had a negative impact on the net income of pensioners, with the huge health expenditure they incur. The increase in pension payments, on which we were clear, and other changes such as the changes in prescription thresholds will help, although the prescription charge of €2.50 is still too high. I recall Senator James Reilly coming into the House as Minister for Health five years ago to propose the abolition of the 50 cent charge, but he then proceeded to increase it to €2.50. That has had a significant impact on those who take a lot of medication. GPs and pharmacists say this is particularly the case for pensioners and those who are ageing. The increases in other payments are possible only because of the rebalancing forced on Fine Gael due to the confidence and supply agreement. It is amusing to watch those who took an unreconstructed right-wing approach in the general election and the negotiations afterwards trying to soften their image through partisan briefings.

Deputy Paul Murphy: Is the Deputy now watching his own left flank?

Deputy Micheál Martin: We support the increase in all payments and, as we said repeatedly in discussions with Ministers, their decision to delay starting dates is bad policy. We regret that the Government has chosen to delay implementation of certain commitments on education. The emptiness of the so-called action plan on education is reflected in the fact that the budget does not fund any initiative contained within it. It is not a strong budget for the education sector. The confidence and supply agreement requires a reduction in class sizes and we will insist on this being addressed. The decision to end all ring-fenced provision for guidance and counselling services was incredibly damaging and regressive and its impact on disadvantaged communities, in particular, has been terrible. We expect the reversal of this to be fully implemented next year. A start has been made in this budget but it has to be ex-quota according to the confidence and supply agreement. There is resistance to this within the Department of Education and Skills and among some groups in education as some want to have the full deployment for themselves. If we are serious about the mental health of young people, professional ex-quota guidance counselling provision should be restored to young students in second level schools. If they could get good, solid guidance and advice, free of any stigma, it would nip any problems in the bud. Its removal was a shocking and cynical decision taken to camouflage a reduction in the second level pupil-teacher ratio, to please the unions and avoid a political outcry.

The ending of postgraduate grants was a targeted attack on the ability of many to gain critical qualifications. The restarting of these grants, for which we have fought, begins the unwinding of a callous and unnecessary cut. It was also strategically stupid to cut postgraduate grants and to eliminate them. If we are serious about investment in the future of our country, fourth

level education is essential. It is worrying that so many young people from average income families have decided not to pursue masters degrees or PhDs because of the chronic underfunding of the sector and their inability to afford it.

We identified the crisis in third-level funding as approaching emergency levels and the €31 million announced yesterday, while it may stabilise the situation, is nowhere near enough. What is now needed is a strategy for investment in a sector whose success is central to our economic and social future. If one had to pick one area where the absence of strategic direction was clearest in yesterday's budget, it would be a proper and realistic response to the Cassells report. It was a comprehensive report, put together at the last Government's instigation, to look at third level education. All the options involve increases in State subvention, amounting to €121 million per annum, but the €30 million in yesterday's budget goes nowhere near that.

Nothing has been done in respect of the national training fund and there have been no moves to allocate any of it to third level education. The issue has been kicked down the road into the Oireachtas committee. It is a cop-out to say we have to go into all the options, particularly option 4 on student loans. We can go through that detail later and there is no reason the Government cannot respond now. It should have responded yesterday and should do so in the next budget by significantly increasing the amount of money going to third level education. The graphs are extremely worrying and show a downward spiral over the past number of years in terms of the world rankings of our universities and the fact that some institutes of technology are almost insolvent. The student-lecturer ratios are at an appalling level in some cases across the sector and this requires a realistic response from Government. It goes to the heart of the lack of strategic direction of which I spoke, because skills are key to growth and economic development into the future, as well as to attracting foreign direct investment and facilitating Irish-owned companies to grow and develop with suitably qualified personnel.

The small provisions for research from the Department of Jobs, Enterprise and Innovation implement already announced policy. They will not stop the loss of important scientific policy as we double down on an approach which narrows our research base, which in turn will continue to damage our long-term prospects. This Government's approach to science has been roundly condemned by a range of independent voices and nothing is to change. The loss of hundreds of researchers and the exclusion of most basic research from funding is causing real damage and is set to continue. I refer the Taoiseach to an editorial in the *Financial Times* last week on the Nobel laureate for science and research. The fundamental point was that if one does not invest in basic, pure, blue-sky research the capacity of society to respond to the big issues of the day, with new products, solutions and thinking, is undermined over the longer term. The policy of this Government, and that of the Minister for Education and Skills, Deputy Richard Bruton, while he was in charge of enterprise, is damaging to the research community and I do not know how many more articles we have to read, or how much more articulation of this core deficit in our research policy we have to listen to, before the Government sits up and takes notice of its lack of coherence in this area. Research is a key strategic imperative for future economic growth and competitiveness.

While overall levels of employment will remain high, we are extremely concerned that there is no sign of any engagement with the casualisation of employment and unfair contracts. The budget contained no provision to address this major problem. No area sums up the failure of Fine Gael to develop and implement new strategies more than health. The inheritance of the Reilly-Varadkar years has been deeply destructive, including the attempt to influence a massively wasteful and failed new funding model. In the last two years, waiting lists have

increased by 56% and pressures within the system are mounting by the day, though the then Minister, Deputy Varadkar, has denied this for the past two years, as has the Taoiseach.

The scrapping of the National Treatment Purchase Fund caused enormous harm. Its re-establishment is a first step, but nowhere near enough. The most important thing about the NTPF is the spirit in which it works, whereby it helps use the full capacity of the national system to provide badly needed operations for people. It is not just about providing money - there was a whole system in which waiting lists and waiting times were analysed forensically, creating a competitive approach to getting surgeries completed. It did work and it did reduce waiting times for operations down to six months for adults and three for children, in some cases exceeding that. I can never understand why the then Minister, Senator James Reilly, got rid of it by rendering it impotent.

As has been exposed by a number of journalists, the presentation of health budgets in recent years has been borderline fraudulent, due to the behaviour of Government. Service plans have been published without the relevant funding. The mental health budget has been deliberately overstated and manipulated at budget time. This was only exposed through freedom of information and has yet to be acknowledged by Government. Before we can judge this budget we have to see the relevant service plans and check if the manipulations of the past have been repeated. We have been pushing for urgent action on child care for a number of years and welcome, in principle, the extension of a universal scheme. However, the lack of operational details or a strategy to ensure adequate supply means we have to wait and see before going any further. We are concerned at the steep cut-off in income limits which offers a significant trap for middle-income earners. While this appears to have been enough to satisfy some Government backbenchers it has not addressed the core problem facing the squeezed. In fact it may, in certain circumstances, increase affordability problems for them. We will be seeking an early committee review of the proposal and call on the Minister to immediately publish all background work carried out in deciding the levels and thresholds to be implemented.

The housing emergency developed in recent years because of a lack of delivery, not because of a lack of funding. No matter what targets were set they were always missed. Even though Fine Gael and the Labour Party put their most aggressive Ministers into the Department, they presided over an emergency which now includes every type of housing, from rental to ownership. While the then Minister, Deputy Alan Kelly, was busy propagandising and giving interviews, he ensured that in 2015 the number of local authority new-builds was the lowest ever recorded. We believe that the package announced yesterday risks further unbalancing the sector. Local authorities have not been given the staff or expertise required to deliver the 1,750 homes provided for. Some initiatives will simply drive prices higher and the plight of thousands faced with extortionate variable rate mortgage interest rates is ignored.

The 35% cut in capital support for the Irish language and the Gaeltacht is a sad reflection on a Government which seems intent on wasting the historic opportunity of the rising interest in our native language. Tá díomá an domhain orainn nach bhfuil go leor airgid ann chun Straitéis 20 Bliain don Ghaeilge a chur chun cinn i mbliana. Tá sé riachtanach ar an Taoiseach agus an Rialtas athrú a dhéanamh ar an scéal sin. During the election we successfully argued that rural Ireland was being devastated by the loss of services and lack of any concrete plans for the future. The renaming of a Department to include the word “Rural” in its title means nothing in the absence of a coherent strategy. Funding which amounts to no more than €500,000 per county is no statement of intent. There also remains no sign of any credible transport or infrastructure strategy, which are matters within the remit of the Minister for Transport, Tourism and Sport,

Deputy Ross. The core issue with this Government is its drift. It appears mainly concerned with internal manoeuvrings within Fine Gael, with, seemingly, no interest in trying to set a strategic direction for our economy or our public services. During the past week or so, we have picked up on the fact that there is clearly something going on internally within Government which is making it difficult for people looking in to decode policy positions and so on. The only thing stopping Ministers is their own commitment. They do not need a majority in this House to tell us what they want to do in terms of the future of the areas they oversee.

The regressive damage of Fine Gael has been stopped by this budget but many opportunities are being missed and threats remain unaddressed. This budget is a partial departure from the damage of the last five years. It must be the last we see of budgets that are devoid of urgency or strategic ambition.

An Ceann Comhairle: I understand Deputy Adams is sharing time with Deputy Mary Lou McDonald.

Deputy Gerry Adams: Yes. This is Fine Gael's sixth budget. Prior to this, Fianna Fáil brought in at least 15 budgets. However, this is Fianna Fáil's first budget with Fine Gael, although one would not think that having heard the speech of Deputy Martin today. The question for Deputy Martin is why does he support a budget of which he is so critical. This was an opportunity to bring about fairness and equality for all those citizens whose standards of living fell dramatically in the crash of 2008 as a result of the Fianna Fáil leadership's bad policy. We all know that the electorate removed Fianna Fáil from office. Fine Gael and the Labour Party then came into office with the high rhetoric of political reform, fairness and commitments not to do what the Fianna Fáil leadership had done and then they went on to do exactly that. Fine Gael and the Labour Party sliced public services, cut wages and drove hundreds of thousands of our young people to foreign shores in search of work. Sa bhliain seo, 2016, 100 bliain ó Éirí Amach na Cásca agus Forógra Phoblacht na hÉireann, bhí deis againn tús a chur le fíis nua a thógáil d'Éireann - "Éire níos fearr" but, of course, 1916 was a bit of an embarrassment for the establishment parties. There is no real commitment to the Proclamation.

This budget did not mark the end of an old era and the start of a new era of prudent planning for long-term economic growth, of building public services that are fit for purpose, of tackling the spiralling cost of living and building a fairer more equal Ireland. These issues were not even a consideration for those who drafted this year's budget. Yesterday's announcements will not end the crises in health and housing. They will not deliver tax fairness. They do not end water charges. On the contrary, the budgetary changes made by Fine Gael and Fianna Fáil, aided and abetted by some Independents, are the same old doublespeak and political manoeuvring of the past. There is no new politics here ar scor ar bith. Níl aon sos ann do theaghlaigh agus do shaoránaigh atá cráite ag an gcostas saoil atá ag ardú gan stad. Níl aon iarracht ann an tseirbhís phoiblí a shábháil ón ngéarchéim atá ag dul ar aghaidh le fada. Sinn Féin is not surprised by this. Chuir Fine Gael agus Fianna Fáil, le lámh cunta ó Pháirtí an Lucht Oibre, fiacha de €64 bhilliún ar mhuintir na hÉireann agus beidh ár ngarpháistí ag íoc as seo.

This Government is wedded to an ideology that prefers cuts to capital acquisitions tax for some of the wealthiest citizens in this State rather than investment in the health service. Last month, the hospitals waiting list rose to new record levels. At the end of September last, there were almost 555,000 people on public waiting lists. That is the fifth increase in five months. At the same time, the number of people waiting a year or longer for an appointment or treatment is also rising. Yesterday, there were 438 citizens on hospital trolleys. Once again, Our Lady of

Lourdes Hospital in Drogheda was among those with the highest number of people on trolleys. Fine Gael is responsible for this but the decisions and actions of the Fianna Fáil leadership is sustaining and empowering Government health policies.

At a time when homelessness is at an historic level and people are being priced out of the rental and first-time buyers market, budget 2017 will simply make matters worse. The first-time buyers scheme will drive up house prices. The increase in capital investment for social housing is a miserly €150 million, which will deliver fewer than 900 new houses. The €17 million given to the housing associations will deliver fewer than 100 additional social houses. Fine Gael and Fianna Fáil have again failed to produce a viable, properly-funded housing strategy to tackle homelessness and the shortage of social housing for the tens of thousands of citizens on the ever-increasing housing waiting lists.

This is a budget straight out of the Fianna Fáil play book. It provides a little bit for everyone in the audience, with some spending here and tax cuts there and a subsidy for property speculators and developers. I remind the House of Deputy Martin's claim that the last election result represented an overwhelming rejection of the Fine Gael-Labour Party Government, its policies and its hyper-political behaviour. This is the same Teachta Martin who was 14 years in ministerial office and played a key role in the crash in the first instance. He fought the last election to get rid of Fine Gael and then he put Deputy Enda Kenny back into power, as did the Independent Alliance. This was not the only Fianna Fáil U-turn. In the past few months, Fianna Fáil has done a U-turn on bin charges, the national monument in Moore Street, banded-hours contracts, rent certainty and NAMA. It also did a U-turn on the issue of water charges. The introduction of water charges was first proposed by Fianna Fáil. In its last general election manifesto this party, the soldiers of destiny, pledged to scrap Irish Water and water charges. It then did a U-turn on that position as part of its deal to keep Fine Gael in government and opted for an expert, mar dhea, commission on water charges and one year suspension of those charges. When Sinn Féin provided Fianna Fáil with an opportunity to scrap water charges by way of a motion tabled to this Dáil, it did another U-turn. It voted with its Government partners against the Sinn Féin motion. It is little wonder that the messages coming from the Fianna Fáil Front Bench are so confused. They are obviously dizzy after all of their U-turns.

Ní bheinn ag súil le rud ar bith eile ó pháirtí a théann siar ar a pholasaithe i gcónaí. Ní cúis leis an rud is fearr do na saoránaigh agus don Stát. This is about maintaining the *status quo*, the so-called centre. It is always about trying to sustain themselves by containing the righteous anger of increasing numbers of people at the play-acting of the conservative parties. There were other choices available, as there have been over the past decade or so. Fine Gael and Fianna Fáil know this. I sometimes think that all of what happens in this House is reduced to theatre. Budget 2017 could have been about starting to build an Ireland for living in and not merely for getting by in. Sinn Féin's alternative budget is economically prudent and is grounded in the republican ideals of equality and fairness. Our proposals seek to reduce the high cost of living facing families and citizens. They provide for the type of investment in public services that is needed to build the homes, schools, health facilities, flood relief works and roads that are so badly needed in every region in the State. I know from my dealings with Louth County Council that it does not have the money to fix potholes, it does not have the money to provide flood protection and it does not have the money to clear drains. Sinn Féin's proposals would have assisted in properly developing an all-Ireland economy and building long-term economic growth. Thabharfadh sé isteach córas cánach a bheadh cothrom agus cóir. Our budget proposals are about realising a new vision for a better society. This budget has no vision whatsoever.

Our proposals are about achieving economic equality and sustainable prosperity. This is particularly important when one considers the economic environment on the island. Economic conditions for some are better than they were a few years ago. There is no doubt that things have improved for some citizens and in some parts of the State. While Sinn Féin welcomes this, such benefits are not being felt by many low and middle income families in rural and urban areas, by citizens living in rural Ireland and those living in the west. For hundreds of thousands of citizens, life is dominated by worries about money, keeping a roof over their heads, getting a roof over their heads, paying hospital bills or meeting back to school costs. The high cost of living, combined with inadequate, underfunded public services, means that many families are working long hours, if they are lucky enough to have work, but they still cannot make ends meet. That is what Fine Gael and Fianna Fáil mean when they talk about recovery. Sinn Féin, on the other hand, wants to build a society and a recovery in which no community or citizen will be left behind.

We also want to see a recovery which is rooted in the reunification of the island. There has been a great deal of talk in recent days and weeks about partition and the Border, but what are the Government and the Establishment parties doing about it? Economic challenges lie ahead as a result of the outcome of the Brexit referendum. We can already see negative consequences for the economy of the island, North and South. Given what the Conservative Party stated last week, it seems set for a hard Brexit. That means that Britain will leave the Single Market and Customs Union. There will be no free movement of workers and barriers to immigrants will be raised and reinforced. The British Government is claiming that the Taoiseach's Government will act as a gatekeeper to protect Britain's borders from non-EU people. That is what is being spun from London. The Tories are already committed to scrapping the Human Rights Act and leaving the European Court of Human Rights. That will be a direct attack on the Good Friday and subsequent Agreements. By insisting on Britain pursuing a hard Brexit, the British Prime Minister has set it on a collision course with the European Union in which Ireland, North and South, will be regarded as collateral damage.

The Government continues to sleepwalk and dither instead of being leaderly and decisive. There is a responsibility on it to defend the "Remain" vote in the North. There are no ifs and buts about this. The establishment of the all-island civic dialogue, on which the Taoiseach also dithered, is only one step in the production of an holistic, all-island strategy to meet the challenge of Brexit. I sat and listened to Fine Gael and Fianna Fáil speculate about what was happening in London. I read the report on the Labour Party leader travelling to London to call for another referendum. That is nonsense. Our focus should be on what we are doing, not what the Brits are going to do. What are we going to do? The national interest has to be protected and promoted. The overriding priority of the civic dialogue must be to advocate on behalf of the "Remain" vote in the North. At the weekend some very successful Border protest marches were held from Derry to north Louth. They are a measure of the concerns of citizens on both sides of the Border.

Agriculture, the food processing industry and small and medium businesses are already facing massive challenges as a result of the crisis in the sterling exchange rate. An integrated economy on the island of Ireland is not just a political aspiration, it is now also an economic imperative. We heard a great deal about Brexit proofing in the run-up to the budget announcement, but there is very little in the actual budget package to match such lofty rhetoric. On the other hand, Sinn Féin provided for real all-island co-operation and integration within public services and investment in infrastructure in its budget alternative. We proposed investment in In-

terTradeIreland, Foras na Gaeilge, Tourism Ireland and Waterways Ireland. We also proposed additional investment in the A5 and the Narrow Water bridge which Sinn Féin Ministers in the Northern Ireland Executive have agreed to match. We have also pressed for the establishment of a committee under the auspices of the North South Ministerial Council tasked with harmonising and maximising all-island economic co-operation. We have called for the establishment of a Border economic development zone to harmonise trade and maximise returns for Border businesses. These would be meaningful actions of benefit to the economy. As such, I commend them to the Taoiseach. They are not ours. The Government should take them, work with them and make them happen.

Sinn Féin is the only all-island republican party represented in the Dáil. We believe ending partition and reuniting the country and its peoples is in all our interests. Brexit has, sadly, exposed the disastrous consequences of partition for the island and especially the Border region, but we do not need to wait until partition is ended and Ireland united to relieve families of the burden imposed by the cost of living. We do not need to wait until then to provide decent public services and housing. The budget could have ensured no one would be left behind, but it did not. It is not about what is best for the people, the economy or public services, rather it is a budget about Fine Gael and Fianna Fáil. The evolution of these parties now means that if you vote for one, you get the other one for free.

Deputy Finian McGrath: That is a good sound bite.

Deputy Mary Lou McDonald: In his remarks today the Taoiseach commended in a self-flattering and self-serving manner his Government as a different type of Government which combines its members' different talents to build a strong economy and a fair society. Not alone is there very little talent in evidence in the budget, it lacks a defined roadmap to build strong economic fundamentals or, certainly, to deliver a fair society. It seems that, with his partners in Fianna Fáil, the Taoiseach wants to recolonise the concept of fairness. According to his colleague, Deputy Micheál Martin, the Taoiseach has had a conversion on the road to Damascus. Anybody who takes an interest in the affairs of the State and knows anything about Fine Gael and Fianna Fáil can confirm, as the record reflects, that for them "fair" is a four-letter word. Many terms and concepts might be associated with these parties respectively, but fairness is not among them.

Deputy Micheál Martin is hurt and offended that I made the obvious observation that we had had a very political budget. It is a crass box-ticking exercise that is fundamentally about protecting the political hides of Fine Gael and Fianna Fáil. That seems to upset him. Therefore, he invites all and sundry to regard Sinn Féin, the party of opposition, through the prism of our proposals. That, of course, is the correct thing to do. I suggest, however, that the rhetoric of Fianna Fáil which we heard today ought to be filtered through the fact that it has kept Fine Gael in government and Deputy Enda Kenny as Taoiseach. That is a matter of fact. It should also be filtered through the fact that whatever the bluster, Fianna Fáil is intent on supporting the budget. That is the position.

Deputy Micheál Martin and anyone else is very welcome to scrutinise Sinn Féin's alternative budget. I have it here. Unlike Fianna Fáil's, the document has been fully costed. We thought that was an important exercise in bringing forward our proposals.

Deputy Brendan Howlin: Get to the point.

Deputy Mary Lou McDonald: I thank the Deputy.

It now seems that the Government wishes to recreate itself as saviours of the struggling classes. Fine Gael and Fianna Fáil are coming to the rescue to save unfortunate welfare recipients in their hour of need. For that reason people outside the House now refer to this budget as the “fiver budget”. There are budget fivers all around. We are still not clear when the €5 increases will be paid. We are clear that it is not a fiver for younger welfare recipients. For them, it seems that they are only worthy of an increase of €2.70.

We are also clear that for all of the talk about championing pensioners, the Government has left one particular group of pensioners in a desperately unfair situation. I refer to those pensioners who, because of their work contracts, must retire at the age of 65 but are not entitled to the State pension until the age of 66. Time was when there was a transitional pension for that set of pensioners. The previous Government, which included the Labour Party, put paid to that. This was the budget where the Government should have reversed that cut. There is an insane situation whereby 65 year old workers having, in many cases, done their full 40 years and sometimes more, retire at the age of 65 and are sent off to seek jobseeker’s benefits. That is not a sustainable position. Anybody who actually cares about pensions or pensioners in this State would have addressed that issue as a matter of priority.

The Taoiseach failed to reinstate the bereavement grant. He mentioned my constituency, the north inner city, in his remarks earlier. I will tell him one lesson that comes from the communities I represent, namely that the abolition of the bereavement grant was among the cruellest of all blows in the course of the austerity budgets. If the Government cared about people at their most vulnerable moments and was the saviour of the struggling classes, it would have reinstated that grant and taken the opportunity of the budget to do so.

The Taoiseach often lectures us about the squeezed middle. They include middle-class voters that he assumes we in Sinn Féin have no clue or concern about. The budget finally lays bare that canard. It delivers for many of the struggling squeezed middle families precisely nothing, and they are very disappointed.

What has the Government left intact for those families? Not a single cent in the Fine Gael and Fianna Fáil budget has been set aside for the abolition of water charges. Fianna Fáil cannot be trusted on this issue because, after all, domestic water charges was its idea to begin with. It said it would suspend or abolish them and do this, that and the other. The budget resolves the mystery for us. It is now very clear that the Government and its partners in Fianna Fáil have no intention of abolishing water charges. That is not missed by the squeezed middle because it is bill that will be with them, it seems, come March. If I am wrong and the Government proposes to abolish water charges, it has not taken account of that in its budgetary arithmetic.

The Taoiseach: I have.

Deputy Mary Lou McDonald: The squeezed middle are still left with a tax on their family homes. It has been acknowledged in the course of this debate that property prices are rising, and in all likelihood that will continue. That is a big deal for the squeezed middle and the families who are faced with a charge which will only escalate.

There is nothing for the squeezed middle in respect of student registration fees or apprenticeship fees. The Fianna Fáil benches correctly criticised the last Government for its U-turn on and betrayal of third level students and their families. It seems to have conveniently forgotten

all of that. Student registration fees of €3,000 are a big deal for the squeezed middle and struggling middle classes. That seems to have passed the Government by.

There is not an additional cent in the budget for school capitation. What does that mean for struggling families? It means that schools are under pressure which, in turn, places parents under pressure because lights have to be turned on and heating bills paid. Had the Taoiseach read our alternative budget he would have seen our costed proposal for an increase in school capitation grants. Perhaps having read it, its sheer common sense might have occurred to the Government and it might have included it in the budget. It might have done that if it really cared about the middle classes, struggling families and the squeezed middle.

Where we get to the point of almost comedy is when Deputy Martin tried to portray himself as the champion of workers. Goodness, gracious me. That is good one. This is almost at the pitch of high farce, coming as it does from Fianna Fáil. After all, it cut the minimum wage. That was its bright idea to vindicate workers' rights. Not alone that, between the collective efforts of the parties in Government, they have created a scenario whereby we now live in a low-wage economy.

When we brought forward a proposal to deal with one of the core issues in respect of the low-wage economy, namely banded hour and low hour contracts, what did Fianna Fáil, the champion of the workers, do? It said it could not possibly do that and needed to push the proposal down the line to some indeterminate place in the future. Every time something solid or concrete comes to this new political Chamber that will advantage workers, Fianna Fáil and Fine Gael connive to shoot it down or push it down the line. That is the real level of their commitment to workers' rights.

There was a lot for landlords in the budget. The Taoiseach said that was to incentivise them to stay in the business of renting properties. I put it to him that is in stark contrast to the absence of anything real or substantive for renters. I again remind him that Sinn Féin, the party of Opposition, brought forward a proposal for rent certainty. That did not go very far. We can only surmise, given that Fine Gael and Fianna Fáil voted against rent certainty and rent certainty measures in this budget, that they are not bothered about or interested in rent certainty.

In terms of health, very big figures have been put out into the public domain. However, when one strips everything back and takes account of demographic factors, the Lansdowne Road agreement and pay commitments, one finds that only €147 million is available. We cannot have a supplementary health budget this year. A figure of €147 million means that we have a major problem in terms of service delivery.

Deputy Martin beats his chest and points to a 56% increase in waiting lists of over two years. He is correct. What is the solution? It is a miserly, miserable and pathetic €15 million. The Government is not seriously suggesting that is the answer to a crisis of that magnitude. Perhaps if the Deputy had read Sinn Féin's alternative costed budget-----

Deputy Micheál Martin: The Deputy is in never-never land.

Deputy Mary Lou McDonald: -----it would have occurred to him that the figure of €15 million to deal with waiting lists was a bad joke.

Much has been made of the Government's child care initiative. I am glad to say we can all now finally agree that there should be a publicly-funded universal child care service. It is a

public service, not a babysitting service. It is part and parcel of the early childhood education and development system.

Deputy Finian McGrath: We got that right.

Deputy Mary Lou McDonald: Tick that box. We are on that page.

Deputy Finian McGrath: Good.

Deputy Mary Lou McDonald: The money to be assigned to the child care scheme from September, however, is a mere €32 million. We will receive the full details of how the figures crunch, but €32 million is a very low figure. In our alternative budget we proposed a child care package that came in at a figure of over €250 million.

Deputy Micheál Martin: Fair play.

Deputy Mary Lou McDonald: Yes, it looked to have a subsidised universal scheme and was in part geared towards the meetings the means of parents, but it also sought to lengthen the pre-school year by a further five weeks. The Government should really have done this. Having a 38 week pre-school year causes a problem for parents, as well as for those who work in the sector.

I am coming to the end of my allocated time and could say much more. I speculate, but I have a sense that the public's mood about the budget is one of relief that they were not mugged again. People are saying that at least the Government did not take anything from them. However, they are certainly not jubilant at the prospect of receiving a fiver, if they are lucky.

Deputy Micheál Martin: We generally do not mug people.

Deputy Mary Lou McDonald: For a worker on a salary of €20,000, the USC cut that has been so lauded actually only amounts to €1.92. Perhaps those who will receive a fiver at some indeterminate date in March are the lucky ones after all, but that says very little for the Government's vision and ambition for the country.

Deputy Brendan Howlin: I will allow a Fianna Fáil exit. I was going to mention it in patches.

Deputy James Lawless: We are still here.

Deputy Brendan Howlin: Earlier this week in a newspaper article I wrote I made two predictions about the budget. My first guess was that the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, would wear a blue or a purple tie. My second was that the budget would not be regarded as fair, progressive or even sensible. I take no joy in being right on both fronts. For the first time in six years, I am responding to rather than delivering a budget and need to be clear from the outset. My party will oppose the overall package announced by the two Ministers yesterday. That is not to say, however, that the Government got everything wrong. Take the Department of Justice and Equality, for example. I warmly welcome the stated intention to recruit 800 new gardaí next year which was called for by us and others. I particularly welcome the intention to recruit 200 civilian staff into An Garda Síochána. I hope this shows a real willingness to fully implement the very extensive recommendations of the Garda Inspectorate made in 11 reports and in excess of 1,000 recommendations to modernise An Garda Síochána to make it a 21st century force. On a smaller matter, I welcome the com-

mitment to invest €1 million next year in a new round of community CCTV schemes. These are really important issues in giving comfort to communities that feel under threat. Overall, the Tánaiste has done well in securing the funding needed to strengthen An Garda Síochána. I hope during the year she will see the sense in expanding the number of gardaí assigned to community policing roles. I will follow up on this matter in the coming months and years.

The justice Vote is not the only area of the budget that I welcome. As noted by Deputy Stephen Donnelly on radio this morning and called for by Deputy Joan Burton for some time, the Minister for Finance, Deputy Michael Noonan, has moved to clamp down on tax avoidance by vulture funds. Such activities undermine public confidence in the equity of the tax system and must be eradicated. I can assure the Taoiseach that the Government will receive the full support of the Labour Party if it speedily seeks to implement that commitment.

The review of the corporation tax regime announced is welcome. However, it is a flawed move because the objective must be to ensure every company pays its fair share of tax. Mr. Seamus Coffey is a highly respected economist and, like everybody in the House, I wish him well in the task he is being set. In our pre-budget preparations we asked the Department of Finance to cost the introduction of a minimum effective rate of corporation tax, but, unfortunately, it refused to do it. I hope Mr. Coffey will be able to help the Department in that really important area. While we wish him well, we still believe this actual process - like so many other things that need to be tackled - is a mechanism to long-finger rather than do something that is concrete. Carrying out once-off reviews of corporation tax is no longer good enough. We all know this when we look at what is happening internationally. Every time changes are made to the tax code on foot of the findings of a new investigation, an army of lawyers and accountants immediately begins to scratch around to find ways for companies to legally avoid their moral responsibility to pay their taxes. Even if this review results in the closing off of existing loopholes, while that will be an important day's work in and of itself, it will only be a matter of weeks or, at most, months before new loopholes are found and exploited. That is why the Labour Party has long been calling for the establishment of a standing commission on taxation. Such a commission would make sure we kept ahead of the clever accountants or would at least be in a position to respond rapidly to them. Perhaps at the conclusion of Mr. Coffey's work, the Government will see the common sense in that proposal.

There are welcome aspects to the budget. A level of indexation of all social welfare payments is welcome. A failure to peg social welfare rates to at least the rate of inflation leads to a real reduction in living standards for the most vulnerable people living in the country. The Labour Party called for this in its alternative budget proposals and I am glad to see the Government acted on it in some shape or form. That said, the entire budget will be called into question if the Government cannot confirm the precise date on which the promised increases will take effect. It means that it does not know what the cost truly is of the social welfare measures announced yesterday. Therefore, it makes it hard to take any of the budget at face value. I will leave that issue aside and come back to it.

The increases in tobacco taxes are sensible and I think the House agreed to them unanimously last night. They will deliver improved health outcomes, as well as improved revenues for the State.

An increase in the earned income tax credit is another welcome step towards equal treatment for the self-employed. However, I must say it is disappointing because the Taoiseach will recall that we agreed last year that we would have full equalisation in three equal steps. We

took the first step last year, but the Government has not taken the same equal step this year and I do not know why.

Last year, with the Labour Party in government, we improved the Christmas bonus by 50% and increased the State pension by €3 a week. We also increased the fuel allowance.

2 o'clock

In total, those measures delivered an extra €336 per annum to the average older person. It not a huge sum, but a modest sum. We were castigated by members of Fianna Fáil at the time, which described it as an insult in this Chamber and on doorsteps throughout the country later on. This year, the headline weekly rate increase is slightly higher, but significantly delayed. There is no increase in the fuel allowance and only a 10% increase to the Christmas bonus. The package will deliver to the average older person approximately €245. The Fianna Fáil-Fine Gael contribution to the elderly in 2017 is €245, having derided our €336 last year. I note that Fianna Fáil does not consider its collaboration in a much lesser figure to be an insult. That said, any increase in the support for older people is welcome.

The move towards a universal child care scheme is also welcome but, as already pointed out by Deputies, it is wholly underfunded. We have heard much in recent weeks about the increased investment required of between €100 million and €150 million to deliver universal child care. There was much talk and it would have made sense. If the House recalls, at the last two summer debates - the economic dialogues in Dublin Castle - child care was the overarching issue. It is the block in our society that prevents people, particularly women, getting involved in the workplace and an enormous burden for young families. Last year, we spent €82 million to introduce a second free pre-school year. That shows the scale of what it would cost to make a real impact in this area. What was announced yesterday was different by a quantum. Yesterday's announcement amounts to a new scheme to be funded with a miserable €32 million.

The Taoiseach: It starts in September.

Deputy Brendan Howlin: It starts in September, but why not earlier? If this is the real issue it has been identified as being, why wait three quarters of the year before providing the support that is needed? We support the Minister's overall approach. However, to imagine that a sum of €32 million will deliver anything like universal coverage is obviously misguided. It will be quite complicated to deliver the scheme outlined by the Minister, Deputy Zappone. We will see the meat of it in the coming weeks. The Labour Party put forward during the last election and again in our pre-budget submission a clear and understandable universal scheme that applies to everyone. Everyone would get a break. At the end of the day, we might even get a chance to return to it.

I have deliberately spoken at some length on the positive aspects of the budget. It is important to do so. This Chamber should acknowledge when we are going in the right direction.

Deputy Finian McGrath: Hear, hear.

Deputy Brendan Howlin: I have said from the outset of my leadership of the Labour Party that we will give credit to and support the implementation of any measures in this House that are positive and progressive. I also made it clear that we will not support measures we regard as negative or backward moving, which is why we will not support this budget. The budget in the round cannot be regarded as having achieved the improvements in public services and living

standards to our people that could have been afforded this year.

Notwithstanding the Supplementary Estimates, which the Government denied could or would happen this year, of which we got confirmation yesterday, the fiscal space was limited this year. We know that. However, even within that limited fiscal space, choices were possible. We in the Labour Party argue that the wrong choices were made. In the first instance, it is because of Fine Gael's insistence on the abolition of the universal social charge. The tax cuts announced yesterday amount to less than €2 a week for those on €20,000 and €3.25 a week for those earning median income. It is a tokenistic sum of money. It is therefore hardly a surprise, as other Deputies have pointed out, that workers are not rejoicing in the streets.

To give that sum of money to so many, however, demands a big chunk of fiscal space, and the opportunity cost of that decision is the real tragedy of the budget. With that money, the Government could really have made a difference for some. By deciding to press ahead with universal social charge cuts, even when funding was so limited, the Government was unable to fund important other areas. One area where this budget is particularly lacking is in meaningful support to those in low paid work.

I was astonished to hear the Tánaiste on the radio this morning declaring that the budget published yesterday is making work worthwhile. The reality is truly different. For those on the minimum wage, yesterday saw a miserly increase of 10 cent an hour in their pay. If estimated inflation of 1.5% becomes a reality next year, an increase of 15 cent would have been needed just to stand still. Therefore, in real terms, there is nothing in it for those who go out to work on low pay. I spoke to a colleague this morning who had been talking to a colleague of his in the security business who is working on the minimum wage. There is nothing in it for him. He is going backwards.

To make matters worse, the Minister, Deputy Varadkar, did not include any increase to the thresholds for family income supplement, so a low income household will see a reduction in State support. To give a concrete example, take one-parent households where the parent is in full-time work on the minimum wage and has one child. Before yesterday, they had an income of €366 per week and received a further €87 a week in family income supplement. In total, those people working on the minimum wage were taking home €453 a week. Yesterday's pittance of an increase to the minimum wage would see their weekly income rise to €370 per week, but their family income supplement will fall to €84.60 a week. In total, therefore, they will now take home €454.60 a week. After the budget, those households are better off by the princely sum of €1.60 a week, which will be more than wiped out by inflation.

I do not know if the Taoiseach has bought a litre of milk recently-----

The Taoiseach: It is 2 litre ones normally.

Deputy Brendan Howlin: -----but Wexford Creamery milk is €1.32. That is roughly the equivalent of the difference of this budget to a household on the minimum wage. It is hard, seeing that reality, to agree with the Tánaiste that this budget is making work worthwhile. What is maddening about this is that it would not have cost much to make it different. A simple change to the terms of reference of the Low Pay Commission would have mandated it to work towards delivering a living wage for all, as the Labour Party demanded. It would have led to a larger increase in the minimum wage and a small amount of funding to increase family income supplement could have raised the income thresholds accordingly. That is not a choice that the

myriad on the committee, from Fine Gael to Fianna Fáil to the Independents, thought to make yesterday.

This Government has shown scant regard for the low paid. What of other vulnerable groups? Notwithstanding the Taoiseach's words, children are arguably the group most poorly served by yesterday's budget.

I referred to the Labour Party's broad support for the work being done by the Minister for Children and Youth Affairs, Deputy Katherine Zappone, while noting some of our concerns about the weakness of what was announced yesterday, particularly the sum of money attached to that announcement. To propose essentially that child care is the only investment worth making for children is bizarre. Where in the budget was the action promised in a commitment in the programme for Government to reduce class sizes in primary schools? Education is the true mechanism for achieving equality. We know smaller class sizes matter, particularly to young children, children with special needs and children from disadvantaged backgrounds. Last year, we emerged from the worst of times and made a start on class sizes. I expected class sizes to continue to fall in a structured manner year after year. Where was the action in the budget to increase funding to schools and reduce reliance on voluntary parental contributions? The word "voluntary" in this context should be placed in parentheses.

Where in the budget was action taken to tackle the appalling waiting lists for access to early intervention teams for children with disabilities? I note the Minister of State with responsibility for disability, Deputy Finian McGrath, is present. While the extension of medical cards to children who qualify for the domiciliary care allowance is welcome, children with disabilities need more than access to a doctor. They need, at an early age, access to occupational therapy, physiotherapy or speech and language therapy. They need to be supported to reach their potential and the intervention required must be provided at an early age. From examining these issues every year, I know this does not come cheap. For example, to fully staff all early intervention teams would cost €270 million. The Labour Party's alternative budget suggested this should be done over five years, with an additional 780 staff coming on stream each year. While recruiting these staff would be a challenge because we are not training sufficient numbers of the relevant professional groups, we should at least set this as a target. Yesterday's budget, in contrast, appears to have done nothing to begin to address this appalling backlog, which will copperfasten disadvantage in another generation.

Child benefit is a universal payment that helps parents meet the day-to-day expenses of raising a child. Since my election to the Dáil, it has been viewed as a payment to be provided to all families to help them with the important task of rearing children. For some reason, however, the Government decided that child benefit would be the only social welfare payment not to be increased in 2017. In area after area, it is clear that apart from the Minister for Children and Youth Affairs, not one Minister has chosen to prioritise investment in children in his or her Department. The Government could have made the choice to do so. After a year of reflecting on our past, we could have stepped into the next century with a determination to make Ireland the best country in the world in which to raise children. That, however, was not the choice the Government made yesterday.

Despite what some commentators may suggest, Irish people value much more than a few bob in their pockets. We have a rich culture that is a deep source of national pride, as was evident in much of the celebration manifested in the commemorations of the 1916 Rising. We punch above our weight in sporting arenas all across the globe. We are a generous people who

recognise that, as a country, we owe it to others to show solidarity. While we, as a people, recognise the importance of these critical issues, the Government failed yesterday to attach a similar level of importance to them in the budget.

The easiest thing in the world for the Government to do would have been to deliver a real increase in funding for the arts and culture, the reason being that the increase was already in the base. Last year, funding was increased in the Estimates to ensure the arts and cultural sectors fully participated in the 1916 centenary commemorations. All the Government had to do to make an extraordinary difference to communities in the area of the arts was leave this ring-fenced money in the base. However, it refused to take the easy option of bequeathing a legacy to future generations by permanently bedding this additional provision into funding for the arts.

The Minister for Transport, Tourism and Sport, Deputy Shane Ross, may develop a complex because I am the third speaker to mention him.

The Taoiseach: Not at all.

Deputy Finian McGrath: Give him a break.

Deputy Timmy Dooley: He will be delighted.

Deputy Brendan Howlin: He must rank as the one of the least effective Ministers the House has ever seen. From arch-critic of Government spending to internal Government commentator and critic of the Taoiseach, he has certainly moved seamlessly from one role to another. Yesterday proved, however, that he has a long way to go to complete the transition to becoming a competent Minister. He did not propose a single new initiative in the transport area. Worse, he is overseeing a substantial reduction in expenditure on sport.

I referred previously to the United Kingdom's response to the British team's performance at the Atlanta Olympics when it secured only one gold medal. Society and government in Britain decided the country could do better and invested heavily in sports, from grassroots clubs up to high performance athletes. This year, the British team took home 27 gold medals. We could do the same, not by investing on the same scale as Britain but by investing in communities, sport and recreation at a level that is appropriate to our needs. Surely we could have been more ambitious in this area and, in doing so, inspire a generation into leading physically active, healthier lives that would have had a positive impact on future health demand. Again, that was not the choice the Government made.

The Irish aid budget has not been increased. The Taoiseach will recall the discussions we had in the previous Government when, even in bad times when we were under considerable pressure to cannibalise our support for overseas aid, we managed to say "no". Deputy Sean Sherlock, who is seated beside me, was the Minister of State with responsibility for overseas development aid at the time. The country was in dire trouble but we decided we would not solve our problems on the backs of the world's poorest. The overall increase in overseas development aid will be approximately €10 million in 2016, which means expenditure on overseas aid will decline to 0.3% of gross national income. In other words, rather than making progress, we will slip further away from the target we declared to great fanfare at the United Nations when he committed to increasing overseas development aid to 0.7% of gross national income.

Deputy Joe McHugh: A further €930 million would be required to reach that target.

An Leas-Cheann Comhairle: Not one speaker has been interrupted in the past hour.

Deputy Brendan Howlin: The Minister of State is not ten seconds in the door and only five minutes in the job.

Deputy Joe McHugh: I am just being helpful.

Deputy Timmy Dooley: No better man.

Deputy Sean Sherlock: We increased overseas development aid by €40 million last year.

An Leas-Cheann Comhairle: Please allow Deputy Howlin to continue without interruption.

Deputy Brendan Howlin: In the worst of times, we managed quietly to defend and increase the budget for overseas development aid. The tragedy is that the Government has made such a choice while every household must continue to watch terrible events unfold in Syria. When Ruadhán Mac Cormaic reports that the city of Aleppo is dying while the world watches, every Irish citizen feels a reaction. When we see the bodies of children and adults lying in rubble, it strikes deeply in the Irish psyche. The statistics are even more harrowing than the pictures. There are now 8 million displaced people inside Syria and 4.5 million are under siege or cannot be reached. In addition, there are 4.5 million refugees beyond Syrian borders and, worst of all, 1.5 million people have been injured and 250,000 people killed. This is the gravest humanitarian crisis since the Second World War. Ireland is doing a little bit but, of course, we should be doing more. We should be leading the van on this but, again, sadly, that was not the choice the Government made yesterday.

We in the Labour Party believe this budget contains some welcome developments but we also believe it is littered with poor choices. We do not believe it reflects the ambitions, the hopes or the passions of the Irish people, and we will oppose it for that reason.

Before I conclude, I want to return to an issue mentioned at the beginning of my contribution and which I raised on Leaders' Questions this morning. It is truly astonishing that the Minister for Social Protection does not know on the day after the budget announcement when increases to social welfare payments will take effect. The Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, did not know the answer to that question when asked on "The Sean O'Rourke Show" this morning. As I said, the Taoiseach could not answer a straightforward question on that matter when I put it to him on Leaders' Questions today.

We need to be clear on this. The date that a measure takes effect is not just an administrative change, as the Government and Fianna Fáil would have us believe. Every additional week, one way or another, involves a cost. If the Government cannot confirm the start date, then it cannot confirm the cost, and if it cannot confirm the cost, then it cannot stand over the budget documents published yesterday. I know this well, having had to do it in forensic detail for the last five years. This would be funny if it was not so serious. Quite frankly, we should not be asked to continue debating a document when it is crystal clear the work on it is not yet finished.

Deputy Bríd Smith: I want to start by emphasising the word "prudent" in the budget. It was a word bandied about very much all day yesterday and again today in regard to how "we need to be prudent", "we are in recovery" and "we are on our feet again and we need to be prudent with public moneys". To put it in context, I want to paint a picture of a fiscal space that we

are told by the Government and others amounts to a total of €1.3 billion. What the Government ignores when it talks about the fiscal space is a whole tranche of other wealth and revenues that are available to the population of this country but are not being touched by the Government and, indeed, have not been touched by previous Governments. Need I mention the Apple tax of €13 billion, which may not all come back to the Irish State but a chunk of which certainly is due to us? There is €9 billion in NAMA which we are told we cannot spend because we would be breaking European fiscal rules. We are continuing to pay €6.3 billion on the interest of the debt to Europe, much of which is odious debt which is not the responsibility of the Irish people. We are ignoring at least €4 billion in possible collection of corporation tax, given the effective rate of 12.5%.

We have had a lot of waffle from Ministers and others about how wise they all are and how they are prudent. The word is thrown around like a badge of honour: “Look at us now; we spell prudence the correct way.” That prudence amounts to the following. Landlords’ interest relief will be €8 million. The help-to-buy boon to builders and developers will cost us €50 million and, while there are people who want to buy houses for more than €600,000, this measure is definitely going to drive up the cost of housing. The new reduced rate of capital gains tax for entrepreneurs disposing of business interests of up to €1 million will cost €13 million. The increase in inheritance tax relief for amounts over €300,000 will cost €22 million. Reduced DIRT will cost us €9 million. There is €100 million worth of prudence - a series of measures that are unnecessary and aimed at sections of society that will reward Fine Gael and Fianna Fáil in the future with their votes. That is, indeed, very prudent.

We then come to the multinationals and the measures that are not taken in regard to the opportunities to alter tax and revenue streams coming to the people of this country in a meaningful way. To take one example, we have reduced the VAT rate on the hospitality and tourism sector and kept it at a reduced rate, costing the State €620 million. What is the justification for this prudence from the Government? Is it a sector that is struggling and fragile? This is not this case. Since 2014 the accommodation and hospitality sector has had an increase of profitability that passed 2007 levels by 40%. While shareholders and CEOs in this sector enjoy the largesse, what has happened to the workers at the hand of this prudent Government? We are seeing the proposal to increase the minimum wage by a glorious 10 cent an hour. That is not prudence; it is total indifference. Some 20% of our workforce who depend on the minimum wage will see their glorious earnings increase by about €3 a week.

I want to point out, in case anyone has missed it, that the very wealthy in this country were very wealthy before the crisis, they remained wealthy during the crisis and they have grown wealthier since the crisis. They have been untouched by this budget. We have a tax haven, the foundations of which were built by Fianna Fáil - by Charlie Haughey, Bertie Ahern and Charlie McCreevy, to mention a few historical characters - and it remains a tax haven under the watch of the Taoiseach, Deputy Enda Kenny, and the Minister, Deputy Noonan. We contrast this talk of prudence with the attitude to Apple and others, and we contrast the largesse to landlords and corporate bodies, with the prudent attitude to young unemployed people, who will gain an extra €2.70 a week, not even the bus fare into the city for a job interview. We also contrast that with the rise of some €5,000 that the Deputies in this House will get.

Again, this is not prudence; it is indifference. It is blindness that ignores workers, the unemployed and the low paid. Despite all the talk of increases in social welfare, all social welfare recipients will be on less than they were in 2009 after this budget, except for old age pensioners. That is not to resent the increases going to old age pensioners but to draw attention to the fact

that even the increased lone parent payment will mean lone parents are still €37 a week worse off than they were prior to 2009. Ministers can pat themselves on the back for measures such as child care and the proposals to give this to a minority of parents who may benefit from accessing a place, but there is a blind spot with regard to workers in this sector, who are on precarious hours and low pay. We ignore the reality that we cannot provide decent social services in any sphere unless we provide decent jobs and decent wages.

I want to concentrate on a couple of other areas, the main one being housing. What really expose the farce of this prudence are the measures announced to deal with the housing crisis. Let us remember there are 140,000 families in housing need on local authority lists and over 6,000 in homeless accommodation. All of this is the fallout from the crisis caused by the very bankers and developers who were nursed and cajoled by Fianna Fáil in the past and by the current Government, backed up by Fianna Fáil. Apparently, it is to help those who suffer the most from the crisis that we are taking this prudent approach, but it is not to help the homeless or the people in need of homes. No, the prudent approach is to help the developers, the builders and the landlords who were responsible for the crisis in the first instance, and to help some of those who may aspire to buy a house for over €600,000.

The figure of €1.3 billion to deal with the housing crisis is a lie. It was another opportunity for the Minister, Deputy Coveney, to announce again and again the same headline figure and the same rhetoric, as he has done on countless occasions since launching his Rebuilding Ireland programme. If we had one local authority house for every time he had a PR opportunity on this figure, we would be doing well. What funds have been earmarked to build good quality local authority public housing in order to see the stock of public housing rise? The answer is none. Under various headings and in an effort to avoid double counting and wishful estimates for the future, the ambition, including the false idea of the rapid-build housing programme, is to build a total of perhaps 1,500 social houses, if we are lucky.

There are other very serious cuts in this budget that are going under the radar. The arts budget is being cut by 16%. As with others, I remember quite vividly how gloriously, poetically and dramatically many Ministers stood up in this House a few months ago to speak to a motion on the arts and how the arts needed increased funding. The Visitors Gallery was packed with interest groups, including young artists and people from the community sector, who rely on public funding for the arts. They were eulogised and praised but then we cut their funding by a glorious 16%.

The sports budget has been cut. I am shocked and ashamed that the budget for the Irish language and Gaeltacht has been cut by 9%. This seems like a deliberate ploy to undermine our heritage, language and culture.

In his speech, the Minister for Finance, Deputy Michael Noonan, announced he would tackle corporate tax avoidance. He said that he would appoint somebody to examine this sphere and come up with measures to criminalise tax avoidance. He referred to closing tax loopholes and going after those who do not pay tax and try to avoid paying it. I appeal to him publicly today. If he sincerely means what he said, the Government could take one measure now, namely, to drop the appeal against the Apple ruling. If the Government wants to show this country that it is serious about fairness and tax equality, it should drop the appeal and really consider addressing the crisis for the vast majority, in respect of which this budget does nothing.

Deputy Mick Barry: I wish to make some comments on the proposed change to the nation-

al minimum wage. There has been insufficient commentary on this in the past 24 hours. The proposal is to increase the minimum wage from €9.15 per hour to €9.25 per hour, an increase of a miserable 10 cent per hour. For me and, I am sure, hundreds of thousands of low-paid workers, it was disgusting to see one of the highest-paid Ministers for Finance in all of Europe condemn the lowest-paid workers in this country to another year of poverty pay when the announcement was made. Actually, the announcement was not made because it was buried in the books. The Minister for Finance, Deputy Michael Noonan, was so ashamed of his new policy that he did not even mention it. Neither he nor the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, mentioned it in his speech.

A couple of weeks ago, I was looking at the all-Ireland football final, between Dublin and Mayo, on the television. Croke Park was packed, containing 82,000 people. The number of people in this country who work for a living and live below the poverty line is 82,000. One would fill Croke Park to the rafters with those people, who are mainly women. They are wondering this morning how they will pay the rent, how they will keep up with the increases in car insurance premiums and how they will put food on the table for their children. There was an increase of only 10 cent.

This measure affects not only the people who are currently paid €9.15 per hour but also the hundreds of thousands of workers who currently try to live or exist on low pay. The national minimum wage is the floor that underpins the entire wage structure within the State. There are hundreds of thousands of low-paid workers earning 50 cent, €1 or €2 more than those at the bottom of the chain who are condemned to low pay in what is a low-pay economy.

According to the OECD, in 2013, 23.3% of the workforce, or nearly one in four, were low-paid workers. According to the union Unite, which produced this summer an excellent report entitled “The truth about Irish wages”, we have the second highest level of wage inequality in the entire EU-15. Despite this, the Government is offering an increase of 10 cent per hour. The programme for Government states the minimum wage should rise to €10.50 per hour. This is not enough to pay the rent bills. What happened to the promise? It would take 13 years to get from where we are today to a rate of €10.50 per hour if each year the annual increase were the same as what the Minister for Finance introduced in the budget yesterday.

It was argued the minimum wage increase was so small because of the Brexit factor. This is a chilling warning to give to low-paid workers in this country. Brexit is not going away; it will feature next year, the following year and the year after that. The Government seems to be nailing its colours to the mast in this regard and saying the minimum wage will be kept low for years to come. An argument is made based on the Brexit-proofing of the budget. We are told the pitiful increase of 10 cent was just part of the Brexit-proofing process. The same applied to the miserably low social protection increases and the low expenditure increases for education, transport and other services.

There is a deep irony in using Brexit as the excuse for this. What did the Brexit vote represent? Admittedly, the question of immigration came into the mix and clouded the picture somewhat but, fundamentally, the vote was a revolt against what one commentator called “the 30 years of hurt”. In other words, the commentator referred to government policy dating right back to the Thatcher era. The vote was a revolt against the policies of neoliberalism that have created a massive amount of social inequality. The irony is that the Irish Government is now using the Brexit vote as justification for a budget that not only copper-fastens neoliberalism in this State but also gives it a huge boost. It will give a huge boost to social inequality.

With regard to tax breaks for landlords and raising the threshold for inheritance tax, does the Government realise that a worker on the new minimum wage would have to work for 43 years before accumulating enough in wages to say he or she had as much as just one person, the chief executive officer of Bank of Ireland, will earn in just one year? The budget rolls back the State.

My colleague Deputy Richard Boyd Barrett made the point yesterday that it seems there is provision for the building of just 1,500 council houses in the State next year. The Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, unveiled plans for an Exchequer–employer investment mechanism aimed at getting the private sector and big business to bridge the funding gap at third level. Some €15 million has been allocated for the National Treatment Purchase Fund instead of investment in the health service here. With regard to the child care programme, the budget deliberately sidestepped the case and need for State-run child care provision in favour of a subsidy to the private sector.

The CSO produced figures very recently showing the wealthiest 20% of households control 73% of the wealth in the State, but that the 20% at the bottom of the ladder control 0.2%. That is a differential of 365:1, which is a huge social inequality. I put it to the Government that it is likely to be even greater next year, after this budget. At the same time that public transport, education, social protection and other social services cry out for real, serious investment, when corporate profits increased by €24 billion in the period 2014-15 and when such profits are estimated and expected to increase by 25% this year, the Government refuses to increase corporation tax or even to consider doing so. The Anti-Austerity Alliance stands for a doubling of the rate of corporation profits tax from the current 12.5% to 25%. We point out that were that measure taken, Ireland's rate would still be below the OECD average.

Deputy Bobby Aylward: There would be no companies left.

Deputy Mick Barry: It would still be the same as in the Netherlands, Austria and Denmark, where there is plenty of corporate investment, and it would be less than in Belgium, France, Germany, Italy, Luxembourg, Norway, Spain, the United States, Malta, Portugal and Sweden. I could go on. Deputy Aylward said that some companies would leave. Some would leave but they would overwhelmingly be the ones that provide the least benefits to the country in terms of jobs. We should not base the economy on attracting brass-plate operations that do not have manufacturing or significant workforces in this country and that are only here to avoid tax. The bells are tolling for the old tax haven model. We need a break with that and a break with the system that has given us that model. We need a new, socialist model based on public ownership, democratic participation and control, and planning for the needs of the majority in society, including proper funding of social services.

In concluding the debate yesterday, the Minister, Deputy Paschal Donohoe, said, and seemed to put a certain store on saying, that the centre can hold and stay firm. His reference to the centre seemed to refer not just to his Fine Gael Party, but also to the Fianna Fáil Party, whose tacit support he has for this budget. His comments were echoed significantly by the Fianna Fáil finance spokesperson, Deputy Michael McGrath. With regard to the centre holding, let me say to the Fine Gael Deputy across the floor - I was going to say “the Fine Gael Deputies” but there is only one in the Chamber - that Fine Gael did not look very much like the centre ground of Irish politics last week at its pre-budget breakfast in the Shelbourne Hotel, as its members cheered and clapped and laughed as the chief executive officer of Ryanair, Michael O’Leary, called for the wholesale privatisation of the health service, attacked trade unions at RTE and Dublin Bus and called for the sacking of 4,000 gardaí if they dared to strike next month. Fine Gael looked

very much at that gathering like what I believe it to be, that is, not the centre ground but the right wing in Irish politics.

However, for the purpose of this debate, let us leave that to one side and use the designation the two parties choose for themselves, namely, the centre. I will tell them now why the centre cannot and will not hold in this Chamber or in this society. More and more people will say, not just next week or next month, but over the next couple of years, that if Fine Gael and Fianna Fáil say they cannot afford more than a miserable 10 cent increase in the minimum wage, then we cannot afford to be ruled by Fine Gael and Fianna Fáil. More and more people will say that if Fine Gael and Fianna Fáil say they cannot afford a decent increase - a real increase - for the pensioners and other people on social protection, then we cannot afford rule by what Fine Gael and Fianna Fáil call the centre. More and more people will start to say that if Fine Gael and Fianna Fáil say they cannot afford a society based on equality, or even a society which is not based on massive inequality, then we cannot afford the capitalist system which the Deputies on the benches of both sides of this House defend.

Fine Gael and Fianna Fáil saw what happened last year and the year before when large numbers of ordinary people came to the conclusion that we need to get rid of water charges. We are going to do it. However, that is just a small glimpse of what the future holds. People will move on to bigger things and, at a certain point, a critical mass of people will say they cannot afford this current system and they cannot afford not to change society to a more just and a fairer society based on a different system. When that penny drops and when that starts to happen, the Fianna Fáil-Fine Gael stranglehold on Irish politics will be broken, the centre will not hold and the way will be paved for a left Government to come to power in this country with socialist policies to change society.

An Leas-Cheann Comhairle: We now move to Independents4Change, represented by Deputy Wallace, who might be sharing his time.

Deputy Mick Wallace: I might be, with this quare one.

An Leas-Cheann Comhairle: I take it that is Deputy Clare Daly.

Deputy Clare Daly: Yes, thank you, a Leas-Cheann Comhairle. That is right.

Deputy Mick Wallace: This was the first budget of the Fine Gael-Fianna Fáil coalition, and there were very few surprises in it. It was much like one would have expected, given the neo-liberal position of both groups. There was a serious lack of mention of inequality in the budget. I do not think it was equality-proofed and I am not aware of any Government analysis of what the effects of the budget will be on society and on the wider world.

The corporate tax rate and our internationally recognised status as a corporate tax haven remain unchanged. We will continue to allow real estate investment trusts, REITs, some of the most profitable corporations and vulture funds on the planet, to escape the rules of democratic society, and we are not even sure what this will cost. The Minister for Finance has stated that he does not know what his 2013 Finance Act has cost the State in gifted tax exemptions. As he stated last April, "REITs are publicly listed companies, meaning their Financial Statements are publicly available, but the specific figures required to calculate their rental profit (the proportion of profit that is exempt) is not necessarily available in these public documents". The budget has not sufficiently addressed the favourable treatment being afforded to REITs at the expense of the traditional landlord. On 16 January 2014 I raised this issue with the Minister in the Dáil.

I said:

However, many large tracts of property that will be sold off will not be bought by Irish people. They will be purchased by foreign investors who will reap benefits at the expense of the Irish people. These people will end up with a lot of rental property, which will give them a monopoly in the game.

I wish I had been wrong, but that is exactly what has happened. The level of influence of vulture funds and REITs in this country has gone off the Richter scale. If people are wondering why a two-bedroom apartment in a working-class area of this city can cost up to €1,500, there is a very good reason for it. These people have a monopoly and we have not addressed the problem.

The tax benefits and exemptions they were afforded are questionable from a legal point of view. I have written to the EU regarding the exemptions for non-resident investors in Irish REITs and asked whether they breach EU state-aid rules. The Commission has confirmed to me that it is examining it.

I have also written to Revenue regarding exemptions from dividend withholding tax for Irish companies. It confirmed to me that registered Irish charities are exempt from dividend withholding tax. This would mean that an Irish charity investing in a REIT would pay no tax on any profits it receives from the REIT. Given the current abuse of charity status by US vulture funds, it would be very interesting to see what particular charities are currently investing in REITs. I realise the Minister is looking at section 110 and there may be some clawback in this area.

I received a reply to a freedom of information request to the Department of Finance regarding WK Nowlan, the firm that now operates Hibernia REIT. There was correspondence from WK Nowlan to the Minister, Deputy Noonan, in 2011, lobbying the Minister to introduce REIT legislation in Ireland. An incredible amount of correspondence was involved. The letters reference a positive meeting with NAMA in regard to REITs and NAMA's willingness to engage with REITs if they were established.

It would seem that a conflict of interest should have been established by NAMA regarding these meetings considering the role of Kevin Nowlan within the agency at the time of the letter. He was a senior portfolio manager with NAMA. Before he moved in there he transferred his 30% shareholding in WK Nowlan into a trust offshore. However, it seems WK Nowlan was still able to gain unfettered access to the agency. As we now know, following the successful lobbying by WK Nowlan over a three-year period, REITs were introduced in 2013. Kevin Nowlan, having left NAMA, is now the CEO of Hibernia REIT.

First, the company lobbied the Minister to get favourable status in setting up these REITs. Then the same gentlemen, who were in NAMA, left NAMA and they actually admit that they benefited from the knowledge in NAMA. They proceeded to buy back some stuff they sold for peanuts to some US investment funds. In time there will be a serious issue with all this and it will be problematic for the Government dealing with it.

In a recent programme on RTE, which may have been filmed last year, David McWilliams questioned the same individual, Mr. Kevin Nowlan, about how they set up business and how they did out of the crash, as follows.

David McWilliams: There was no cash in Ireland, no access to cash, so you had to

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go to where the cash was. When you knocked on the door of George Soros's, what did you say to them?

Kevin Nowlan: So we basically said that Dublin is a great office market. We said that you can buy office buildings basically in, or below, basement cost.

David McWilliams: What does that mean?

Kevin Nowlan: So you can buy them below what they can be built for. What we had to answer was we said we could do off markets.

David McWilliams: What does that mean?

Kevin Nowlan: That means, you know, a lot of property ends up in *The Irish Times* or in the *Irish Independent* for sale by receivers or whatever. Basically we know enough people in Dublin to be able to go and buy the properties, without having to go to auction or having to go to the market. And we've done 18 deals, and 16 of them we've done off market. We've bought debt, we've, you know, we've done quiet deals with people, we've done deals with banks, we've done them in a variety of different ways. If you buy something in an active vibrant economy, below what it actually costs to replace it, you should be in pretty good shape to make money.

He was 100% right. We have seen so much of that go on in this country in the past five years and NAMA has played a huge role in it at a huge cost to the Irish people. What has gone on is frightening. Sadly the Government does not want to know. It does not want to address the issue. I realise that we will get some sort of commission of investigation into Project Eagle, but it is very important for the future of business in Ireland that we look at every aspect of how NAMA has operated because it has repercussions for long-term business in Ireland. It has repercussions for how many international investors are prepared to come here. If we do not prove ourselves to be accountable and transparent in how we do big business, it will come back and bite us.

I have a concern linked to this. NAMA is supposedly to produce 20,000 housing units at approximately €330,000 each. I have looked at the Government's housing initiatives. However, it is not addressing the problems that created the housing crisis in the first place. If the Government genuinely believes that the 5% rebate up to €20,000 is not for the developers, it is living in cloud cuckoo land. It is for the developers.

There is a big misunderstanding between a builder and a developer. A builder builds properties, usually at a contract price; a developer is the guy who finances it. It is true to say that in recent times the developers have not been interested in getting back into the residential property market because the margin is not big enough. However, that is not true of the builders. I know of many builders who would be very happy to make €5,000 per unit clear profit, which is great money. There are builders who would be delighted to earn it. However, if the developer wants €35,000 or €40,000 and the Government is introducing a measure that will bring him into the market, the Government is simply putting it in his pocket and it is driving up the price of the house. That is guaranteed to happen; it is logic. No one could argue against it. I do not know where the rationale is coming from. It will drive up the price of the property. It does not make any sense.

Why did we not tackle the cost of construction? Why are we not looking at what it is cost-

ing to produce that house or apartment? We are not looking at it. We have not tackled it. The SI 9 is costing over €20,000 per unit. Why did we not get the local authorities to go back and independently check on the level of quality that applied by the builder or developer?

Local authorities have land. I asked the witnesses who came before the housing committee why they did not compulsorily purchase land in Dublin. They said they had more land than the local authority could build on for several years and that land was not the problem. I know that places such as Wexford do not have it and the same may be true in other counties. So the land is there. The local authority has the potential to deliver housing for less than €200,000 a unit. However, we are asking NAMA to deliver 20,000 units at over €300,000 each.

There are a few factors. The first is land price. It is allowing, perhaps, €40,000 a unit for the price of the land and a margin of about €40,000 for the developer. There is the €20,000 for the SI 9, which the local authorities could be doing.

3 o'clock

That is €100,000 of a difference already before we go any further. Where is the logic of letting this organisation do it? I will tell the House who is going to build these 20,000 houses and apartments for NAMA. There is a small group of developers who have been treated very kindly by NAMA while there are many developers who have been treated very badly by it. The guys who were treated very kindly, who are back in and doing a roaring business, are the same boys who NAMA is now looking to work with. They are working with investment funds and with their cherry-picked favourite developers. They are going to provide 20,000 units for the State at about €330,000 each while we ignore the fact we can actually get our local authorities to provide units for €200,000. If the local authorities do not have the wherewithal to actually deliver the houses we need, be they social, affordable or otherwise, then let us get them the wherewithal if they can deliver units for that money. Why in God's name would we engage NAMA to do it when its record is pitiful? NAMA has so many questions to answer and if there is ever a truly independent commission of investigation into the total workings of NAMA, do we know what we are going to find out? We are going to find out that the manner in which NAMA behaved has cost the State billions of euro, not millions of euro or the €190 million we are arguing about over Project Eagle and a discount fee. We are talking about billions of euro. I do not understand the logic of allowing these guys to progress with their favourite developers to provide units at €330,000 each when we can get units built by the local authorities for €200,000. The Government talks about social housing but considering the model it is going with, it is still going to be looking to the private sector to deliver many of them. When are we going to learn? We should be learning from our experience. We realised that the neoliberal market version has not worked for us and has cost us too much money. It has failed to deliver. The Government is coming up with 20,000 units to bribe the developers to get back into the game when all it needs to do is to organise finance for the builders because the banks in the State would not dream of lending to the builders. The big boys do not need to go to the Irish banks for money. They might get it anyway but they can go off-shore also. It is about time there was a change of direction in how we organise our society.

Deputy Clare Daly: At lunchtime one of the Dáil wits made the point that yesterday should really have been called "Fiver Tuesday". There was a fiver for everyone in the audience unless one was a young person and not deemed to be good enough to even get the fiver as if it was going to make a fundamental difference to the living standards of people in the State. Like everybody else, I am sure the Minister would forgive us for being somewhat underwhelmed by the

budget. Already all Deputies will have experienced a huge number of people getting in touch with them to make the point about the gigantic gulf that exists between the reality of people's lives and the spin and propaganda that developed around this budget. One example would be Martin from Sligo who wrote to me about the so-called increase in the old age pension and the insulting fact that the social welfare payments have been delayed. Stephen, a man from my own area, is a construction worker who, in his own words, was forced to be in the bogus self-employment category. There was nothing in the budget for him. The last time he was laid off he was unemployed for six months and was cut off with no payments at all for four of those months because he was deemed to have earned an average of €188 per week in the year prior his employment ceasing. Consider Jane from Wexford who was nearly sick while listening to the Minister for Public Expenditure and Reform, Deputy Donohoe, speaking last night about the budget and how it is the largest health budget in the history of the State. Jane made the point to me that if this is the case, then why in God's name does she have to beg, plead and very possibly protest for even the most basic of rights for her two children, who have severe disabilities. Jane pointed out that the Minister, Deputy Donohoe, had said the increased budget meant the HSE has an increased responsibility and accountability at managerial level in the health service. The reality, however, for families who are interfacing with the HSE is that there is no accountability and no transparency whatsoever. Families are being put through hell when looking for even basic resources. In Jane's case, she is a lone parent because her husband tragically died and she has two young children both of whom have severe disabilities. She is facing the prospect of having to protest for a couple of extra hours help, so she can bring one of those young men to the hospital. The response she received from the HSE more or less said that if she kept this up, then the HSE would force her to put the young man into foster care. Apart from the potential costs to the State should he be put into foster care, which his family do not want, this was an insult to her because the young man has a loving family to look after him. That level of incompetence and mismanagement in the HSE is shackled throughout the organisation.

Yesterday I, along with many other Deputies, had an invitation to attend the premiere of Ken Loach's award winning film "I, Daniel Blake" which sadly clashed with the budget speech. We were faced with a choice. Would we sit around and listen to the usual nonsense and platitudes around the budget or would we go to see the film? It is about an unemployed man who had worked all his life as a carpenter, becomes ill as a result of a heart attack and is put through the rigours of trying to access social welfare benefits. The film shows the people he meets along that journey and the new face of the new buzzword system of social protection and social assistance. We made the only and absolutely correct choice, and I do not want to be in any way flippant, but we thought we would learn a hell of a lot more by seeing the film last night. I strongly recommend that the Minister and every Deputy in the House go to see the film when it starts showing in the Lighthouse cinema from Friday, 21 October. I do not say this as a joke. I say it because, for all the spin and jargon, the reality is that Ireland's system of social welfare, or social protection as it is incorrectly called in the State, is copied at every turn from what goes on in Britain. The film exposed a system that dehumanises people who have worked all their lives and forces them to believe they are spongers and scroungers. The system forces them onto fake training schemes and tells them how to do curricula vitae for jobs that are never there. These are people who would love to work if they had the ability, health-wise, or if the jobs were there. The film really brought home to me the discussion we had during Oral Questions with the Minister for Social Protection, Deputy Varadkar, last week. During that debate, Deputies highlighted some of the systems Ireland has copied from the United Kingdom. We have the versions of Seetec Limited and all the others. The Minister was able to get away with painting a picture of people in our system who are being offered "employment opportunities" which would cost a

person hundreds of euro to take up. There would be no realistic prospect of a decent job at the end of it. The Minister was able to caricature those people and portray them as people who sit at home waiting for dream jobs, not people who have been pauperised by the system and lack of opportunity, lack of child care and so on. I do not need to make the point about child care because it has been well articulated. It is fair enough if a person can access child care, then they can get some benefit from the new system but if one has not the means to do that and a mother or mother-in-law is minding the children, or if one is a stay-at-home mother, then those people are not benefitting from those provisions. It is completely wrong that a huge emphasis is being put on these in many ways false training schemes, such as the Gateway projects. People who worked all their lives and paid their contribution to society are being forced to sign up to schemes with local authorities to pick up litter while jobs in the operative sections in local authorities are being diminished. Young people leaving school cannot ever aspire to a manual job in a council or in a government building where, even if they did not get their leaving certificate, they might be able to move up through the ranks and have the audacity to think they could have a roof over their heads and their kids would get an education. We now have the irony of a society with more wealth than it has ever had, but it is in a smaller number of hands and there are greater levels of inequality than ever before. To me, this is utterly reprehensible. I honestly think we are demeaning people. We are degrading them in the manner we treat them and they interface with social services. It is not right. I was going to read a quote from the end of the film which sums up what we are not doing, but as I do not know whether I would be able to hold it together without crying, perhaps I will not. The bottom line is what the man proudly proclaims at the end, which is that he is not a client, a customer, a service user, a shirker, a scrounger or a beggar or an insurance number but somebody who has paid his dues and was proud to do so. He never asked or looked for charity. He states he is a man, not a dog, and demands his rights and respect. He is a citizen, nothing more and nothing less. We have lost the concept of citizenship and what it means. We are not creating a society but a gulf between myth and spin, on the one hand, and the real lives of people, on the other.

I will not have time to go into all of the points, but there is no doubt about it - other Deputies have referred to it - many of the measures included in the budget have been designed to make those who already have a greater share of the wealth even wealthier. The special assignee relief programme will cost the guts of €5 million, money which I believe could have been better used on public services.

Points have been made about the inheritance tax measure which will benefit approximately 2,000 people, at a cost of €20 million to the State. The Government is bragging about the €35 million being spent on child care initiatives, while €20 million is being written off to the benefit of approximately 2,000 people, which, to me, puts the matter very much in perspective.

While the Government might state it is great that we will have 1,000 extra nursing posts as provided for in the budget, which is very good, it does not undo the damage caused by the fact that we are down 5,200 nursing posts since the recession and that there is a deficit of 17% in the number of midwifery staff needed to run maternity services which has resulted in a crisis in maternity services. Eight maternity hospitals are under investigation following the tragic deaths of either babies or women in a country which a few years ago was lauded as being the safest country in the world in which to give birth. Sadly, that is not the case any more and the cutbacks are not being undone.

Deputy Mick Wallace has dealt much better than I could with the so-called and misnamed help-to-buy scheme, which is really the give a few bob to the developers scheme. It is an abso-

lute joke and will do no good and will probably do a lot of harm.

There has been a huge play in the media about pensions. In some ways, it shows Fianna Fáil's historic policy of vote buying from its clientele, the over-65s, in the mileage it has been making out of the issue. While it is welcome that pensioners will receive an extra €5, it is not enough. Not only is it not enough, it does not do anything to address the shameful inequalities in the pension system. It is completely unacceptable. A full contributory pension is being denied to thousands of Irish women and some men, some of whom worked 30 or 40 years, because they did not engage in paid work for periods of their working lives for a variety of reasons. It might have been because they were caring for children, because they had volunteered abroad or because they were suffering from depression. Whatever the reason, in many cases women, in particular, were forced out of the workforce by the marriage bar and now in their later years they are being punished again by the failure of the Government to redress this inequality. They are being punished with reduced pensions. Many of these women re-entered the workforce after their children had been reared but because their contributions were based on an entire working life, they will not receive the full benefits. Meanwhile, people who did not work all of their lives and only started to work at, for example, 54 years of age and made PRSI contributions for ten years will receive a full pension. Others who, in some instances, worked 30 years will not. This is ludicrously unfair and I do not see why the Government will not correct this unfairness. It is completely wrong. The Minister for Social Protection, Deputy Leo Varadkar, plans to introduce a new total contribution system to correct the unfairness, but the plan is to introduce it by 2020 when, sadly, some of the women and men who would benefit from it may not be around. This is particularly the case because the Minister has stated he will not backdate the scheme. Many of the people who find themselves in this situation will not benefit, which is completely wrong. I will briefly read from a letter from a constituent who wrote to the Minister about this issue to show how disappointed she is it that is not being addressed.

Your response gives no understanding of the circumstances which could have led to women having atypical PRSI contribution histories. These were often due to societal expectations on women such as rearing and caring for children both healthy or suffering from intellectual or physical impairments. As the parent of an intellectually impaired daughter I could teach you a few facts on that score. Not alone was there a dearth of childcare facilities but there were even less facilities for those with such impairments. Include into this mix those women who were required to care for elderly or ailing parents and a clear picture of the impossible position which women were placed in back in the late 1960s and early 1970s begins to appear. Now those same women who were relied so heavily on by the State to give their time post-marriage to caring duties are being penalised heavily and shamelessly by the same State. It defies all reason and demonstrates neither empathy nor understanding of the circumstances which led to the atypical contribution history of [these women].

I could not put it better myself. When we speak about looking after older people, equality and a new Ireland, let us start dealing with the matter for real and deal with the women who brought the country to where it is, who reared and looked after others and who are not in any way getting the benefit.

I have many more points to make. I want to speak about the shameful waste of giving further taxpayers' money to Horse Racing Ireland, representatives of which will appear before the agriculture committee tomorrow, and the greyhound industry, a diminishing industry which has shamed us internationally for its appalling treatment of greyhounds. There are so many examples where we could have spent the money better.

The budget is a missed opportunity. It is stunningly unambitious and incredibly dull in its content. It will not do anything to address the fundamental inequalities which the Government has served to increase rather than reduce.

Deputy Mattie McGrath: I am glad to have another opportunity to reply to some measures included in the budget and thank everyone for his or her co-operation. Last night someone said the budget was like a light shower of snow over a farm, that there was no great amount in anyone's pocket or any one field. This is the best description I can use because there was a little for everyone, for which we must be thankful, in fairness. I have been in the House for many years and this is the first budget I can remember in which we are able to give something. It is very little, but we have to cut our cake according to measure. We went wild in past years and are suffering as a result. The suffering endured in the past nine years of austerity has been frightening. The impact it has had on families and human beings has been appalling.

We cannot ever write out of history the number of people who are abroad and the number who are sick. We also have those who are under pressure and cannot pay their mortgage and are being terrorised by the banks. They were not mentioned in the Budget Statement. We have the terror industry around the banks and the repossession agents. We have the peace process in the North to deal with the impact of the Troubles and there are peace processes all over the world. We need someone to intervene to call off the hound dogs. Deputy Clare Daly spoke about blood sports. There is a blood sport and there is not a word about it. People are being terrorised and beaten up in their homes and on bóithrins and roads and being evicted. It is going on, but we have had a budget that does not even mention home repossessions or those in mortgage distress to any great extent. There was no mention of FEMPI either, with no move to row back on the devastating impact of that on many families and individuals.

I am positive about many aspects of the budget but I have to refer to areas that have been totally neglected. I welcome the modest increase of €5 per week for carers but more needs to be done. Family carers provide an essential service and have no supports whatsoever. Our hospitals are in crisis but they would be in twice the crisis or four times the crisis but for family carers who keep their loved ones at home. It is proven in all expert reports that they recover better at home but this support is not even recognised. They will get a fiver a week but as someone said it will be gone on petrol alone in one trip to the GP and back. The applications process for carer's allowance needs to be speeded up because it is too slow and too unwieldy. It is a cumbersome situation that is taking far too long. I salute the Carers Association in Tipperary and its manager, Councillor Richie Molloy, and all the carers and the work they do. I attended a fund-raising marathon last Sunday. It is held every year and is always successful, and I thank everybody for their support.

On education, nothing was done on class sizes. We know how important this issue is but lip service is paid all the time to how important it is to have a young educated workforce. We need to be educated across a wide spectrum and it is demoralising for teachers to try to teach between 28 or 30 pupils in a class. There is nothing concrete yet about the capital spend on the schools building programmes. Many schools in Tipperary are housed in Dickensian buildings, including a school for girls and a school for boys in Cahir town. The Gaelscoil in Cluain Meala has been waiting for years. Schools have to wait for decades on architects, engineers and preplanning. They have go through this stage, that stage and the other - site procurement and God knows what. It is frustrating. There are too many official linkages and hoops that people have to go through. These are ordinary working people who volunteer on parents' councils and boards of management alongside teachers and school management.

Working class families and the squeezed middle in middle class Ireland were almost forgotten about. When they send children to college, they do not get a grant from SUSI. I do not know why something could not be devised in order that students who do not get grants can continue to receive the children's allowance until the age of 22 or 23. They have to pay their fees and then pay enormous costs for accommodation. Surely those accommodation costs could be subject to a tax rebate or a tax credit. There must be some imaginative way of helping the ordinary working man and woman. I do not know how families with maybe one parent working do it. They could have children in national school, secondary school and third level at the same time. The budget seriously lacked imagination. I welcome the extension of the rent a room threshold. This is a good scheme but ordinary working people who do not get the SUSI or other grants should be allowed to claim tax credits. I appreciate SUSI has been reformed but, my God, there were some delays. There are still delays but it has sorted out most of its issues.

The Government has referred to obesity and a sugar tax. The Minister said it might be introduced next year but there will be more reviews. However, the capital funding for sport is down 30%, which is outrageous. We were told that most of last year's funding went on the development of the national arena in Dublin. To hell or to Connacht for the rest of the country. There is a two-tier Ireland. The Government can deny it but it is blatant. All the rural clubs in Tipperary, including in Clonmel and my own area, must go hump for another year. They must fund-raise and do their own developments. Again, we are talking about volunteers who are busy ordinary working people giving their time and expertise to train teams and provide facilities at clubs and, above all, go through the hoops of filling out detailed applications. Many civil servants could not fill them out but they fill them in after hiring expertise. They then have to lobby politicians and now we are 30% shy before we even start. That is an outrage and it is a mockery to talk about obesity or to talk about Olympics performance. I met a student this morning from a Cavan school who contests in a certain discipline. His teacher asked him where he would be next and he replied that it would be the next Olympics. That is the kind of vision, passion and enthusiasm that is in our young people. The enablers are club officers, members and supporters who hold coffee mornings, road races or sales of work and who are constantly fund-raising to subvent good healthy lifestyles, and good heritage. We want to play our national games and have pride, as we did in Tipperary when we took the cup after missing it for a number of years. Every county aspires to that.

Deputy Jackie Cahill: Six years.

Deputy Mattie McGrath: The Deputy is making it worse than what it was. It does not seem like six years when you win it. You think you only missed it for a year or two. It is all about nurturing and kindling the passion, the vision and the enthusiasm. Shopkeepers and the self-employed are asked day in and out for spot prizes for all these fund-raisers. They are the people who need to be supported but it is a kick in the teeth to cut back this funding.

I acknowledge there is money for Horse Racing Ireland and I agree there are issues with that body and with the greyhound board. However, I refer to the comments of Deputies Wallace and Clare Daly - tá said imithe - because they are forever jealous, as was Deputy Maureen O'Sullivan last night, of giving money to sheep farmers. Deputy O'Sullivan thought the money should have gone to hares. Hare coursing is humane, organised and regulated now and it is an industry. These Deputies keep talking about wanting jobs and industry, yet they want to hamper hare coursing, an industry that is vital to south and north Tipperary, home to my colleague, Deputy Cahill, and other parts of the country. It is an industry of the people, for the people and by the people. They pay their own money for veterinary fees. They buy their pups and

have them impregnated. They use all the different services such as inoculation. The owners are registered and they have to have a van and a box to carry the dogs. They have to have kennels and proper accommodation. That all creates business and plenty of people cannot see that. They want to get rid of that but they want jobs for this, that and the other. Some of the people on the hard left want to banish all these things and they say then everything will be grand and rosy and we will have a Utopia that will fund everything. The people in this industry created it themselves. They enjoy it and give enjoyment to thousands. I condemn wholeheartedly cruelty to greyhounds and the horrible exports. That must be rooted out but it is for the Department of Agriculture, Food and the Marine, Bord na gCon and other agencies to ensure that happens. Animal cruelty has no place in any industry or sport.

Roads funding also brings us back to the rural people or the little people. They are badly neglected. We have the NCT and more regulations are being introduced all the time by the TII, which used to be the NRA. I always said we got rid of the IRA in the peace process and then we got the NRA. It is untouchable. Nobody can talk to them or engage with them. They do what they like, when they like, where they like. You cannot even meet them as part of a deputation and they say they are not responsible to anyone else. They are not even responsible to the Minister when a parliamentary question is asked. Roads funding has been hammered. If we do not invest in our rural roads, it will cost ten times as much in years to come because the infrastructure is being eroded. If we get a bad, wet winter followed by frost, untold damage will be done. There has been a meagre increase in funding. I wish the Minister for Transport, Tourism and Sport well in fighting for funding at the Cabinet but it is not easy. We got the local improvements scheme included in the programme for Government and it will be introduced next year, which I welcome, because, as Deputy Healy-Rae said earlier, the half miles and the roads on Slievenamon, the Galtee Mountains or the Knockmealdown Mountains are as important as the M50. People living on them work and pay taxes and rates and they are entitled to have their local roads maintained as well as roads are elsewhere. All the money cannot be spent around Dublin.

We have no room to move in the city. We cannot get a bed in a hotel. Another Deputy who appeared on a programme with me last night said the tourism VAT rate should be increased from 9% to 30%. That is fine in Dublin if there is a boom but I know of hotels in Tipperary where last night a double decker load of people could have had beds. It is a two-tier Ireland and we need equality.

That 9% VAT rate was welcome when it came in. It stimulated the hospitality industry but the industry now faces Brexit. Nobody is talking about how hard it could be. Last week, I travelled from Croatia to Bosnia and Herzegovina and I encountered a hard border. We travelled on a new motorway built with EU money and we arrived at a hard border. We were there 50 minutes and every passport was taken off the bus and scrutinised. Do we want to go back to tailbacks from Newry and Crossmaglen on both sides of the Border? We have to be careful about what we wish for. That is the real impact of a hard border.

There is neglect everywhere outside Dublin and not just the west. You will find it even in Naas and Drogheda. Everything is for the capital city but not everything is great in the capital city either, as evidenced by the homeless problem. Deputy Wallace spoke of how councils have oceans of land on which to build houses so what is the problem? Why can we not build houses? I was at a housing committee meeting this morning and I saw that we were going to fast-track legislation around An Bord Pleanála but we have to be very careful about what we do because the public is entitled to its say and to due process with regard to the planning process,

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both through themselves and their local elected representatives. The latter now seem to be unwanted on local authorities and no preplanning meetings are now allowed on sites in Tipperary involving a local elected councillor, who often could see things through, make sure nothing untoward was done and resolve disputes between neighbours over issues such as site distances. They were a very valuable resource but the county manager has decided there will be no more site meetings, saying it was because they did not have them in north Tipperary but had them in south Tipperary. They were very beneficial but, at the stroke of a pen, they were gone.

The document that enabled the disbandment of town councils and amalgamation of our county talked of putting people first. We closed doors in this regard and I cannot now get access to my own county council building in Clonmel. I am not entitled to it any more. Under the Act prescribing the abolishment of the dual mandate we were entitled to full access to meetings and the chamber but now we have to get a key fob and I have been told I cannot get one, for health and safety reasons. It is as though I might come in and knock down the building. It shows downright contempt for elected representatives on the part of mandarins who are acting above their station and are unelectable and unaccountable. Every day they come out with new policies but elected representatives are just a nuisance.

The councils were amalgamated by Big Phil the Enforcer, the former Minister who is now out in Europe in the sun. He wrecked local government and wrecked the Leader programme. Fine Gael paid the price for that in the election but that is no good to rural communities which had Leader projects waiting to be carried out. This morning the west Cork Leader programme appeared before a committee to plead for some decency and respect for what they had done, which led to them being held up as a flagship operation all over Europe. Thankfully, the group had the guts, courage and stamina to make a complaint to the European Commission about the thuggish behaviour of the previous Government to banish Leader projects. The Leader programme, which was started by Ray MacSharry, was the best programme to come into this country. It worked from the bottom up and worked really well but the last Government abolished it. We are now talking about giving some funding back to it and I welcome the €150 million for this purpose but for two years we have had nothing. Entrepreneurs are willing to invest in projects to bring jobs to their communities but do not have the wherewithal. They have the expertise and are willing to have sleepless nights planning and organising their dreams for social cohesion and a decent standard of living in their communities. The Government's attitude was to hell or to Connacht. Thankfully we now have Independent Ministers in this area to keep their hands on the reins and a modicum of respect for ordinary citizens.

The Taoiseach replied to Deputy Healy-Rae to the effect that he could build houses himself in Kerry. Houses are not being built. I asked the Taoiseach to check with every county council how many houses had been built in the past four years, two years or six months and it is clear that they are not being built. Deputy Wallace gave a good explanation of why this was the case and it is as obvious as the nose on your face. We keep coming up with plans and revising current plans but it will not happen because the banks are not giving a shilling to anybody to build a house. These are the banks we bailed out. I voted for the bank guarantee and it was the biggest mistake I made in my life. We were told downright porkies and they got away with it. Our masters in Europe are now setting the parameters for our budget and saying how much we can spend or borrow. They are some friends: with friends like those we certainly do not need enemies. We need to stand up to them but we do not have much hope of that at the moment with a Commissioner who crushed his own people. He will not stand up for us any time soon.

We need respect for ordinary working people. I am glad the €5 increase was given because

it was needed. There was a lot of criticism of the under-25s not getting it and I totally accept that for people who are disabled or cannot, under any circumstance, get work. These people should all be on schemes to help them get back into the workforce and they should get the full amount of almost €200 if they do so. It is fair and is an incentive to people to play an active part. There should be VAT relief on community and voluntary equipment such as defibrillators. Ambulances and the Red Cross are always fundraising for them and one of our friends from the world of horse racing, J. P. McManus, has given a fully equipped ambulance to the Limerick Red Cross costing €100,000. In Tipperary, the Red Cross has to supply ambulances on a regular basis if called on by the HSE or by families who want to get their loved ones to hospital. That is an insult to those volunteers, to the vehicles that were bought with the money raised and to the special paramedics who man them and who are all volunteers. It costs €900 for a private ambulance to bring someone from Tipperary to Waterford but the Red Cross has to do it while depending on donations from patients or families. The situation in Ireland today makes a mockery of them. During the talks with the Minister, Deputy Michael Noonan, he said there were three rates of VAT but there should be no VAT on defibrillators or the life-saving river rescue boats manned by suicide watch people because of the trauma caused by the economy and bullying by our banks. At the moment they have to pay VAT and cannot get it back, which just does not make sense. The Minister said he would examine it but it needs to be done.

We need a scheme for the rejuvenation of rural towns and villages. I looked at a recent county development plan and saw shops closed in every street in Tipperary, as they are around the country. They have been closed for five or ten years and will not be used again as commercial outlets so planners must have an open view and accept that they can be changed to living accommodation without people having to go through a variation of the county planning process or having to pay enormous fees. I put this into the plan but it was watered down. There is €8 million in the budget on top of the €6 million already given but we need living towns to come back again. It would sort out 25% of our housing crisis if we converted one part of a vacant premises, say the downstairs or the upstairs part. We should give an incentive, though we could not do so previously because the builders would get it, as will be the case with the latest first-time buyers' scheme because some developers will be unscrupulous. VAT relief should be given to people who want to buy these properties, not to builders or developers. In this way the towns can be inhabited again and people can be housed with dignity close to services. We should avoid the creation of places that become ghost towns after 6 p.m. In O'Connell Street in Clonmel two families live over the shop, as they have done for 50 years, and the town is dead. The people have moved out and there are anti-social issues but if planners would open their eyes we could solve a quarter of the housing crisis overnight. They should be imaginative and not look for fees of €20,000 to change a property from commercial to residential. They need to wake up and smell the coffee as regards fees and charges.

I know of four or five young couples who want to build a house in south Tipperary. They have employment and have a site but cannot get planning, for a variety of reasons. The planners want to know where they lived and where they were born and they almost need to know where they were conceived. Then there are fees and 25 different conditions. Roads fees, infrastructure fees and community fees, which I supported, and Irish Water bills make it unviable for someone to build a house. Deputy Danny Healy-Rae said this morning that the Nevin Institute had said 37% of the cost of a house went in fees but I believe it to be nearer 50%. It has been a gravy train for county councils and there was never any transparency as to how the money was spent. We were told it was spent on our general area but we never saw it. It is excessive and needs to be at least halved to give people incentives to build houses. People who want to build houses

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for themselves need to be allowed to do so and we need imaginative solutions, not big, glossy reports and changes to legislation. We need simple practical things and we need planners to understand the situation. I am not talking about reckless planning but ordinary small houses, sensible decent houses for which there are so many different regulations. We must not make it prohibitive and have rules whereby three and four generations have to be almost conceived on a site before they can get planning. It is farcical and planners are tied up in knots.

There was no imagination in the budget and I said it should have had some tax initiatives. I can see the hands of the Minister for Children and Youth Affairs, Deputy Katherine Zappone, all over it in respect of care initiatives. We should do all we can to support working parents but in doing so we should not undermine the family unit, which is almost alien nowadays. The mother or father who cares for the child or children in the home should also receive child care support. Self-employed people who operate businesses from their homes, as many do, also need to be supported. We need to be much more creative and fair in terms of what we do this area. We may find out in years to come that farming out children to full-time care was not the right solution.

Deputy Shane Cassells: That is a shocking statement.

Deputy Mattie McGrath: Sorry.

Deputy Shane Cassells: Parents are not farming out children.

Deputy Mattie McGrath: I am saying that we may find out in years to come that-----

Deputy Shane Cassells: That is a disgraceful statement-----

Acting Chairman (Deputy Eugene Murphy): Deputy Cassells, please do not interrupt Deputy McGrath.

Deputy Mattie McGrath: I did not interrupt other Deputies.

Acting Chairman (Deputy Eugene Murphy): Deputy Cassells will have an opportunity to speak soon.

Deputy Mattie McGrath: I am as involved as Deputy Cassells in early childhood education. I established and was chairperson of a naíonra for a number of years. I also have a large family, so I know what I am talking about.

Deputy Shane Cassells: Deputy McGrath should not make statements such as that parents are farming out children.

Acting Chairman (Deputy Eugene Murphy): Please allow Deputy McGrath to speak without interruption.

Deputy Mattie McGrath: Deputy Cassells is probably embarrassed about some of these measures.

Acting Chairman (Deputy Eugene Murphy): Deputy McGrath please refrain from making personal comments and continue your contribution.

Deputy Mattie McGrath: On the rejuvenation of rural Ireland, I spoke earlier about the many derelict sites in our towns. There are also derelict sites in our villages. Under a new

initiative, the county councils can acquire derelict sites and sell them on. Whatever is done to remove these blights from our landscape must be supported.

The post office is the hub of every village and community yet there is still no broadband service available in many rural areas. The post mistress is the first to notice when an elderly person does not turn up to collect his or her pension or a staff member does not turn up to work. The lives of many people who had strokes or accidents and so on were saved because the alarm was raised by the post mistress. There will be no one to ring the alarm bells anymore because of the closure of post offices. That we cannot enable some form of banking, in terms of council services and so on, to be through our post offices beggars belief. There are too many people pulling the strings and paying only lip-service to the post office. Staff at the Department of Social Protection continue to issue letters to social welfare payment recipients advising them to have payments paid into their bank accounts. We all know what happened when this was tried in the UK and other countries. It is a retrograde step that will result in the disappearance of post offices.

On justice and the Garda Síochána, I welcome the recruitment of additional gardaí, the strength of which should never have been allowed to reach such a low level. I also welcome the support for the text alert scheme. The amount provided is only €100 per text alert group but the service is an invaluable resource. The community alert groups must also be supported. We need community gardaí. I acknowledge the great work being done by the community gardaí in Clonmel, including Sergeant Kieran O'Regan and others. People need somebody familiar to speak to. They do not want to have to engage with unknown gardaí or to see a Garda car driving around their area and then leaving again. We need more community gardaí. One of the community gardaí in my area, Garda Niall O'Halloran, is exceptional. The people know him. He is of the community and people are happy to engage with him. I am talking not about informants but about people giving information in regard to strange vehicles and people that should not be an area to An Garda Síochána. This helps in the protection of their communities, families and children and makes their areas safer. I am often asked what is community alert, to which my response is that community alert is about everyone, including me, using their eyes and ears and taking note of what is happening in their areas. I welcome the changes made in this area.

An additional €490 million is being provided for health services, including €500 million for the winter initiative programme, which amounts to almost €1 billion in funding for this year. Almost €1 billion was provided last year too. Where is all this funding going? It is going into a big black hole and being sucked away without any accountability in terms of value for money or better outcomes. We are all aware of the pressure on our accident and emergency departments. Not one cent is provided in this budget for South Tipperary and Clonmel hospitals, both of which have been starved of investment for years. There has been much talk about hospital hotels, which is silly talk that annoys and upsets the electorate. We need proper investment, including in the hospital in Cashel which was closed 20 years ago. Despite the fact €20 million was spent on that hospital, it is not possible to open it to provide step down beds which would relieve pressure on our accident and emergency departments. We need better outcomes. Private general practitioners in Clonmel have excellent diagnostic facilities. In other areas in Cork and Kerry people have to wait six or eight weeks for diagnostic appointments and are being advised to seek private appointments which are being paid for by the HSE. The roll-out of this initiative could help to reduce waiting lists and lead to better outcomes but progress on it is being held up by some of the mandarins in the HSE who want to retain control of their little fiefdoms. There are 30% to 40% more managers in the HSE now than there were in 2007.

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Throughout the crisis, when people on the front line were losing their jobs, including gardaí, nurses, doctors, council workers and so on, there was growth at managerial level in the HSE. If we could get our hands on some of the millions being spent on these people and invest it in house construction we would improve house provision overnight. We cannot do that, however, because the HSE has control. I wish the new Minister for Health, Deputy Harris, well in dealing with the many issues in the health area that need to be addressed. Quite frankly, money provided for this sector is going astray.

We recently learned during a Private Members' motion debate in this House of the overcharging of the HSE by a large pharmaceutical company. I have heard many people say how great it is that the company paid back every penny it owed. If a pensioner or an ill person took drugs from a pharmacy without paying for them, he or she would be arrested and charged. The amount involved in the Lloyds case is enormous. It only repaid that money when it was found out. I believe there are wheels within wheels. This happened on the nod and the wink and I am sure it is happening in other areas as well.

My budget submission also contained a proposal in regard to a land tax to address the issue of the gobbling up of vast areas of land in Tipperary, Limerick and in the midlands by conglomerates which are involved in the equine industry. I salute them for their prowess in the equine industry, on what they have achieved and the employment they provide but this land grabbing has to stop. We need a land commission and a progressive tax that will stop these conglomerates pumping millions of euros into thousands of acres of land, such that a farmer wishing to increase the viability of a farm to enable him or her to earn sufficient income to keep his or her family cannot buy ten or 20 acres located beside these lands. I do not need to mention the names of those involved: everyone knows who they are. They have been well able to lecture us on how to run our businesses. They got tax breaks from the late Charles Haughey, God rest him, which were needed at the time to stimulate the industry but we need a level playing field now to ensure fair play for all. In this regard, we need to establish a land agency or to introduce a wealth tax on lands of over 750 acres. They should not be permitted to buy up lands of 16,000 or 17,000 acres. I am hearing horror stories on a daily basis about families in Tipperary who are up to their necks in debt because they borrowed money to invest in dairy farming and so on and are unable to buy a piece of additional land or afford to keep going. These conglomerates move in with their cheque books and buy the land. In some cases, the land is purchased even before the "for sale" sign goes up. There are many banks, touts, auctioneers and so on involved in this murky business. We got rid of the landlords once but they are now back in a different guise. These ones are probably even worse than the others. We do not need all of our land to be owned by conglomerates. We need farming families to be supported so that can live with dignity and respect and participate in their communities.

Acting Chairman (Deputy Eugene Murphy): I thank Deputy McGrath for his colourful and, at times, inspiring speech. In regard to the interruptions, Deputy Cassells will have an opportunity later to express his disagreement with Deputy McGrath.

Deputy Shane Cassells: I was expressing my view on what I believe was an ill-judged remark in relation to the child care sector.

(Interruptions).

Deputy Mattie McGrath: I will not take any lecture from Deputy Cassells. I know plenty about child care.

Acting Chairman (Deputy Eugene Murphy): Deputies McGrath and Cassells are eating into the time allocated to other Members.

Deputy Shane Cassells: I apologise.

Acting Chairman (Deputy Eugene Murphy): Is Deputy Murphy sharing time?

Deputy Catherine Murphy: Yes, we will take six minutes each.

In regard to yesterday's budget announcement, there are three areas on which I would like to focus. I referred in my contribution last night to the housing issue. I would like to return to that issue. One of the measures introduced will inflame the problem in this area. One of the areas not mentioned to any degree is the rental sector, which is out of control at this stage. There is no other way to describe it. Last week, during Leaders' Questions with the Tánaiste, I described the type of bidding wars going on in my area in relation to property renting. One woman told me of a case involving a modest three bedroom house in respect of which the rent was advertised to be €1,300 per month. She left when the bid reached €1,800. Listening to the radio, I heard a man describe how his landlord sought a €400 rent hike, bringing the rent for his two-bedroom apartment up to €1,800 per month. Families come to my office every day to say their landlords have hiked up their rents. They have no choice but to sign further leases, which is completely unsustainable. It is a choice between doing that and homelessness. In many cases, people are agreeing to unsustainable rents. In December, the current so-called "rent certainty measures" are due to expire but there was no indication yesterday as to whether they will be extended. As that will affect HAP and rent assistance, it is a budgetary matter. There was also no mention as to whether the measures would be improved, which is what is actually needed. Renting has become the sole housing option for people and families across all demographics. It is no longer an interim measure or a student issue. Families find themselves for many reasons reliant on the private rented sector. If we are going to stem and, indeed, reverse the crisis in the sector, we need to adopt a different mindset. We must see rental as a valid housing choice not just in the short term but as a longer-term measure. There has to be some vision into how we do that. It has to be a sustainable choice not something that is at the whim of the market when there is a shortage as we are seeing now.

The policy on under 26 year olds who find themselves unemployed is ageist. Of those on the live register, 16% are young people under 26 years of age. There are 12,000 young people among the long-term unemployed. Given that this is a means-tested payment, there is a huge cohort who are not even counted as they do not qualify to go on the live register. That problem was actually widened by yesterday's decision.

There is a lack of ambition in the transport area. Indeed, we saw yesterday the announcement of Luas cross-city. For goodness sake, were we going to cancel it? Does the Government not see the holes in the streets all over town? To announce and announce again the same projects in the budget is nonsense. We need to see where the ambition will be. Congestion is one of the most significant issues in terms of competitiveness. Indeed, it is part of the reason DART and the first round of Luas were funded by the European Union. They were seen as measures that would deal with congestion, which was making Dublin very uncompetitive. Here we go again donkey's years later, but we have not seen things like DART underground, which would actually be a game-changer. We need to see that kind of ambition being stated. The problem with the budget is that it is short-term, lazy and bitty and fails to set out a strategic vision. As such, transport is one of the biggest disappointments in the budget.

Deputy Róisín Shortall: As Deputy Catherine Murphy has said, the main aim of a budget should be to set out a long-term strategic objective for the country. Unfortunately, there was no indication that the Government took that approach yesterday. It was much more about keeping all the Government-supporting Deputies on board. There is a little bit for everybody to try to keep Fianna Fáil and the Independents sweet while predominantly serving the Fine Gael base. Because of that hotchpotch of proposals, there is no coherent vision set out in the budget in its totality. One of its worst aspects is the lack of concern to deliver on the promise of fairness which Fine Gael and so many other parties made in the general election earlier this year. We all accept that resources are finite and remain limited. For that reason, we should be very clear about prioritising the objectives in the budget, setting clear objectives and ensuring that fairness underpins them.

We tend to pride ourselves on the fact that our income tax system is progressive. It certainly was very progressive, but we have seen over the last six years, including yesterday's budget, a shift from progressive to regressive measures. There are changes to the tax system with the reduction in USC. Certainly, the Social Democrats would have argued that we should not erode the tax base. We would have been much better off to use that €335 million to invest in our public services and repair some of the awful damage that has been done to housing and health in particular during the austerity years. Unfortunately, that is not the approach the Government has taken. It decided to cut the universal social charge, but did so in a way that was extremely regressive. A couple with two children who earn €20,000 and pay tax under the PAYE system get a benefit of €103 per year as a result of yesterday's changes. I contrast that with a similar couple with two children who earn €175,000. That very wealthy couple gets a benefit of €453 from yesterday's budget. That cannot be described as fairness by any yardstick. The situation in relation to self-employed people is even worse. A self-employed couple earning €20,000 get a benefit of €253 per year while a self-employed couple earning €175,000 get a benefit of €753 per year. How can the Government talk about trying to achieve fairness when it introduces regressive measures like that?

The budget should have been poverty proofed. I do not know if there are plans to do that in the coming weeks, but the Minister of State, Deputy Dara Murphy, might say so if there are. There is no evidence of any attempt at poverty-proofing in this. There are further regressive proposals in the budget. The help-to-buy scheme is one which will assist people to buy houses up to the value of €600,000. Given the huge problems with which we are dealing, how can the Government justify making a €20,000 grant to people who can afford to buy a house worth €600,000? In that scheme, the bigger the house one buys and the better off one is, the bigger the grant one will get from the Government. It is another regressive measure for which there is no justification whatsoever. I appeal to Fianna Fáil, whose members are supporting this proposal, to at least insist on seeing a cost-benefit analysis before signing up to it in the Finance Bill.

Speaking of regressive measures in the budget, I note the mealy-mouthed change to prescription charges. This is a regressive move. Prescription charges started off at 50 cent per item. In 2011, Fine Gael promised to abolish prescription charges. Rather than abolishing them, Fine Gael actually increased them five-fold. We are now in a situation where many low-income families must make a decision about whether to take necessary and important medication or save money for some other expense. People should not be put in that situation where they have low incomes. Rather than tackle this across the board, the Government has, in a very mean way, reduced prescription charges by €5 for over-70s. I do not know if the Minister of State, Deputy Dara Murphy, appreciates the fact that poor families, as it is only poor families who qualify for

medical cards, are the people who can least afford to pay the prescription charge.

4 o'clock

The Government is continuing with the arrangement, whereby it is insisting on a ceiling of €25 per month. There is no fairness whatsoever. Again, it is another regressive measure.

Nothing has been done to address the issue of the reduced VAT rate. Many claims have been made about the contribution it has made to the hospitality industry. I put it to the Minister that whatever about supporting hotels in certain areas to improve business - there is no doubt the measure has been successful in that regard - that there can be no justification for providing for a reduced VAT rate for the fast food industry. The biggest health problem we face in the country is obesity. Why are we making fast food more affordable? There is no justification whatsoever for this. The Government needs to start taking up this issue at a European level to ensure we can change the rules for the grouping of products for VAT purposes. The measure runs contrary to public health policy.

Deputy Catherine Martin: Yesterday the Taoiseach said the budget had been based on prudent management. I agree, but only to the extent that the prudent and, no doubt, clever management relates primarily to the internal workings and machinations of government which only serves the Government, not the people and the real issues they face in their day-to-day lives. With super self-serving dexterity, the Government danced around most of the real issues such as truly tackling the housing supply issue and tackling the inequalities in education. Not one political hot potato was touched.

Many references have been made to the budget as being a type of “Late Late Show” budget and I have to say I agree. The reason the budget has wound up with that descriptive label is that the Government has evidently shown clear and growing traits of being a “one for everyone in the audience” Government. Therein lies the problem. Unless it changes course and its priorities, that is the rock on which it could eventually perish.

The weeks leading up to the budget were dominated by a spin battle between Fianna Fáil and Fine Gael, with the Independent Alliance and other Government Independents also getting in on the spin action. They have been taking credit, laying claim and claiming ownership of ideas. That is why the budget failed miserably. Having such a competitive distraction appeared to be the priority. The twin motives were the burning desire to claim credit, while at the same time avoiding having the courage to take any difficult decision at all. This has resulted, unfortunately, in us being left with a budget that fails to serve the medium to long-term needs of the country which should be the underlying principle of any budget. No doubt, it has been an immediate to short-term success for all those involved, as it has been a master class in governmental survival, while at the same time skilfully allowing an opposition party to save face. The price paid for pulling off this coup will become clearer as time passes. Politicians and political parties dodging bullets was the priority and the order of the day and placed way above the people. I say, “Well done,” to Fine Gael, Fianna Fáil and the Independents in government. They have managed to avoid walking on any thin ice and are the winners for now. Unfortunately, they are the only winners, which is a very sad outcome because the losers are the people who have seen and will see the budget for what it is.

The budget lacks long-term planning and a strategic vision for the country. As Helen Keller said, the only thing worse than being blind is having sight and no vision. The people rightly ex-

pect any teething process for new politics bedding down to be long over and a mature, non-self-serving approach to put people before politics to take over, but they have been left disappointed and let down. With the limited resources available and in trying to do the impossible of keeping everyone happy for the time being, inevitably many people were left out or ignored. Young people have been left behind and let down in the budget. Yesterday the Minister, Deputy Pádraic Kirby, stated that in order to ensure the benefits of recovery were felt by all, all social welfare payments would increase by €5 per week. This statement might make some politicians feel good when they hear it for the first time, but it is simply incorrect and grossly inaccurate because not all social welfare payments will increase by €5. The youth were not included. The Government has decided that 18 to 24 year olds only deserve an increase of €2.70 per week and 25 year olds, an increase of €3.80 per week. It is a clear case of age discrimination. At a time when we should be aiming to bring young emigrants home from abroad, the Government introduces measures to alienate them further. The Minister says this is to encourage the youth to take up courses of education and engage in further training. I respectfully suggest a fairer way to encourage this would have been to remove the €200 euro charge for PLC courses that continues to act as an impediment to access and an obstacle to participation for many students. The budget has failed children in primary education. Primary school classes in Ireland are the second most overcrowded in the European Union, but the Government has decided to leave them as they are. There has been no effort to reduce class sizes; therefore, over 100,000 children in classes of 30 or more pupils have been left behind, forgotten and ignored in the budget. How can young primary school pupils receive the quality education they deserve and that their teachers have been trained to give in classes of that size? Primary schools remain the Cinderella of the education sector, with the lowest level of spending on education occurring at primary level, which leaves schools operating on shoestring budgets and dependent on parental contributions and fundraising.

While I welcome the addition of 100 new guidance counsellors for secondary schools, the total number of counsellors remains significantly less than it was before the 2012 cuts. What was needed was full restoration of the ex-quota guidance counsellor provision. The opportunity to do so has been missed. Children deserve equal access to this vital resource and the inequality will continue in the growing number of second level schools, with some having the resources to pay privately for a counsellor, while others with very vulnerable children will remain without this support. If we are to truly value all children equally, their well-being should be front and centre and all schools should be given the resources they need to support all children.

The Government and the largest Opposition party seemed very cosy and happy yesterday with the announcement of an additional €36.5 million for the higher education sector in 2017. The truth is that, despite the momentary feel good factor associated with the announcement, a sum of €36.5 million is totally inadequate and the direct result of the populist decision of the Government which felt compelled to give a little to as many people in the audience as possible. It is not only fully aware of the inadequacy of this additional funding but knowingly allowed it to happen because the Fine Gael manifesto in this year's general election clearly stated the higher education sector needed €100 million just to stand still. The Government is sitting back and paying mere lip service by throwing a patently grossly inadequate sum at the higher education sector. It will do little to tackle the effects of successive cutbacks which have had a devastating impact on students, lecturers and the position of Irish educational institutions in international rankings.

The budget lacks a strategic vision. It is a most alarming and worrying blast from the past

in playing primarily to developers through the help-to-buy scheme for first-time buyers which will serve to fuel demand but, crucially, not tackle head-on the need to increase housing supply. It will fuel the property bubble, proving that lessons have not been learned from the past.

The Government may claim this is the first budget in several years to address climate change, but it does so with zero innovation, zero ambition, no new initiatives, no funding for any new major public transport projects and no mention of investment in walking or cycling. There is nothing new, it is the same old politics. Time will show that after one strips bare this budget, putting to one side a couple of headline-grabbing initiatives which one could not but welcome, people will see it for what it is. It is a masterclass in Government self-survival and ironically, at the same time, it is skilfully keeping the party of purported main opposition and its reputation safe, for now at least. In the political environs in which this Government and Fianna Fáil operate, they can now take off their bulletproof jackets. It is a job well done. There were no political casualties and no political party humbled or embarrassed. However, the preoccupation, the near obsession and the distraction of putting themselves before what is best for this country is an entirely different matter. If it continues, it will explode any genuine attempt at new politics and it is something the people will clearly see through.

Deputy Stephen S. Donnelly: I spoke yesterday about some of the positives in this budget, because there are positives in it. They include closing down section 10 tax avoidance by vulture funds, a focus on special needs education and a welcome first step in moving towards an affordable, high-quality child care system. However, the complete lack of ambition in this budget means that for the limited good it has done, for most people nothing has changed and for some people things have become worse.

There has been much talk about the extra €5 a week. When inflation is factored in, then in terms of what can actually be bought with the money next year the €5 falls to about €2 or €2.50. That is about €100 a year. There is funding for new teachers, but when the increased number of students is factored in, class sizes do not fall. That is in spite of us having the fifth-largest class sizes in the OECD. There is no new funding for schools, which means in real terms that capitation grants to our schools are falling next year. There is funding for higher education, but when rising student numbers and inflation are factored in, yet again, funding per student to higher education in this country will be going down next year.

In the literature provided to us yesterday, the Government gave an example of somebody on the minimum wage. The example shows that between the change to USC and the 10 cent change to the minimum wage, this person will be better off in cash terms by 1.2% next year. What the Government example does not do is the next bit of the calculation, which says that inflation is going to be 1.4% next year. According to the Government's own figures, therefore, people on the minimum wage are going to be poorer next year than they are this year. In a wealthy economy with lots of job creation and a growing GDP, that is not acceptable. It is not acceptable that this is the result of the budget.

The Irish Fiscal Advisory Council has reported that the entire projected increase in current expenditure for the next five years is needed just to stand still when one factors in the Lansdowne Road agreement, demographic factors and inflation. The entire projected increase for the next five years of current expenditure is needed to do nothing. We need to have a serious think about that. It says that we are not going to get any improvements.

The negative equity generation has lost out yet again. This is my sixth budget in Dáil Éire-

ann and it is the sixth budget on which I have spoken where nothing was done for the negative equity generation. This year, it went further because the budget is harming that generation. It is saying to first-time buyers that there is €20,000 for them, though it is no use to them as first-time buyers because house prices will go up by €20,000. However, the negative equity generation that is way behind first-time buyers in terms of the challenge are now €20,000 worse off because of this budget. One measure that would help that I have proposed for several years is to make accidental landlords tax exempt on their rental income. They are being double taxed to the tune of thousands and thousands a year. It means they cannot get out of negative equity and they cannot save to buy a new home. It is a very simple measure to bring in and it should be.

Our scientists and our researchers have lost out yet again. Funding for basic scientific research was cut during the recession, and perhaps that had to happen. However, if we do not start to reinvest now, we are going to lose the ability to compete internationally in terms of world-class research and innovation. If we do not start to reinvest we are going to start running out of ideas to commercialise, yet there is not a cent in the budget for Science Foundation Ireland or the Irish Research Council.

Our local businesses have lost out quite badly. The Taoiseach spoke of a Brexit-proofed budget. However, the only thing I can find in the budget in that sense is a €3 million allocation. The Ministers have addressed both the challenges and the opportunities posed by Brexit. A hard Brexit is looming. Yesterday, sterling reached its lowest level against the euro since the Brexit vote. An IBEC representative said the following about the budget: “It doesn’t look much different from what it would have been had Brexit not happened. They clearly have not done enough to help those companies that are most exposed”. A sum of €2 in every €5 traded by our SMEs is traded with the UK. That is at risk, which means our companies are at risk, which in turn means jobs are at risk and the Exchequer revenues are at risk. What are we doing pouring yet another €500 million into one of the most expensive health care systems on earth and just €3 million into helping prepare our businesses for the very real and serious threat that is Brexit? To put it into context, the €3 million allocated for the big external shock that is coming totals one fifth of 1% of the total budget space that was allocated yesterday.

The arts have lost out yet again. We are so proud in this country of the achievements and creativity of our arts community, from literature, to cinema, to music, to dance and on and on. Yet, economically, we treat that community with contempt. Ireland’s funding to the arts is one sixth of the European average. I had to check that when I heard it because I did not think it could possibly be true. We should be as ashamed of that as we are proud of our arts community. Yet, in this budget we could not even protect the funding that was allocated this year and keep that €40 million fully allocated to the community. It is time that the creativity of Ireland’s artists is matched with cold hard cash from Ireland’s Government.

It is easy for me to call for investment in the arts, help for the negative equity generation, investment in education and more money for Brexit. The reasonable question in response is how can my proposals be funded? Here is the answer. The Minister for Finance, Deputy Noonan, has said he is going to shut down tax avoidance for vulture funds. There is €50 million allocated in extra revenue next year for doing that. If we do it right, the revenue we will get will not be €50 million, rather it will be in excess of €500 million. The answer to the question of how do I propose to pay for all of these worthy things is to get the tax avoidance for vulture funds shut down and to use that money wisely.

Sitting suspended at 4.20 p.m. and resumed at 5.30 p.m.

An Leas-Cheann Comhairle: I understand the Tánaiste and Minister for Justice and Equality, Deputy Frances Fitzgerald, is sharing time.

Tánaiste and Minister for Justice and Equality (Deputy Frances Fitzgerald): I am sharing time with the Minister for Transport, Tourism and Sport, Deputy Shane Ross.

The budget is another stepping stone in our plan to build a strong economy and one that will work primarily to create a fair and compassionate society in which everyone is given the opportunity to succeed and nobody is left behind. It continues the prudent management of the public finances, protecting our progress on the economy and equipping us to deal with the very real challenges of Brexit.

I have listened to what members of the Opposition have had to say since the budget was announced yesterday. They have criticised it for being underwhelming and lacking ambition. To me, that points to an Opposition that is struggling to find fault. Think back to where we were in 2011 when the Fine Gael-Labour Party coalition took office. Think back to where we were in 2009 when the Fianna Fáil Government had to come back to the Dáil mid-year with an emergency budget to try to stem the unfolding crisis in the public finances. They were dramatic days and overwhelming, not underwhelming.

Budget 2017 is all about building on the steady progress we have been making on the economy. It is about making work worth while. We can never say it often enough, but only a strong economy supporting people at work can pay for the services that are needed to create a fair society. Several elements of the budget will make people's lives better in a very direct way. I particularly welcome the introduction of a new subsidised child care scheme which is long overdue. We have been talking about it for decades. I also welcome the significant investment in education. Some 2,400 extra teachers will be hired in 2017, meaning the extra schools that have been built in recent years, several in my constituency, can be properly resourced.

It is welcome that the budget has gone beyond the programme for Government commitment of allocating at least two thirds of available new resources to public services. We are actually allocating three quarters to spending, with the rest going primarily towards reducing universal social charge rates. I believe this reflects the will of the people who sent a strong message last February. Many thought this partnership Government would not be here to announce the budget, but, in fact, we are now in a position to fulfil our mandate and pass a budget that reflects the wishes of the electorate.

The funding allocated to the justice Vote group is €2.5 billion. This is an increase of €85 million on the Revised Estimate figures. It provides for the recruitment of 800 new gardaí. We want to build towards having 15,000 gardaí, as set out in the programme for Government, by 2020. The figures take account of approximately 300 retirements per year. This new funding also allows for the fast-tracking of the new forensic science laboratory, a very important facility, and budget increases for key regulatory bodies such as the Charities Regulator and the Data Protection Commissioner.

The new forensic science laboratory is badly needed. I pay tribute to Dr. Sheila Willis and the staff of the laboratory who have done enormous and important work but in very poor facilities. Legislation has been passed and next year we will see the building of the new forensic science laboratory which will be a state-of-the-art facility. It is much needed and very important in terms of criminal trials and the kind of forensic evidence that can now be produced. An

important decision on capital expenditure, therefore, has been made to get that process started in order that the building will be completed by 2019 instead of being started then.

My budget for the year also allows for key increases in, for example, the Votes for the Charities Regulator and the Data Protection Commissioner. We have seen the scandals in recent times around charities. Good governance is critical. The vast majority of charities have good governance procedures, but, as we know, there are outliers. It is important that the Charities Regulator has the resources needed to investigate and deal with complaints that arrive on its desk.

There are eight Votes in the justice Vote group. There is the Garda Vote of €1.6 billion, the justice and equality Vote of €441 million, the prisons Vote of €327 million, the courts Vote of €140 million, the Property Registration Authority Vote of €31 million and the Valuation Office Vote. We are also giving money to the Irish Human Rights and Equality Commission and the Policing Authority to enable them to develop the work they are doing.

I am pleased that the Government has accepted my proposals which set out a clear vision for the future workforce of An Garda Síochána in order that by 2021 the organisation will comprise a total of 21,000 personnel, made up of 15,000 Garda members, 2,000 Garda Reserve members and 4,000 civilians. The provision for the 800 Garda recruits and up to 500 civilians who will provide specialist, technical, professional and administrative expertise across a range of areas is a huge step in that direction in 2017. Appointments will also be made to the Garda Reserve of approximately 300 in 2017.

The Garda Commissioner has published a detailed modernisation and renewal programme, but that reform needs investment. Last year I announced the allocation of €205 million to upgrade the long-neglected ICT infrastructure in An Garda Síochána. Budget 2017 will underpin and support this investment by providing for more gardaí, civilian expertise and Garda Reserve members. This will support the wide-ranging reform plan in An Garda Síochána which is following the recommendations that have outlined the kind of change needed. There are almost 1,000 recommendations from various bodies, including those of the Garda Inspectorate.

There are a number of key areas where we need extra staff. One is the Irish Naturalisation and Immigration Service. There is an increased volume of applications and we need to facilitate reform, for example, by way of the further civilianisation of passport control at Dublin Airport. A total of €3.6 million in additional funding is being allocated for this purpose and recruitment for these positions will start as soon as possible.

The Probation Service which plays a key role in reducing recidivism and is doing excellent work will receive an additional amount of more than €2 million. Recently, it announced an innovative and important project by it, the Irish Prison Service and An Garda Síochána to target repeat offenders. That pilot project is taking place in Dublin, where 90 repeat offenders have been identified and detailed work is being done with them. The project has been extended to Dundalk, Limerick and Waterford. This inter-agency work is critical in achieving the best outcomes and the increased funding will allow the Probation Service to do more of that type of work and give us the results we need. Increased funding of more than €4 million for the Legal Aid Board will improve provision of legal advice to vulnerable families. A few days ago, the Government announced the new Abhaile service to help those who are insolvent and in mortgage arrears. Some €2.4 million of the additional €4 million provided to the Legal Aid Board will be used to deliver the Abhaile service and provide legal aid to those who are at risk

of losing their homes.

An additional €1 million has been provided for Traveller initiatives. In addition, the Minister of State at the Department of Justice and Equality, Deputy David Stanton, is working on a new strategy on the issue of Travellers. A further €2.7 million has been provided in respect of Garda youth diversion and Irish Youth Justice Service community programmes. I am also pleased that we have been able to provide an additional €250,000 to those working with victims groups. We will shortly introduce a Bill on victims which will bring Ireland fully into compliance with the EU victims directive.

The budget is another stepping stone towards a better, fairer society and I look forward to implementing its provisions over the coming year in collaboration with colleagues on all sides of the House.

Minister for Transport, Tourism and Sport (Deputy Shane Ross): I would like to take the House back one year to the previous budget and remind Deputies of the circumstances in which it was debated and what happened at that time. This time last year, we had in place the Economic Management Council where four people dictated the budget to the House and it was debated, rubber-stamped and passed. It was the year when the guillotine was used, the Government had a large majority, there was little room for manoeuvre or change and the Opposition was overwhelmed by a powerful Executive that dictated what happened in this Chamber.

This year, the budget comes to the House in utterly different circumstances. It was decided by Fine Gael, Fianna Fáil, at least seven Independents, a number of rural Independent Deputies and God knows who else. Power has moved from the Government side, where it was centred in a very small Executive that decided crucial financial measures, and has moved towards the middle of the House where it is shared by various parties. The decisions taken in this budget, the measures it sets out and the inputs in the process came about in a unique and different manner. It is a great tribute to all parties that they came together to produce a budget of this sort, which has been successfully endorsed by the House and has not been dictated by the Executive. That is something which we, in the Independent Alliance, strove to achieve in our charter. We stated in our manifesto that what we wanted, above all, was for power to be taken from a small cabal, whether it be Fianna Fáil or Fine Gael, and transferred to the House in order that decisions would be taken by people who were truly the representatives of the people. That is what happened in this budget.

Some critics have argued that we have spread what was available too thinly. The number of people who had an input into the budget means it is fair overall. This was one of our primary objectives and one we are proud has been achieved. We are also proud that the Dáil has power again. We are even proud that the budget is the result of long negotiations between parties and individuals because that is the way this Dáil operates and will continue to operate. Rather than having one side dictating to the other, there will be mature and sometimes robust and difficult negotiation. That is what has happened in this budget and it has been a successful operation.

The Independent Alliance is also proud that we had a major input into the budget, although I will not claim that it was exclusive in any area. I refer not only the input in the area of rural affairs from the Minister of State, Deputy Seán Canney, and Deputy Kevin Boxer Moran, principally from our side, the input into health and disabilities from the Minister of State, Deputy Finian McGrath, and the measures on research and development on which the Minister of State, Deputy John Halligan, had a major say, but also our input into those areas of the budget process

that were covered and understandably claimed by others.

We are also proud that we represented elderly citizens, an area on which Fianna Fáil also takes pride in its input. We are proud that we achieved a further restoration of the Christmas bonus and that prescription charges have been reduced as a result of late and tense negotiations between the Independent Alliance and the Fine Gael Party. We would like the House and members of the public to know about and acknowledge this role.

It is not appropriate for the leader of the Fianna Fáil Party to state in the House that his party negotiated the reduction in prescription charges. That is an unlikely scenario given that it was not mentioned at any other stage. I have another comment to make to the leader of Fianna Fáil. In saying well done to him on his party's input in many areas, which was good and welcome, I should also say that I found it a little strange when he stated he wanted me, as Minister, to make various announcements and asked what I had been doing.

Deputy Darragh O'Brien: What about metro north?

Deputy Shane Ross: The Deputy should not worry; metro north is coming.

Deputy Darragh O'Brien: The Minister has announced a big review.

Deputy Shane Ross: Deputy Micheál Martin should be careful and have patience because one does not do everything in six months or by announcements. Before he gets carried away with the power he undoubtedly holds in this House and with his willingness to attack Ministers for not delivering enormous achievements in their first six months in office, let me remind him of some of the times he seems to have forgotten. As a former Minister for Health and Children, Deputy Martin leaves a great legacy known as the Health Service Executive.

Deputy Marc MacSharry: He also introduced the smoking ban.

Deputy Shane Ross: When he was the Minister for Health and Children, Deputy Martin was known as the Minister for reports.

Deputy Darragh O'Brien: By whom? Was it the *Sunday Independent*?

Deputy Shane Ross: Let me give some facts. As Minister, Deputy Martin ordered review after review. How much did these reviews cost in total? Was it €100,000 or €200,000? During the period in question, he ordered 115 reviews costing €30 million. This is a man who found it difficult to make a decision. In addition to ordering 115 reviews in his time as Minister for Health and Children, he spent €13.8 million on management consultancy fees and ordered 30 reports for which no costings were available. Today, I reckon one could build several stadiums with the money he spent on reports and it would certainly cover the annual subvention to CIE or one of its divisions. Let us not take lectures from Deputy Martin on making announcements when his prime achievement was spending money on consultancy reports, some of which he did not even read. It is important-----

Deputy Margaret Murphy O'Mahony: How does the Minister know?

Deputy Shane Ross: If anyone reads the evidence, they will see he did not read them. I will go into that if the Deputy wants me to, but I want to go on.

Deputy Margaret Murphy O'Mahony: Did the Minister read the reports?

Deputy Shane Ross: I wish to turn to my own Department.

An Leas-Cheann Comhairle: The Minister has 1 minute and 30 seconds.

Deputy Marc MacSharry: How is the Minister going to fill the 30 seconds?

Deputy Shane Ross: Yesterday's budget provides for increases of 3.5% in Government spending next year. My Department Vote will reach €1.8 billion next year, which represents a 4.1% increase on 2016. With competing priorities such as housing, health and child care, this increase is a good outcome and shows a continued commitment to transport investment, in particular as a key support to economic growth.

The main highlights in my Department's Vote are a €90 million, or 7%, increase to €1.46 billion in the land transport budget. Our baseline capital funding will now exceed €1 billion. Within that, the public transport subvention will increase by 12%, or €31 million. The regional and local roads programme will increase by 10% to €275 million in capital funding. Some €344 million will be allocated for public transport investment, which, among other things, will ensure completion of Luas cross-city, the most significant transport project in recent times, on time and on budget.

As Minister for Transport, Tourism and Sport, I must look to the future and ensure we are prepared for the increased demands associated with economic growth. In that context, for example, an airport capacity review has been brought forward from 2018 to commence shortly, with a view to ensuring no barrier at our national airports.

Deputy Marc MacSharry: How much does that cost?

Deputy Shane Ross: We are advancing key road investments, including widening the N7 around Naas, and the linked work on the Sallins bypass and access to the Millennium business park, as well as preparatory work and planning on projects in the capital plan such as the Dunkettle upgrade and the N4 from Colooney to Castlebaldwin. We are planning other key projects, such as metro north and the DART expansion. We are expanding the bus market in 2017. I have always maintained that competition is good for the passenger and the taxpayer.

The budget is about keeping a growing economy moving. We need transport provision to keep pace and avoid becoming an impediment to that growth.

Deputy Darragh O'Brien: I wish to share time with Deputies Marc MacSharry, Fiona O'Loughlin, Anne Rabbitte and Margaret Murphy O'Mahony.

An Leas-Cheann Comhairle: Is that agreed? Agreed.

Deputy Darragh O'Brien: I was going to confine my remarks specifically to Brexit, which I will get to shortly, but I was very interested to hear the remarks of the Minister for Transport, Tourism and Sport, Deputy Ross. I would remind the Minister that the only party that has ever delivered infrastructure development and vision in this country has been Fianna Fáil. Our track record stands for itself. One need only look at the Port Tunnel, the national motorway network, Terminal 2, which the Minister railed against at the time, Luas, Lansdowne Road and Croke Park - I could go on. Having looked at yesterday's speech of the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, I note all that was covered with regard to transport related to another review of metro north, another review of DART extensions and another review of DART underground, which the Government cancelled and then put back.

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Deputy Ross, as Minister for Transport, Tourism and Sport, has the honour of presiding over an airport which is the fifth busiest in Europe but is the only major airport in Europe that does not have a rail link into the city and beyond. What he has done is decide he will try to set up the IAA as the competent body to decide on the future development of that airport. This is something with which I cannot agree. The Minister is going to allow the IAA to set aside An Bord Pleanála decisions which have been made by what is the independent planning body in this country. The Minister will effectively be telling the IAA, under the statutory instrument or primary legislation that he will bring forward, that he will let it set those decisions aside completely, against the wishes of many of the people who live adjacent to the airport, those same residents the Minister said he would not allow to be bullied by the DAA. He is doing that by his plans to make the IAA the competent authority to oversee this.

If there is one Minister who has done less in this budget than Deputy Ross, that would be the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan. We were promised a Brexit-proofed budget to set forward the plan for how the Government was going to protect the national interest of the country. In the only statement issued by the Department of Foreign Affairs and Trade yesterday, there was not one mention of Brexit. The only statement referred to €10 million in additional funding for overseas development aid at a time when there is the migrant crisis which we see on the borders of Europe and the terrible atrocities that are ongoing day after day in the Middle East, specifically in Syria. Despite this, the Minister, Deputy Flanagan, issued a press statement that he is giving an extra €10 million in overseas development aid but he does not even mention Brexit. Given the Department is so intrinsically involved with Brexit, this is very worrying for us and it underscores the Government's abysmal approach so far to Brexit.

The Department of Foreign Affairs and Trade did not seem to get any wins in budget 2017. The only tweet it issued on the budget was that it allows the passport service to maintain service levels during significant increases in demand. This is the very least I would have expected. The Minister has spoken in the past of ensuring that our embassies are fully equipped to deal with Brexit and that they would be resourced to be able to respond to the challenges that Brexit will pose and to spread the message across the world that Ireland is open for business and trade. If there is no additional funding in this area to resource our embassies, how in God's name is this Department or the Government going to deliver on that promise?

While I welcome the increase in funding for the Department of Jobs, Enterprise and Innovation, and in particular the funding increases to the IDA and Enterprise Ireland and the retention of the 9% VAT rate for the hospitality sector, the budget is far from Brexit-proofed, as the Taoiseach promised. The Government's response to date has been tardy and lacklustre. The budget was an opportunity to show that we are finally dealing head-on with this issue and that we are comprehensively preparing for Brexit. However, all we got was a pitiful response to this event that is going to have profound implications for our country.

The Government is duty-bound to protect the national interest of this country and the hundreds of thousands of Irish citizens in the North of Ireland. I put it to the House that the Minister, Deputy Flanagan, has so far abysmally failed in that area. Furthermore, he is not even sharing any information across the House in this new political arrangement that the Minister, Deputy Ross, talked about. The Government needs to get its act together with regard to Brexit because we are sleepwalking ourselves further into a crisis.

Deputy Marc MacSharry: I thought it was telling that in the 11 minutes of the contribu-

tion from the Minister, Deputy Ross, he took a whole 1 minute and 30 seconds to talk about his own Department and what he is doing or, indeed, not doing, for example, in terms of local improvement schemes. I am not even sure he knows what an LIS is, given there might not be many of them being done out in the principality. However, it is something that is very badly needed throughout the country. The Leas-Cheann Comhairle, being a proud Donegal man, will know well what I am talking about.

In terms of those budget measures which have our fingerprints on them, of course, we are proud of them, but this was the Government's budget. I am afraid the budget lacked a strategic vision for my part of the country which would enable our regions to begin to perform to their potential. While no Government is without blame in terms of regional neglect over the years, this budget provided a real opportunity for us to front-load infrastructure projects throughout the country. It was an opportunity to say we are going to put our best foot forward, push the boat out and enable the regions to begin to perform to their potential. Instead of being seen as pain in the national side, placated with an odd bone of €100 million or €200 million now and again, we would take a strategic approach and ask what the north-west region can do for us in regard to tourism, agriculture, small industry and SMEs.

It cannot do this without there being access to the region. There is not a single kilometre of motorway in our region, and it is the Minister, Deputy Ross' Department that is responsible for this area, with other Cabinet Ministers. I recently saw a map from 1729 which showed the road network of the country and, when put against the motorway network for 2016, they exactly fit one on top of the other. That is 300 years of neglect for the region and it is being continued by this Government. No strategic approach has been taken in order to put these regions to work and to acknowledge the initiative and innovation that the people have and what they are prepared to put into play to make a sustainable contribution to the national effort. We are ignoring that aspect.

Yesterday, the Minister for Finance, Deputy Noonan, spoke about bringing borrowing down to enable a 45% debt-to-GDP ratio.

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That is ridiculous in this day and age. While it is honourable in terms of keeping our debt levels low, we must take cognisance of the fact that we are not dealing with a blank canvas or complete suite of infrastructure throughout the country to allow us to perform to our potential. We have huge deficits in various areas. It is perfectly reasonable for us - this might be a personal view - to keep debt levels close to 90% provided that the 12%, namely, the difference between the current rate of 78% and 90%, is used specifically to front-load projects such as a motorway on the M5 or M4, not just at Kinnegad, or a motorway linking Knock airport to the Leas-Cheann Comhairle's constituency to the north or to Shannon down south. That is what is called strategic vision. That might enable the regions to realise their vast potential in tourism and other sectors. That potential could soon be brought into play in order to make a proper, sustainable contribution to the national effort rather than the piecemeal approach that was taken yesterday by the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, who made a fleeting reference to balanced regional development towards the end of his speech. The people of Sligo, Donegal, Leitrim, Cavan and many other counties throughout the country are laughing heartily at such a suggestion.

An Leas-Cheann Comhairle: The Deputy is depriving his colleagues of time.

Deputy Marc MacSharry: I apologise. There is much more I could say on this. The capital aspect of this budget is absolutely impotent. It behoves the Government to review this as a matter of the utmost urgency and begin to invest what is needed to allow us to perform to our potential.

An Leas-Cheann Comhairle: Deputy Anne Rabbitte has lost a minute.

Deputy Anne Rabbitte: I concur with everything Deputy Marc MacSharry said. Coming from east Galway, I can only but echo to the House everything he said. This evening, I wish to discuss the elements of child care provision alluded to in the House yesterday. My party and I welcome what has happened with regard to child care, although some aspects need to be improved. I welcome the fact that child care has been put centre stage. When Sinn Féin Members stood before us today, they pointed in their scrutiny to everything we did wrong in supporting the Government's decisions in the budget yesterday. The only thing they ticked as right was child care. Unfortunately, while some elements are very right, there are some elements that are very wrong. I will give the House one example. A family on a joint income of €28,000 will benefit by €2,800 per annum. A jointly assessed couple on €29,000 will get €900 per annum. While I really welcome the provision, which has rightly looked after the low-income earners, the middle-income earner has been forgotten about. I refer to a couple with a joint income of €29,000. I hope that in the future, perhaps in next year's budget, index linking might be introduced. Perhaps we could see progression, an opportunity for families who want to work and are ambitious. As pay rises, they should not be left behind completely. Now that we have started in this regard, we should continue with this process in regard to child care.

I am very worried about the lack of choice because in the budget yesterday we left aside the child minder. I rang Galway City & County Childcare Committee today to find out how many child minders are registered. I was told 22 are registered. Throughout the whole country, there are only 300 child minders registered. According to the press conference yesterday evening, there will now be a minimum of 25,000 additional children availing of child care services. Where will we put them? How will we facilitate this? I do not know how this will be rolled out on time. From a budgetary perspective, it is very good for the low-income earners but we have to see how it will be rolled out. We need to consider the child minders and provide supports for them. We need to support our city and county child care authorities.

The €14.5 million for seven days of non-contact time to help child care providers to do their paperwork is very welcome. From a social worker perspective, it was great to see the breakfast and lunch allowances being increased so children could have healthy meals. That is very welcome. The additional clothing allowance, worth €500, is very welcome.

We must also consider the tax discrimination element, however. The tax aspect was not properly covered. It was a weak link in what was presented to us yesterday. The heart of the Minister for Children and Youth Affairs, Deputy Katherine Zappone, was in the right place. Perhaps there was no need for the two subsidies. Perhaps we should have dealt with this differently. A person on €47,000 is now equal to a person earning €250,000. That is the inequality.

Deputy Margaret Murphy O'Mahony: I wish to speak on the disability aspect of yesterday's budget. I am very pleased to have the opportunity to contribute to this discussion. I particularly welcome the decision to provide a medical card to all children in respect of whom a domiciliary care allowance payment is made, which was a key pledge in the Fianna Fáil manifesto this year. The €5 in social welfare payments is also welcome, but I am disappointed that

this budget did not begin the process of recognising the additional cost of a disability. This was a key component of Fianna Fáil's general election manifesto.

People with disabilities have been neglected for years and have suffered greatly as a result of regressive cuts and punitive policies. While there are some welcome developments in budget 2017, it falls short of what people with disabilities require to live full and independent lives. The Minister has allocated €2 million in funding to be provided for projects that provide pre-activation supports for people with a disability, but there appears to be no detail as to how this will be deployed and, furthermore, I question whether it is a sufficient allocation given that the at-risk-of-poverty rate for those not at work due to an illness or disability is 23% and the deprivation rate is 51%. It is clear that much more needs to be done to assist people with a disability to enter and stay in the labour market.

While I welcome funding increases in health services for people with disabilities, it has to be said that no real specifics on what will be delivered have been provided. For example, we are told that additional funding of €10 million will contribute towards the development of a number of other programme for Government commitments, including therapies, respite and other supports. There is no detail as to what this will mean in practice. How many extra therapists will we see recruited in 2017? Waiting lists for occupational and speech and language therapy remain far too high. For example, figures provided to me during the summer show that 3,611 under-18s are waiting more than a year for their first occupational therapy assessment. These figures showed a substantial increase in the number of children experiencing long-term waits for assessment.

Other figures I obtained showed that the waiting lists for speech and language therapy have risen this year, with 14,047 people waiting for a first assessment, which is up from 13,545 last year. The numbers waiting for treatment have also increased over the same timeframe. These figures are concerning. Especially concerning to me is the point that 1,364 of those waiting for treatment have been stuck on waiting lists for more than a year, with 117 waiting over two years. A wait of over a year is simply unacceptable considering that the vast majority of those waiting are children. As we are all told, early intervention is critical for them to support their development. If one considers that the early years are from birth to the age of six, one will realise that having to wait for over a year or two years for treatment is very damaging to those in that age group. In view of this, it is disappointing that we did not see any movement on the commitment for a new model of in-school speech and language therapy. Of course, I realise we will have to wait for the HSE service plan for 2017 to get the real story. We will be watching closely to see that the plan makes a real difference in the provision of critical services in 2017.

Deputy Fiona O'Loughlin: I share the concerns of my colleague, Deputy Darragh O'Brien, on Brexit. This was the biggest, glaring omission in yesterday's budget. Yesterday was an opportunity for us to get ahead of Brexit but today we are further behind than ever. What does Brexit mean to people on the ground? One should ask the people who were working in the three mushroom factories that have closed in the past few weeks. One should ask the people in the food industry, where we have already seen that English suppliers have cut their costs by 10%. Indigenous businesses are struggling to keep their space. Where are the substantial measures, the risk-aversion arrangements and the enticements for business in this context? The budget was an opportunity for Ireland to get ahead and get first-mover advantage to receive the banks or financial institutions that are ready to move from London. Many years ago we had a crisis in respect of sterling. The then Government brought in a temporary measure in respect of halving the cost of PRSI for the employers in the affected industry. We saw no such measures yesterday

in the budget, which represents a huge mistake.

Regarding housing, social stability is built on a few basics, none more important than having a roof over one's head. The housing crisis has many victims, including the homeless, those in social housing, those in negative equity and those who cannot get on the property ladder. Home ownership is important for families and communities. Absolutely nothing was done for people in negative equity. What about those who are living in apartments, hoping to start families or perhaps starting families already and looking to buy a house? They are penalised by the budget. The price of houses will go up and they will have absolutely no support. The measures announced around housing should have addressed the punitive development levies and the fact that at present 40% of the price of a house goes straight to the Government. This is what needs to be addressed.

I have spoken many times in this House about the fact that my constituency, Kildare South, has the lowest number of gardaí in the country and not one community garda. I welcome the increase in Garda numbers and sincerely hope my county will do better than it has done in recent years and that our two Garda stations which were closed recently, Ballymore Eustace and Ballitore, will be reopened.

I welcome the Minister for Justice and Equality's funding for victims, particularly victims of domestic and sexual violence, but €500,000 is paltry and I remind her that there is a huge and pressing need for a new family law court in this city.

With my colleague, I am happy to see the extra supports in child care, but they need to be implemented without delay and cannot wait until 1 September. The cost of child care for families in County Kildare runs into thousands of euro and is a major strain on working parents. Again, as my colleague has pointed out, middle-income families are finding themselves unfairly penalised. We must support parents who make the choice to stay in their homes and support their children at home. Child care providers play a pivotal role in our society. They are entrusted with the care and education of children and deserve greater recognition and appreciation for the work they do.

Schools are the building blocks of our democracy. If we are to create a better, fairer society, it must happen through schools and if we are to build a better society through schools, it must happen through our teachers, whom we need to support. The budget has done nothing to improve the pupil-teacher ratio or to provide for the restoration of pay following the cuts in teachers' pay and allowances to support a profession in which morale is low and where students are impacted. We must recognise the importance of intervention in children's lives in their early years. My colleague, Deputy Margaret Murphy O'Mahony, has outlined where such intervention is needed. The reality is that much of the extra spending announced in the budget will be swallowed up by the fast-growing school population. The pupil-teacher ratio remains the second highest in the country.

An Leas-Cheann Comhairle: I thank the Deputy for having observed the time limit.

Deputy John Brady: One of the most bizarre announcements arising from the Fianna Fáil-Fine Gael budget yesterday was the €1 billion to be set aside annually from 2018 for a so-called rainy day fund, as if we need to wait around to see a rainy day arrive. For the people sleeping on the streets outside this very building this evening and every other evening, the rainy day is here. For the elderly who sit in libraries from one end of the day to the other to keep warm because

they cannot afford to turn on their heating, the rainy day is certainly here. For young jobseekers who have been living on €100 per week for six years now, the rainy day is certainly here. For the lone parents who cannot afford to feed their children without assistance from a charity organisation, their rainy day is here. The reality is that for those living in the real world, the rainy day has long arrived. How frustrating it must be for these people to see that the Government has made the decision to put money aside rather than tackle poverty, tackle fuel poverty, tackle inequalities and help to bring about a level of fairness. How can we afford to put money aside when we have a crisis in nearly every single sector of Irish society?

Nelson Mandela once said, “A nation should not be judged by how it treats its highest citizens, but its lowest ones.” Yet the Minister for Social Protection, Deputy Leo Varadkar, strutted in here yesterday thinking he was Santa Claus, throwing around a few fivers like they were going out of fashion, stating his social protection measures were fair, socially just and benefited everyone. That is fundamentally untrue. Older people have received a tokenistic €5 increase in the State pension. With the cost of inflation, the increase will realistically leave older people with little more than €1.30 extra per week. This increase comes at the same time as that same Minister and the Minister with us in the Chamber this evening, Deputy Shane Ross, will receive pay increases of €11,735, which equates to €32.15 per day. Meanwhile, the most vulnerable of older people, those living alone, will see no increase in the living alone allowance. These are the older people who, in many cases, have only one source of income in the State pension. There is absolutely nothing in the budget for them because they live alone.

The fuel allowance also saw no increase whatsoever at a time when fuel poverty affects 28% of households across the State. We have all heard the real-life stories of older people having to wear their winter coats indoors, rationing coal week to week and going to bed just to try to stay warm. Fianna Fáil and Fine Gael’s response to growing fuel poverty is to not address it at all and pretend there is none.

The transitional pension remains completely abolished. This continues the absolute farce of those aged 65 years who are obliged to retire being forced onto jobseekers’ payments for the year. We know from CSO figures in April this year that there are more 65 year olds on jobseekers’ payments than any other age group in the State. There are currently more than 5,075 65 year olds signing on for jobseekers’ payments. These are people who, in many cases, have worked their whole lives and paid into their pension schemes. They have been locked out of that very pension for an entire year and absolutely nothing is being done to address the issue.

If the measures introduced for older people are tokenistic, the measures for the young unemployed are an absolute disgrace. Yesterday, the Minister, Deputy Leo Varadkar, talked about the social impact assessment of his budget measures and how positive they were. I would love to see the social impact assessment of the discriminatory cuts for young people. I bet they would be far from positive and would reflect the reality on the ground. While the Minister threw fivers around as if he were throwing around snuff at a wake, across the board the Government has quietly singled out young jobseekers. In fact, they are the group that receives less than everybody else. A jobseeker aged between 18 and 24 years will see his or her payment increase from €100 to a measly €102.70. A jobseeker aged 25 years will see his or her payment increase from €144 to €147.80, that is, by an additional €3.80. I raised this issue with the Minister last week and again ask the question as to why Fianna Fáil and Fine Gael feel the need to continue the discrimination against young people who are unemployed. Fianna Fáil continues to take credit for the positives in budget 2017. It may also take credit for this €2.70 increase for 18 to 24 year olds, considering it was the party that began the discriminatory cuts for young people.

The message from the Government to young people remains the same as it was in 2009 - leave the country.

While, on the one hand, the Government tries to mask this tiny increase as an incentive for young people to take up education and training opportunities, on the other, it has just handed back €30 million to the European Union in European Structural Funds that had been earmarked for youth employment initiatives. What does that tell us about its concern for training opportunities for young people? That incentive to sign up to avail of training opportunities comes with reduced funding for the very same training and job activation schemes. Despite the most serious concerns recently highlighted by Department auditors about JobBridge, the slave labour scheme continues with no replacement in sight. As of today, exploitative positions are still being advertised on the JobBridge slave labour activation website. The replacement was to have been announced last month and we need a real replacement; JobBridge 2.0 will not cut it.

There have been reductions in funding for community employment schemes - down by 6%; JobsPlus - down by 25% and Gateway - down by 78%. If the Minister is phasing out Gateway, I welcome it. However, the people engaged in work in local authorities across the State cannot be consigned back to the live register. They need to become full local authority employees drawing down a full local authority wage.

The budget leaves lone parents even further behind. Despite the Government spin and its pretence at a new-found concern for lone parents, the budget manages to leave them worse off than before. They will now be better off transferring from in-work benefits to a jobseeker's payment. Lone parents who were forced off the one-parent family payment and onto family income supplement will now be financially better off on a jobseeker's payment.

The Government has managed to contradict itself again when it comes to lone parents. First, it cut the one-parent family payment qualifying age to seven to encourage employment with a non-existent Scandinavian-type child-care system. Lone parents have been left unable to take up employment as they cannot afford child care. The Government has now ensured lone parents are better off on jobseeker's allowance and not in employment.

With all the talk of increased back-to-school costs, an issue I have raised on numerous occasions in this Chamber and at committee meetings, there is no increase in the back-to-school clothing and footwear allowance. Therefore, the burden on the so-called free education system continues.

As it turns out, it was more like the Grinch who walked in here, as opposed to Santa Claus, for many people across the State. This budget, like successive previous budgets favours the well-off. It expects older people to be grateful for a fiver; it discriminates against young people because of their age and it further marginalises lone parents. Budget 2017 is far from fair, far from socially just and further away than ever from benefiting everyone in society.

Deputy Louise O'Reilly: Like many people in recent weeks, I was fascinated to watch the interplay between the Government and Fianna Fáil. I was interested to know how a pretend disagreement was manufactured when clearly these two right-wing parties agree on so much. What emerged was a mini-series that could have been scripted by the men and women who wrote "Dallas", complete with a comical script.

The health system is providing more care to more people with significantly less resources. We have an ageing population, more chronic disease and lengthening waiting lists. The Gov-

ernment should be clear and honest in how it frames the budget. Given that health spend *per capita* fell from €3,400 in 2009 to €2,770 in 2014, what is being done now is running to stand still. There is nothing transformative in the budget. Dr. Sara Burke put the crisis in the health system succinctly when she said that from 2013 onwards the health system could no longer do more with less and began to do less with less.

We cannot ignore that the chronic emergency department crisis is endemic with system-wide failures, with higher levels of unmet need, poor access to diagnostics outside of the hospital setting and long waiting lists for procedures. People like Vera Ronan and the thousands of others who are waiting for the implementation of the neuro-rehabilitation strategy are still waiting. What about families that have children with life-limiting disabilities? There is nothing in the budget to lead us to believe State-funded paediatric palliative care is any closer, which is wrong.

Today I met a lovely woman from County Donegal. I know that the Leas-Cheann Comhairle knows her and has done good work on her behalf, as have my colleagues Deputy Pearse Doherty and Senator Pádraig Mac Lochlainn. This lady inspired me to come in here and raise her case and those of her children. I do not know how she goes on. I do not know how she gets up in the morning, but she does. She has been waiting for the implementation of a strategy that is already in place. She has a son with a life-limiting condition. She has another son who has Down's syndrome. She put it very well when she said that she was fighting for an independent life for one son and an independent death for another. What are we to say to this woman? How are we to face her and tell her that it is like fiver Friday - there is a fiver here and a fiver there. A strategy has already been written, all that is needed is funding. How can we accept that the only meaningful paediatric palliative care that is offered in the State is provided off the back of charities? That is not right. Children deserve better. It is welcome that 10,000 children in receipt of the domiciliary care allowance will now receive a medical card. I have provided the legislation for the Minister. I do not expect there to be any delay. I know that the Minister of State, Deputy Marcella Corcoran Kennedy, will feel for this woman and hope she will take the message from this Chamber to the Minister for Health, Deputy Simon Harris, because we need to do something for the people concerned. It is not acceptable. The Government cannot state, "keep the recovery going" to them because they have never felt a recovery. That is not right and it is not fair. There should be something for them that will give them hope. I know that the Minister of State will take that message to the Minister for Health. I hope we will see some action in this regard because it is not fair and is not right. I raise the issue because I spoke to this woman today and, as the Minister of State can probably tell, she had a big impact on me. So many children are waiting and it is not right or fair.

The budget provides €15 million for the National Treatment Purchase Fund, NTPF. To use the analogy of "Dallas" again, going back to the fund is like Sue Ellen going back to JR time and again and expecting something different to happen, but it will not. The NTPF means privatisation. Investing in privatisation never did and never will solve the problems in the public health service. Handing money to the private sector will not help public services to thrive. Taking money from the public sector and telling people that somehow that will benefit the public sector is counter-intuitive in the extreme. The National Treatment Purchase Fund, the brainchild of Fianna Fáil, will not help to resolve the health crisis. It will not address the public health crisis.

A total of 491 people are waiting for an initial physiotherapy assessment, while 4,481 are waiting for an initial occupational therapy assessment. These figures came out two months after the Minister had announced investment by the European Investment Bank in 14 primary

care centres. Again, the programme for Government is littered with references to primary care. The Government does not need to convince me. I already believe primary care services need investment. I already believe the primary care sector will be the driver of the health care system of the future, but the Government has to invest in it. Sinn Féin has asked a series of parliamentary questions about the 14 centres that are being built. The standard answer from the HSE every time is that as the services will be relocating from their existing bases, no additional staff will be employed. How can this be figured out? There are not enough staff working in primary care services and the Government's plan is to provide no more staff, while at the same time telling everybody that primary care services are the way forward for the health service. I am a member of the Committee on the Future of Healthcare which has been charged by the Minister for Health with the task of writing a ten year plan, which I absolutely welcome. We are doing good work, even if I say so myself. I know that there are other committee members in the Chamber. We are doing our best and listening to what the experts have to say, as that is what the committee should do. The experts are telling us that we need to invest in primary care services. We, therefore, need to provide more staff.

I will outline the headline figure, what one might call the trailer that is watched just before the news at 9 p.m. and "Dallas".

Deputy Anne Rabbitte: The Deputy is watching too much "Dallas".

Deputy Louise O'Reilly: In the trailer we hear about 1,000 new nurses. Let us look at the Government's track record in this regard. The last time there was a "Bring Them Home" campaign 12,000 nurses were targeted. A total of 92 nurses returned, some of whom, according to the unions, have gone abroad ahead or moved to the private sector, but they have left the public service. Perhaps the Minister of State might indicate from where the nurses will come.

Sustained investment is required to make the health service a decent place in which to work, not just in the National Treatment Purchase Fund, NTPF. Sustained investment in the public service is required to ensure nurses will want to work in the health service because they do not. They are leaving in droves. The Minister of State knows this as she can see the figures for herself and is probably talking to nurses, as I do. They cannot get out of Ireland fast enough. They are educated, bright and young. We should be bending over backwards to ensure they stay in Ireland's health service, but they cannot wait to get out of it. They cannot wait to get out of college. They will work in the private sector, the United Kingdom, Saudi Arabia, Australia and the United States of America. Why are they not working in the HSE? While the recruitment headline figure is 1,000 nurses, the Government's record tells a very different story. A total of 164 nurses was the target in the agreement reached with the Irish Nurses and Midwives Organisation in December 2015. It was to provide no holds barred, permanent and pensionable contracts for graduate nurses, perhaps because some people thought the three month contracts on offer were not attractive. How many accepted them? The target figure was 164, but the Government recruited 60 nurses, some of whom have left. Relying on the NTPF or the setting up of hospital trusts, etc. will not work. The budget could have presented an opportunity to do something new and different to make a real difference in people's lives. It was a missed opportunity.

Deputy Alan Kelly: I am delighted to be sitting beside my good friend and colleague Deputy Jan O'Sullivan who, at the beginning of the term of office of the Government, described this as the "do nothing Dáil". To continue the analogy, this is a do nothing budget. In fairness to my colleague, it is the defining description of the Dáil, and will be for its lifetime. This Fianna Fáil, Fine Gael and Independent Members conglomerate or tripartite Government or, the

new phrase, centrist experiment or love affair has adopted a scatter gun approach to the budget. The budget has been called many things, including the €5 budget, but it is quite obvious that, having been designed by this conglomerate committee, it will achieve nothing. Politics is all about choices and priorities and the budget made none. Politics is failing the State because the Government, including the Independent members and Fianna Fáil, as well as my colleagues in Sinn Féin, are, unfortunately, chasing the populism agenda, as demonstrated once again in the budget. Someone said yesterday that in trying to please everyone, this conglomerate had ended up practically helping nobody. That is the feeling of the public.

There are, however, some initiatives included in the budget which I welcome. To show balance, I welcome the recruitment of additional gardaí to the Garda College in Templemore, something the Labour Party had agreed to last year while in the previous Government. I also welcome the extension of the CCTV programme to include coverage of motorways. As someone who comes from County Tipperary, through which two of the largest and popular motorways run, the roll-out of the CCTV programme to cover the entrances to and exits from motorways is a very good initiative. I know this because I piloted the measure and suggested it as part of the funding programme last year. With former Senator John Whelan, Superintendent John Scanlan and Mr. John Bonham, I initiated the Durrow-Dunmore rural CCTV scheme pilot.

The initiative on the domiciliary care allowance is a move in the right direction and very welcome. I do not believe, however, that the increased taxes on tobacco go far enough. The Minister of State may agree with me, but they are welcome nonetheless. The increase in the earned income credit is also welcome, although it is lower than it should be.

There are, however, so many holes in the budget. When one looks at the health service, the €10 million prescribed for home help and home care packages will go nowhere near meeting the €18.2 million required to clear the backlogs. It is not clear if the entire €10 million is for home care packages, but I believe it is not.

The proposal to provide medical cards for those under 12 years has been dropped. I can see absolutely nothing which has been allocated for early intervention teams for children, an issue which really needs to be dealt with. The backlog in providing occupational therapists, physical therapists and speech and language therapists is incredible. Let us be honest - we all talk about the issue in the Dáil, but what is happening is not acceptable. A total of €25 million could be found in the budget to promote sheep welfare, but the Government could not find funding for early intervention teams for children. It reminds me of the line from *Animal Farm* - "Four legs good, two legs bad." It is ironic.

On the National Treatment Purchase Fund, NTPF, it simply has to do with privatisation. It is unfortunate that we keep coming back to this, instead of addressing the real issues involved.

There are others issues in health care which are worrying. There is no definition of the funding for mental health services, for which, in the previous Government, we fought so much.

The roll-out of community intervention teams is also a huge issue. There is no standardisation across the State. I expected funding to be provided in the budget, but it did not happen.

I turn to education. I am glad that the Minister for Education and Skills, Deputy Richard Bruton, has come into the Chamber because I expect him to talk to the Irish National Teachers Organisation, INTO, in the next week or so. The INTO took it for granted that the pupil-teacher ratio would be changed. It is absolutely incredible that the issue has not been addressed. We

began the process last year, when I sat beside the Minister at the Cabinet table. He has failed teachers and pupils by not being able to deal with the issue this year. The fact that we are only providing enough teachers to meet future demand says an awful lot about the priorities in the primary education sector, in particular.

I support the child care initiatives in principle, but I am worried that there is some trickery with regard to funding as the figures do not add up. The sum of €32 million to be provided next year, from September, means a total figure of €96 million. I am worried that the Minister for Children and Youth Affairs, Deputy Katherine Zappone, has not done her sums. I am also worried that she is promising more than she can deliver in the timeframe about which she is talking. It remains to be seen if she will be able to deliver. For her sake, I hope she is not bluffing.

My real concern is for child care workers and the capacity to provide workers if they will not be able to earn a wage that will give them a decent standard of living. In its budget submission the Labour Party proposed a living wage for these workers.

There is a real issue in the area of social protection. This is a lesson for everyone in the Dáil and the Oireachtas. Work must pay, but the budget goes in the opposite way. Liam who works in the security industry was in touch with me yesterday. He asked me whether it was true that somebody on the minimum wage and working 40 hours a week in the security industry would receive €4 in the budget, while somebody who, unfortunately, was not working would get €5. This does not ensure work pays. I assure everyone in the House that nothing annoys and upsets members of the public more than when they can see a situation where they work very hard but it does not pay them to go out to work. The Government is pushing an agenda where this is the case and this demonstrates it. People are absolutely infuriated.

I wish poor old Deputy Willie O’Dea was in the Chamber because he went absolutely insane last year when we introduced a package for old age pensioners which included the Christmas bonus, the fuel allowance and an increase in the State pension. Amazingly, the increases this year are considerably lower than what we brought about as a Government last year. The figure is €245 versus €336. It is a pity that the Deputy is not present to demonstrate his anguish and how horrified he is at the fact that the figure is so low.

It is absolutely deplorable that the Government did not see fit to increase the minimum wage by more than 10 cent. The previous Government was able to increase it by €1.50. This would have been seen as a progressive move. I hope the Government, if it lasts further, will return to this issue.

Fine Gael kept its promise on the USC, but it need not have bothered. It would have been better off if it had abandoned the promise because what it has done will make very little material difference to absolutely anyone. The real issue on taxation is the level at which those on a modest wage of €33,000 enter the higher band. That is the issue that must be dealt with to make a material difference to people’s lives.

I have always been progressive and welcome many of the housing initiatives the Minister, Deputy Simon Coveney, has delivered. Many of them began prior to his tenure, but we will leave that matter aside. The help-to-buy scheme, while okay in theory, will not work in practice because it will drive up house prices. When it was discussed previously, it was with reference to a €300,000 purchase price. I know very few, if any, first-time buyers who will buy houses for up to €400,000 or €600,000. It is absolutely incredible. We needed measures to deal with

the supply side, not the demand side. We needed to cut the cost of building, particularly from the point of view of taxation, but this has not been done. Instead we will have first-time buyers competing with one another, driving up prices, particularly in Dublin. I was astonished yesterday when the Minister for Finance, Deputy Michael Noonan, actually acknowledged the Construction Industry Federation and Mr. Tom Parlon on the “Six One News” and stated they had assured him it would work. For God’s sake, when did a Minister actually take as gospel what a lobbyist was saying? It is amazing.

It is a pity the Minister for Transport, Tourism and Sport, Deputy Shane Ross, is not still here because he forgot about his own Department in terms of transport. He must have been too busy fighting for sheep. The allocations for the transport budget are very disappointing, particularly sustainable transport initiatives. It is incredible that there has been a 17% drop in the budget for sport, but a sugar tax will be introduced. Is this not a contradiction in some way? Can the Government not see how this is hilarious to people? However, we do not have the conviction to introduce the sugar tax before our near neighbours in Britain. There is no logic to this decision.

There is no provision for extra funding for IDA Ireland and Enterprise Ireland to Brexit-proof the country. I am disappointed in the Minister for Jobs, Enterprise and Innovation. She needs to start to stand up to meet the requirements of the Department in this area.

There is a 16% cut in funding for the arts; therefore, we will not be able to continue the fantastic creative work we have seen in 2016, which is hugely disappointing. The spinning on this issue has been incredible. Just because the allocation for the Arts Council and a few other organisations has been increased does not mean that the Government can hide the fact that the total budget for the arts has been cut by 16%.

Is this really a budget? We actually do not know the total cost or the figures involved. The Taoiseach, the Minister of Public Expenditure and Reform and numerous other Ministers are incapable of telling us when many of the social welfare provisions will commence. This changes the total cost of the budget. That is why we know this is a do nothing budget because this is a do nothing Government in a do nothing Dáil.

Deputy Jan O’Sullivan: I compliment the Government on one aspect of the budget, the way it has managed to spin it very well. It has managed to create a triumph of spin over substance. A supreme example is the one referred to by Deputy Alan Kelly. Old age pensioners were told that they would benefit more from the provisions of this budget when, in fact, they did better in the previous one. However, the spin has prevailed.

The spin has also prevailed regarding the fact that this was sold as a child-centred budget when it is anything but. There are a number of central holes in it which show this, one of which is the amount of money allocated for what is a welcome initiative focusing on early years education, but the allocation of €32 million will go nowhere near meeting what is required. In our alternative budget we stated €177 million in new money was required. Last year, for example - fair dues to the then Minister, Senator James Reilly - €82 million was provided for the early childhood care and education scheme, but this was not described as a revolution. There will only be an extra €32 million next year. There is no focus whatsoever on the sustainability of the sector, the cost of providing the service and the low wages in it, an issue raised by Deputy Alan Kelly. People are living on the minimum wage, with the miserly 10 cent increase announced. People with degrees and good qualifications and strongly dedicated to working with children simply cannot sustain themselves on the amount of money they are being paid. In our alterna-

tive budget we stated €62.6 million was needed to raise pay levels in the sector. I will give an example to show how people cannot afford to live on the money they are being paid. Last year, when I was Minister for Education and Skills, we advertised ten posts for inspectors in the early years sector. We received 591 applications from qualified individuals. This shows that people really want to work in the sector, but they cannot do so on the wages they are being paid.

Another issue I want to highlight is the fact that there is absolutely no improvement in child benefit. Last year, when money was tighter, the then Minister, Deputy Joan Burton, allocated €72 million to increase child benefit by €5 per child. She also allocated €18 million to raise income thresholds for family income supplement. There has been no improvement in family income supplement in the budget. These are major issues in dealing with child poverty, child disadvantage and the cost of looking after children, in respect of which nothing has been done in the budget, which is hugely disappointing.

The Minister for Education and Skills is in the Chamber. Last year I set aside €18 million to reduce class sizes at primary and post primary level. I assumed the process would be continued this year. I attended the INTO briefing and it had also assumed that it would be continued this year, but it has not been. This is hugely disappointing in providing opportunities for young children and in view of the importance of their receiving individual attention in the early years in school, in particular. These are three big areas in which there has been spin but no substance, which is hugely disappointing.

I would like to touch on housing which is important in the context of the terrible difficulties faced by people who are homeless and the need for increased supply which is the basis for the problems relating to costs, etc. Deputies Fiona O'Loughlin, Alan Kelly and others have correctly pointed to the fact that the response has not been to increase supply. Eminent commentators and experts such as Dr. Lorcan Serr and Mr. David McWilliams have pointed out that this measure will not do anything to increase supply, rather it will put money in the pockets of the people Mr. Tom Parlon represents.

The average cost of supplying a house is €330,000, but only €150,000 of this figure relates to the cost of construction. More than half of the cost is made up of taxes and, in particular, the cost of land. We made a proposal to implement the Kenny report, whereby if landowners were to be compensated for the compulsory purchase of building land, they should be paid the agricultural price, plus 25%. That would immediately reduce the cost of land. Second, my party stated the vacant sites levy should be brought forward. It was introduced by Deputy Alan Kelly and its implementation should be brought forward as a stick is needed. The construction sector cannot only be given carrots with which it can generate more profits while pitting first-time buyers against each other, thereby increasing the cost of housing. Measures were needed to increase supply, but they have not been introduced. We also wanted rent increases to be linked with the consumer price index but nothing has been done for renters who are in difficult circumstances.

I refer to another issue related to housing supply. In 2014, 2015 and 2016 funding was allocated for the refurbishment of voids or empty local authority houses. A total of 2,300 units were restored in 2014 and 2,700 in 2015. In reply to a parliamentary question I tabled recently I was informed that 1,500 units had been provided for this year, but only 800 have been provided for next year. That means that we are going backwards rather than forward. According to recent CSO figures, there are almost 200,000 empty houses in the country. While they are not all social houses, some are. If people were to drive around Dublin tonight, they would see

empty houses and apartments that could be refurbished. This is evidence of another reduction rather than an increase.

I could refer to many other measures, but I will conclude with the cuts in sports and arts funding. We represent a party that believes in bread and roses. People need to have bread. They need to have enough on which to live, but they also need the arts and sport and the cuts are unforgivable.

Minister for Education and Skills (Deputy Richard Bruton): I am grateful to have the opportunity to contribute to the debate. We have all been through one hell of a rollercoaster ride in the past decade, but having reflected on it, there is a compelling proposition that everyone must now accept, which is that we cannot have a sustainable, fair society without a strong economy and we cannot have a sustainable, strong economy without a fair society. They are two sides of the one coin and that is what the budget has been at pains to underpin. We only have to look back at the past decade when both economic and social supports were torn down to recognise the folly of trying to build a fair society in an economic sandpit. That is what the property bubble was and it could not sustain the social services we wanted to build. As a result, we have a lost decade in terms of investment across many sectors, whether it be housing, education and health, and that issue will not be addressed in one or two budgets. It will take systematic work in the coming years to recover the losses.

It is important to think long term about the challenges we face and examine what is sustainable fairness and a sustainable economy. That is where the budget is strong because it has set out an important road map for the changes that need to be made to support a strong and fair society. We have commenced long overdue investment in child care services, starting with families that are least well off. That investment will represent a figure of €8,000 for families on low incomes that need to place their children in child care services. That is substantial support for such families, particularly in disadvantaged areas. We are told every other day that children from a disadvantaged area enter school at the age of four years way behind their peers. We have a structured child care programme from the age of six months until children enter school, starting with child care support and moving into the early child care programme. That is a significant long-term decision by the State.

Our decision to invest in tackling disadvantage within the education system is equally significant. I note the criticism of Members that we did not reduce the pupil-teacher ratio in primary schools, but we made a conscious decision to make a substantial investment in both disadvantaged children and children with special needs. Of the 2,400 additional teachers we are funding, more than 1,000 will be deployed to look after children with special educational needs. We are moving to a better model which will support these children in a better environment, better integrating them in mainstream schools. That, again, is a long-term investment and we will have a plan to upgrade the programmes supporting DEIS schools. These are important long-term decisions because to break the cycle of unfairness and disadvantage, we have to start with education. Education opens up opportunities for people to receive the training and gain the skills they need, which means that they will not be in marginal jobs for the rest of their lives and not suffer persistent unemployment. We know this from every statistical journal people care to open. We have made a conscious, long-term decision, therefore, to invest in tackling disadvantage, not just in the early years but also in higher education, apprenticeships and many other important areas.

We have also made a long-term strategic decision to halt the decline in investment in higher

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and further education. We have had eight years of decline, with a 33% reduction in investment in that sphere. For the first time, we are not only investing this year but setting out a road map for the coming years. I look forward to discussing with colleagues at the education committee how we can find a sustainable path to drive the skills, apprenticeship and traineeship programmes needed for the future economy we all desire to build. However, the decisions announced by the Minister for Public Expenditure and Reform are important for the long-term development of the country.

I was surprised when a former Labour Party Minister trenchantly condemned the Minister for Social Protection for providing €5 per week for the 850,000 social welfare recipients who had not received an increase in the past eight years. They have suffered only cuts to welfare supports. The proposed increase is a correct decision. We cannot leave 850,000 people, including carers, the widowed, those with a disability or in receipt of invalidity pension and the blind, behind. Given that we had the opportunity, it was right to treat them fairly. They are in the lowest decile, even below pensioners.

The budget takes a long-term view of Brexit. I have listened carefully to what has been said by colleagues, particularly in Fianna Fáil, about this because there is genuine concern.

7 o'clock

Having overseen the enterprise agencies, I look favourably on their decision to increase their capital budgets by 10% and to put boots on the ground in the foreign markets into which we now need to diversify. It was right to extend the tax relief for companies which put their people out into those new markets, on which we need to build by bringing in new export credit support and insurance so that people can get access to better-value credit. It was also right to support entrepreneurs and start-ups and to give them a break in the area of capital gains tax. It is a signal of the direction a long-term sustainable response to Brexit requires. It requires us to rebuild innovation, rebuild entrepreneurship and strengthen export markets to diversify away from the United Kingdom.

Those who have said this budget is not prudent need to look at the numbers announced yesterday. Our budget deficit will be less than 0.5% and our debt at the end of next year will be down to 75% of GDP, lower than the United Kingdom and most European countries. The total increase in our spending will be 3.6%, but the growth of the economy will be 4.6%. We are increasing our spending by less than the growth in the economy. We are confining current spending to 3% but increasing capital spending by 10%, taking advantage of these times to invest in capital projects that are badly needed.

We are also setting aside money for a rainy day fund and €1 billion will be available to top up our capital programmes if, God forbid, we face more difficult times and the going gets rough. That is prudent and correct and will fortify us against the potential of a Brexit. There is international confidence in this economy and it is measured in the rate at which we can borrow. We can now borrow at 0.3% whereas at the depth of the crash we were having to pay 14% in equivalent markets. That is a transformation, but we have to build long-term competitiveness. That will be found in entrepreneurship and innovation but also in child care in order that women will not be forced to leave the labour market. It will also be found in housing in order that we will not have the pressures in rent and house prices which force companies to pay more. The long-term structural decisions that are part of the budget are important.

I recognise that we were not able to do everything and there have been criticisms from all sides of the House of the things we left out. In my area, however, we got €458 million, the highest investment in education ever in one year. We had to leave some things out, but we have given real signals of our intention and the direction in which we want to take education. We want to deliver the best education service in Europe within a decade and are putting the big stones in the bottom of the bag in that respect. We are creating the big road map to allow that to become a reality. While the budget is not perfect, it deserves the support of the House.

Minister for Agriculture, Food and the Marine (Deputy Michael Creed): I acknowledge that 2016 has been a difficult year for agriculture and the agrifood sector. It has not been easy for fisheries either; therefore, my focus in the 2017 budget for agriculture and fisheries has been on securing funding for strategic decisions that will enable the Department to meet the challenges that are ahead, which include those associated with volatility in commodity markets and the United Kingdom's decision to exit the European Union, given the fact that it is our single biggest market in the agrifood sector, with over 43% of our export destined for that market. There are just over €1 billion in exports on the beef side and just under €1 billion in dairy. It is our closest market, the one we can access most easily, the market we understand best and the market easiest to navigate for many small and medium enterprises making their first foray into export opportunities.

Next year the Exchequer-funded element of the Vote in my Department will be €1.47 billion, of which approximately €238 million will be on the capital expenditure side, an increase of €120 million over this year's budget figure. Taken in conjunction with the €1.2 billion in EU-funded direct payments, the total expenditure is €2.7 billion. The key focus was on maintaining farm payments and on protecting vulnerable farm incomes against market volatility, promoting and supporting sustainable investment and jobs in rural and coastal communities and strengthening the sector to meet the challenges arising from Brexit.

The United Kingdom is our biggest market, with €5.3 billion in exports and €3.8 billion in exports from the United Kingdom to the Republic of Ireland, a trade surplus for us. The challenge, politically, has been to create awareness of this and to that end we have established a dedicated unit in the Department and a stakeholders' forum, which has met already and will meet again on 20 October. This forum gives every stakeholder in the agrifood sector, both inside and outside the farm gates and in the fisheries sector, which will be particularly challenged in the context of the Common Fisheries Policy, a platform on which they can articulate their concerns in order that the Department can be best informed as to how to position itself to meet the coming challenges.

We also feed into the overall Government approach, which is being run by the Taoiseach's Department, to tackling the challenges ahead. We are working with the various agencies under my Department such as Bord Iascaigh Mhara, BIM, and Bord Bia and their client companies with which they are working to navigate the difficult challenges arising immediately because of the sterling differential. They are also exploring new market opportunities, something in which my Department is very active. Some would argue that our dependence on the United Kingdom is excessive, given the fact that 43% of our agrifood exports go there, but in a relatively short period of time, China has become our second biggest market in dairy and pork exports and is one we hope to penetrate for beef exports too. Brexit negotiations will begin with the triggering of Article 50 in March 2017 so there is an opportunity to create political awareness and I have met with my Northern Ireland equivalent on three occasions on the very complex cross-Border issues. I am meeting my UK equivalent and the Secretary General in my Department has met

his equivalent in both Britain and Northern Ireland on a number of occasions; therefore, it is not true to say the Government is sleepwalking into the challenges that are ahead. They are very significant challenges, but there is a whole-of-government approach and a interdepartmental approach involving every Department which is impacted on. There is a significant challenge for both farmers and the agrifood sector.

Budget 2017 financially underpins the Department's mitigation efforts through strategic investment in key areas, from providing access to an innovative low-interest agri cashflow fund of €150 million to agri taxation measures which are designed to strategically smooth income fluctuations. Budget 2017 provides a robust pre-emptive response to the Brexit challenge. Supporting and developing our food business is central to what we do as a Department. In budget 2017 increased allocations for Bord Bia and BIM, strategic investment in research and development and innovation such as increasing the definition limit for micro brewer to 40,000 hectolitres mean that we are putting forward practical solutions for businesses. As well as a dedicated unit in my Department and a consultative stakeholders committee, we have constant momentum behind implementing the Food Wise 2025 strategy, on which there is regular consultation with stakeholders. I am also active in area of seeking new market opportunities. As I said, I was recently in China on a trade mission and will be travelling to North Africa soon in that context, to look, in particular, at opportunities there for live exports, which is critical, given the increased number of livestock arising from the expansion of the dairy herd following the abolition of quotas.

My approach to budget 2017 involved a three pillar strategy, including the availability of low-cost credit which includes the aforementioned €150 million loan. It is important to say this is enabled by our matching the €11 million available from the European Union with €15 million. In other words, the call was for the Government to match the €11 million being provided by the European Union with €11 million, but we have gone higher and put €15 million of Exchequer funding into the facility in order that we are in a position under the minimalist rules to provide aid for the cereal and horticulture sectors. The interest rate in this regard is 2.95%, which means that it is a ground-breaking initiative. There is no other financial product available in the marketplace at that rate and which also provides for an interest only period of repayments. It is a six-year loan repayable on an interest only basis for up to three years. As we finalise the arrangements to bring the product to the marketplace, I encourage farmers to examine their cash flows. Merchant credit is extraordinarily expensive. A lot of farmers, particularly in the tillage sector, are investing on the basis of merchant credit. They now have an opportunity to switch their loan facilities in that regard.

Increased investment inside the farm gate is a critical part of what the Department of Agriculture, Food and the Marine does. A key priority for budget 2017 was to prioritise the ongoing implementation of the rural development programme and the seafood development programme and to fulfil the commitments in A Programme for a Partnership Government. I have also continued to provide support for the forestry and horticulture sectors, various State agencies within my remit and the horse and greyhound fund. My colleague, the Minister of State, Deputy Andrew Doyle, will update the House in more detail on these areas of expenditure.

The €4 billion rural development programme provides a vitally important stimulus for the rural economy. In 2017 rural development funding will be increased by more than 21%, from €494 million to over €600 million. The agri-environmental scheme, GLAS, will benefit from additional funding. The uptake of the first two tranches has been a major success, with a total of 38,000 farmers already having signed up to the scheme. The additional funding will enable

me to open up the scheme further in the near future. We anticipate that an additional 12,000 applicants could be accommodated. I am also increasing funding for locally-led schemes, including farming in the Burren, the freshwater pearl mussel scheme and a scheme which specifically targets further conservation measures for the hen harrier.

A sum of €52 million will be provided for the beef data and genomics programme next year. The funding which I am making available will permit the reopening of this innovative scheme to some new additional participants.

I am providing €50 million for the TAM scheme in 2017. We already have funded six measures and will launch a TAMS tillage measure in the near future. A sum of €25 million is being provided for a knowledge transfer scheme which will include participants in the beef, dairy, equine, sheep, poultry and tillage sectors.

As members are aware, €25 million is being provided for the sheep sector, as per a programme for Government commitment.

The €241 million European Maritime and Fisheries Fund provides for a €43 million investment in 2017 in a range of programmes, including capital investment in the seafood processing and aquaculture and fishing sectors to foster growth in production, value and employment and enhance sustainability and competitiveness. On the marine sector, in particular, I know that the Leas-Cheann Comhairle will welcome the announcement of a tax credit of €1,270 for fishermen employed in the sector, giving them an ability to earn a decent living and bringing them into line with others involved in the fishing industry.

The budget also provides for measures to address income tax volatility and provide supports for the self-employed through the earned income tax credit, the extension of PRSI benefits and so on. Overall, this is a positive budget for a sector that has helped to rebuild the economy from its knees following the crash in recent years. I commend it to the House.

An Leas-Cheann Comhairle: The next slot is being shared by Deputies Niall Collins, Mary Butler, Bobby Aylward and Jackie Cahill.

Deputy Niall Collins: I welcome what we have seen on this occasion in the budgetary exercise as a shift in Government thinking. In the budget the split in spend will be 3:1. Under the previous Administration which comprised Fine Gael and the Labour Party and lasted for five years, the split in the years in which there was additional funding available was 1:1 or 50:50. It is worth reminding everybody that those budgets were categorised by independent commentators as regressive. Fianna Fáil has rightly used its mandate to bring about a change in budgetary direction. This is a Fine Gael budget which has been influenced positively by Fianna Fáil. We will stand on our record in that regard and will stand up for the in excess of 500,000 people who gave us their number one vote in the last general election.

There are a couple of specific issues about which I would like to speak. On the housing initiative, I hope I am wrong, but I believe it is doomed to fail because it will not in any substantive way address the supply side issues. The provision of a €20,000 tax refund will not help a significant enough cohort of people. The serviced land initiative announced by the Government a few weeks ago, for which €200 million is being provided, will not bring any significant amount of serviced land into play in the immediate term.

The former Department of the Environment, Community and Local Government failed in

its responsibility to deliver the many wastewater treatment system upgrades required throughout the country. This issue has been ongoing for years. For example, an upgrade of the system in the town of Askeaton in my constituency has been promised since 2002, yet it is not listed as a priority investment in Irish Water's 2017 to 2021 initiative.

I welcome the re-initiation of the National Treatment Purchase Fund. This is important in the context of the need to reduce hospital waiting lists such that people will know that there is light at the end of the tunnel in their receiving treatment. I agree with the comments of the Irish Nurses and Midwives Organisation, INMO, on the additional nurses promised in the context of the budget. It is important that the additional front-line nursing posts will not be posts vacated by agency nurses but will increase nursing capacity within the hospital system.

On the increase in Garda numbers, more gardaí are needed in rural communities and the capital city. I remind the Government that Fianna Fáil committed in its election manifesto to increasing Garda strength to 14,500 only to be told at the time by the Minister for Justice and Equality, Deputy Frances Fitzgerald, that this would not be possible. Fine Gael then published its election manifesto in which it committed to increasing Garda strength to 15,000. It appears that it was not possible to reach Fianna Fáil's target, but it was possible to achieve a higher target. I welcome the proposed increase in Garda numbers, but it must be remembered that Fine Gael in government suspended Garda recruitment for too many years. We are still playing catch-up in that regard.

On the capital budget, as a Deputy who comes from Limerick, the third largest city in the country, I am disappointed that the proposed M20 motorway project from Limerick to Cork is not mentioned in the Government's priority capital programme. That is inexcusable. The Government needs to revisit the omission from the capital programme of the development of the M20 which would link the mid-west with Rosslare and Cork.

There was no mention yesterday in the contributions of the Ministers for Finance and Public Expenditure and Reform of proper balanced regional development. I acknowledge the introduction of the regional jobs action plans, the analysis of which on a county by county basis points to a serious discrepancy in many rural communities. There is still a two-speed recovery and the Government is not dealing with the matter.

Deputy Mary Butler: In the general election earlier this year the people delivered a clear message which resulted in the formation of a minority Government. This is my first time in the House for a budget debate. The budget delivered yesterday by the Minister of Finance and the Minister for Public Expenditure and Reform was also a first as it was the first time a minority Government had delivered a budget in the history of the State. The budget delivered yesterday was also a departure from previous budgets. In the past five years budgets were seen as regressive, but this one is progressive. The split between expenditure and investment, on the one hand, and taxation, on the other, is three to one. By any measure, this is a significant achievement and a major shift from previous budgets and policies.

Fianna Fáil did not get everything it wanted in the budget, but we made progress. There were major gains on a number of our priorities in the areas of social protection, education and health in the case of the National Treatment Purchase Fund, as well as in respect of the USC. The budget had to work within the fiscal parameters available and a sensible approach was needed. The fact that Fianna Fáil took its electoral responsibilities seriously and stepped up to the plate in facilitating a minority Government and ensuring the passage of a budget with

our influence has caused outrage and derision from parties on the left. I will not apologise to Sinn Féin, the Anti-Austerity Alliance, People Before Profit or the Labour Party for taking my responsibilities seriously. This is not a game we are playing. Acting responsibly is not a game. The budget is only the first step in creating a society in which everyone, not just the privileged few, has a place. There is work still to be done, as we all know and acknowledge.

As Fianna Fáil spokesperson on older people, I welcome the €5 increase for pensioners aged 66 years and over, as well as the increase in all weekly welfare rates. However, I am disappointed that the increases will not take effect until March, unlike in previous budgets when increases took effect on 1 January.

The additional 10% in the Christmas bonus will also help those on social welfare payments or a fixed income with no other opportunities available to increase their income. It will now stand at a figure of 85%.

I have a serious issue with the increase in the living alone allowance, which is a paltry €9. For a couple for over 80 years, the old-age pension, plus the fuel allowance, amount to €509.10 and for a couple under 80, to €489.10. Obviously, the majority of couples at this stage of their lives do not have a mortgage and use their weekly income to meet living expenses. However, if one of the couple dies, the survivor not only experiences the trauma of losing a loved one, he or she is also plunged into a financial crisis. The pension entitlements of the deceased cease and the person left behind receives an extra €9 which is called the living alone allowance. The level of income is slashed to €243.30, plus the fuel allowance of €22.50 and the living alone allowance of €9. That comes to a total for a person over 80 years of €274.80 and for a person under 80, to €264.80. However, it still costs the same amount of money to run the home and pay for light, heating, insurance, telephone and other general utility bills. Nothing is halved. The bills remain the same, except perhaps the food bill. I ask the Minister to take a look at this issue for those aged over 65 years when one spouse dies and to specifically consider in future budgets the living alone allowance. A significant increase is needed.

I would also like to see a reversal of the decision to cut death benefit which helped greatly when a loved one died. It was removed three years ago under the previous Government and the decision has had a huge effect on people who are struggling to meet the cost of burying a loved one.

The reduction in the prescription charge from €25 to €20 is welcome. I hope we will see in the next few budgets an end to these charges which were introduced in difficult times. Now is the time to make sure they are removed. Some 330,000 people over the age of 70 years will benefit from this reduction in a charge which has caused financial stress for many. People tell me that they have often put off taking all of their prescriptions in a particular week owing to the €25 cost.

This is the first budget under the confidence and supply arrangement and new ground for all parties. I am happy to support it.

Deputy Bobby Aylward: I welcome much of what I consider to be a reasonable budget, but I will focus on a number of areas in which the Government needs to do more.

The €5 increase in social welfare payments and all old-age pension payments is very welcome. However, I have serious concerns that these measures will remove the focus from the astronomical delays being endured by those who applied for social welfare payments and for

those who have been approved. Everyone will be delighted with the extra income, but there are terrible problems at the heart of the process which have been allowed to continue for far too long. A constituent contacted me recently. A decision by the Department of Social Protection to deny her a disability allowance was overturned by a social welfare appeals officer on 14 September. She was then informed that the payment would not be issued until 2 November owing to a number of necessary administrative checks which had to be completed beforehand. This means a six to seven week delay, which is not good enough for a person in that position who is trying to look after her husband in a nursing home. This is not an isolated incident. Last week I received a call from a former county councillor whose husband had been without the financial support of his disability allowance for two full weeks. He had just turned 66 years and was automatically transferred to an old-age pension. The Department told her that it would take four to six weeks for the payment to transfer over.

It was also announced in the budget that the approximately 10,000 people in receipt of domiciliary care allowance would receive medical cards. This is an encouraging measure and I was particularly pleased to hear it being announced yesterday. However, the waiting times for those applying for payments are scandalous. On a very good day the waiting time is eight to 12 weeks. The position has got so bad that parents are forming support groups to raise awareness of the waiting times involved. One such group, the DCA Warriors, has been in touch with my office on a regular basis since the general election to highlight the plight of applicants who have children with severe disabilities and who are forced to wait weeks on end for decisions to be made. I raised this matter with the Minister for Social Protection in May by way of a parliamentary question and was assured that a number of measures were being taken to combat problems, including the hiring of additional staff. However, the problem is clearly getting worse judging from the regular feedback I receive from constituents. The increase of €5 is welcome, but we cannot assume that everything is rosy in the Department of Social Protection because of this. The issue of waiting times must be addressed.

I welcome the measures introduced to help the agrifood sector and small farmers and to increase regional development. The previous Government largely ignored rural Ireland during its term and felt the backlash last February in the general election. The low-cost farm fund will improve cash flow for small farmers, while the new sheep scheme, increased funding for GLAS and the expansion of the farm assist scheme are all welcome to help hard-pressed farm families. The facility for farmers to step out of income averaging is very welcome. The fact that this measure will commence immediately will be a relief to many farmers who have endured a poor year owing to the bad weather and weak prices. However, I will not be throwing my hat in the air on behalf of farmers; far from it. The agriculture industry strengthens the backbone of the country and sustainable investment must be maintained in the coming years to ensure growth and prosperity. I await eagerly the details of the increase in support under the farm assist scheme which we have yet to see. The Department of Agriculture, Food and the Marine polices and penalises farmers more than it helps them. Unfair fines, lack of communication, zero tolerance of genuine errors and incredible amounts of red tape have farmers and the Department more divided than ever. The restoration of CLÁR programme funding and the relaunch of the RAPID programme will benefit regional development, but they must be enacted on the ground quickly and with a minimum of red tape.

Millions of euro can be pumped into rural social schemes and rural development programmes, but the boarded-up shops and empty town centres will remain vacant until the issues with mobile phone connectivity and broadband are properly addressed. The €53 million

included in the national broadband plan is obviously good, but those in the rural parts of my constituency are still having problems with mobile phone connectivity. We cannot attract businesses to rural Ireland without functioning mobile phone connectivity and competitive strength in broadband provision. These are essential to any business in the modern world. Indigenous rural businesses will not grow, thrive and create sustainable employment without a basic platform of connectivity.

I am disappointed that the category B and C thresholds for capital acquisition tax were not raised by more than 8%. I commend my colleague, Deputy Michael McGrath, who fought hard for the minimum increase achieved and ask the Government to look at the issue. Those in lesser categories are being thrown by the wayside. The 33% rate of capital acquisitions tax which applies in all categories is significant and should be examined. Many parents remain concerned that it will place a tax burden on their children when passing on the family home.

I am delighted to welcome parts of the budget. It is one of three and I hope that in the next two years there will be more equity and fairness in the system.

Deputy Jackie Cahill: The budget offers no plan as to how to the developing economy will reach rural Ireland. It seems that the Government does not intend to act in this regard. If there is to be a fair sharing out of the improvement in the economy, then the Government believes it will happen without its guiding hand. However, rural Ireland does not share the optimism of the Government.

Does the Minister truly understand that rural Ireland continues to stagnate while he expresses such optimism for the future? This budget has been treated as an accounting exercise by the Minister, by distributing the money available across as many sectors as possible. However, it will have little impact on the ordinary people in rural Ireland. The Government is showing little vision, and this has been the hallmark of Fine Gael in government. It is balancing the books without showing any real understanding of what is required to stimulate the economy.

In 2015, 22% of the jobs created were created in Dublin and 46% of the IDA visits were to Dublin sites. In the budget, €15 million has been allocated to broadband which is not nearly enough to provide the essential infrastructure that is needed in rural areas in order to attract industry to our counties. An employer in Tipperary is paying €15,000 a year for broadband, but has no proper service and is losing business as a result. This has to change if rural Ireland is to attract IDA and foreign direct investment.

The proposals on health and the 950 home care packages are welcome, as are the 58 additional transitional care beds and the 55 acute beds. My county would take all of what was promised in the budget. South Tipperary General Hospital in Clonmel is in crisis. We heard rumours that there would be investment in a hotel type structure, but there are no plans for that in the budget. There are no psychiatric beds in the county. The allocation for mental health is not nearly enough and the crisis in the health service in Tipperary will become worse rather than better.

There is not enough funding for rural roads in the budget. Sports grants for 2016 have been axed. Many voluntary organisations were waiting and hoping to get those allocations in 2016. There is scant regard in the budget for the preparation for Brexit.

Horticulture and grain, two sectors under immense pressure, will get very little comfort from the budget. An Oireachtas joint committee presented a submission to the Minister for

Finance on the horticulture sector. None of the submission was taken on board in the budget. There is no relief on PRSI for the horticulture sector. There is no crisis fund for grain farmers.

There has been much hype about the €150 million that will be made available for low-interest loans. German farmers can borrow money at lower interest rates than what is promised in the budget. Granted, it is cheaper than the rate one can borrow money from banks at currently. The Minister, Deputy Bruton, stated the Government can borrow money at 0.3%. Why does the interest rate on loans have to be 2.9%? How will the scheme be administered? To whom will the money made available?

I can see the scheme being another administrative nightmare, as happened with TAMS and other schemes that the Government established in the past number of years. The ANC scheme was a simple way to get money into rural Ireland, but the Government refused to increase funding for it in 2017.

Most of the funding announced yesterday is a rehash of schemes that were already in place and there is very little extra money. While the opt-out year on tax paid by farmers is welcome, all it is doing is postponing the payment of taxes for 2016 to another year. In his speech yesterday, the Minister hinted that it is not an ideal solution, and I agree. We need a solution that will allow family farms to operate without being forced down the company route. An opt-out year simply defers tax bills and will not have any real long-term benefit for farm families.

The Minister must re-examine the proposals made by some farming organisations which would allow money to be put away during good years and taken out again to pay taxes and bills during poor years, such as 2016. While the opt out scheme will help farmers in 2016, it will do nothing in the medium-term to solve the income tax crisis brought about by volatility.

An Ceann Comhairle: The Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, and Deputy Bernard J. Durkan are sharing time.

Minister for Communications, Climate Action and Environment (Deputy Denis Naughten): Climate change is the defining challenge of our time and it is during our time that the obligation exists for us all to take action. We need to act now and think long term. We are also a country playing catch-up on our obligations in regard to climate change. This obligation is as much an opportunity as it is an obligation. In any event, it is our children's future and of vital national interest.

The challenges are clear and many. What is less clearly developed is the economic opportunity in terms of jobs and investment for this country, which is better connected in an information age and where a scarce and available commodity such as energy can be conserved in smarter and more fuel efficient homes and businesses.

Across the country, from inner cities to remote rural parishes, communities are partly or sometimes wholly excluded from the basic criteria of modern convenience and comfort in terms of communications, energy efficiency and fuel poverty. This comes at economic, social and economic opportunity costs. Those are the costs that yesterday's announcements are intended to address.

Budget 2017 is a significant step in a broader plan to address these pressing challenges, but also to bring Ireland out ahead into a leadership position in terms of employment in growing industries globally. In a scenario where politically critical choices had to be made, I have secured

one of the highest percentage increases in capital expenditure of any Government Department. This is a critical choice I made, with Government backing, on an agenda that I am charged with delivering on.

This budget is not a panacea or a ready-made answer. It is, however, a significant step forward in delivering on an agenda that has been thought through. Energy and climate action are inextricably linked. I will bring proposals to Government next Tuesday to start the process of ratification of the Paris agreement in the Dáil. I will be relying on the support of Deputies in this Chamber to move this process along speedily, with a view to ratification being complete by the time the conference of the parties to the UN Framework Convention on Climate Change is held in November in Marrakesh, which I will attend. Completing the ratification process will be a strong and important signal from Ireland of our commitment to the global effort to combat climate change.

Significant funding has been committed by the Government in budget 2017 to address the climate change challenge. In my Department, an additional €24 million will be invested to expand energy efficiency and renewable energy programmes across the country. That is an increase of 35% on last year's allocation. Overall, in 2017 at least €100 million will be invested in energy projects that will save over 116,000 tonnes of carbon emissions every single year. These will support about 3,000 jobs and reduce our overall dependence on imported fossil fuels.

The funding next year will allow an additional 30,000 homes, including homes of those in energy poverty, to receive an energy upgrade on top of the 330,000 homes already upgraded. This will make these homes far more comfortable for people, reduce their energy bills, improve their quality of life and health and reduce admissions to hospitals and the impact on our environment. Along with new builds and refurbishment under the home renovation incentive scheme, over 3% of all homes in Ireland will be far more energy efficient in just 12 months' time.

As the first ever Minister for Communications, Climate Action and Environment, I am charged with driving our climate change agenda and my Department is among several that have a key role in this area. Other measures announced as part of yesterday's budget will have a significant impact on climate. The extension of the relief for vehicle registration tax on electric vehicles and bikes and hybrid vehicles will cost about €10 million. Reducing to the minimum level allowed under the EU rules excise for the use of natural gas in vehicles will also help to reduce emissions. The measure will also help to stimulate the development of biogas as a transport fuel in Ireland. These are just the first steps in helping to address the impact of transport on our emissions.

Far more radical in addressing the unique transport challenges in Ireland is reducing the need to travel in the first instance. The national broadband plan allows people to work from home and in their own communities, thereby removing the need for long commutes. I announced yesterday that all three bidders involved in the tender process for the national broadband plan are proposing a predominantly fibre-to-the-home network solution to connect rural Ireland. I want people to think about this for a moment. What this means is that the vast majority of consumers in rural areas will have access to 1,000 Mbps broadband. This will radically transform the economy of provincial towns and rural areas. It will take pressure off our congested roads and major urban centres. It will reduce emissions and improve air quality. The national broadband plan will place Ireland at the forefront in Europe and internationally in terms of connectivity and quality of service. Fibre to the home, the preferred solution for rural Ireland, will effectively reverse the urban-rural divide. We will place Ireland in the vanguard in

terms of our communications networks. This will represent a massive competitive advantage for Ireland. While not flagged as part of the Government's Brexit measures yesterday, I assure the House that it will act as a magnet for foreign direct investment into the regions and have a transformational effect on small businesses, farmers and householders in the intervention area.

The big question relates to when this will happen. I assure the House that it will not be one day longer than is absolutely necessary. However, this is a 25-year contract and we must get it right. It is about delivery of broadband, not about dates. That is why we can do much to improve the quality and number of homes covered by both mobile and wireless broadband in the short term. I intend to sign regulations in the coming days that will allow ComReg to proceed with an option of the 3.6 GHz spectrum band in early 2017. This option will provide an extra 86% in total harmonised spectrum available for mobile and fixed wireless broadband services. In addition, €8 million will be invested next year to facilitate the reallocation of the 700 MHz spectrum away from television broadcasting to support our broadband and mobile telephony plans in rural areas. This means that a very valuable spectrum band will be freed up for better delivery of mobile data services, including 4G and 5G, particularly in rural areas. Ireland is now likely to be the first EU country to roll out 5G on a geographic rather than a population basis. This will again reduce the need to commute from provincial Ireland for jobs, thus having a direct impact on transport emissions.

The carbon reliefs announced in the budget will have a direct impact on solid fuels. The incentive is to support solid fuels that have biomass. Approximately one in six homes in Ireland uses solid fuel. Changing the dynamic of that will again have a direct impact on carbon emissions in a significant number of homes throughout the country. It will also have an impact on our air quality. Four people a day in this country are dying because of air pollution. It is costing our State €3,800 every single minute. We cannot continue to ignore that in a country in which one in five children has asthma and is literally gasping for breath every single day. We have an opportunity to improve air quality, not just in this measure, but also in taking smoky fuels out of our economy altogether.

Finally I want to refer to agriculture. Significant movement and progress is being made in this area. The GLAS scheme announced by the Minister for Agriculture, Food and the Marine, Deputy Creed, yesterday will have a direct impact on emissions. Ireland is leading, along with Tanzania, Costa Rica and New Zealand, the drive in research in this area to reduce emissions further. The scientific community, working in conjunction with Teagasc, is going to be the main driver in reducing emissions within our agricultural sector in order to have a sustainable agrifood sector in Ireland that can feed Europe by using low-emission agricultural methods.

Deputy Bernard J. Durkan: I am glad to have the opportunity to say a few words on this very important budget. It is important in the sense that this is the first budget in many years that does not impose penalties on the people. It comes after a long period of hardship borne patiently by people at all levels in society. It was not just at one level but right across the board. It was the patience, forbearance and tenacity of those people that brought us to this stage. Without that, we would not have seen this day.

This budget is progressive. It is the first step in repairing the damage that had to be inflicted on our population in the past eight or nine years. Many people say there was no need for that. It is a mantra regularly repeated that there was no need for all the hardship and that it could have been done much easier. That is wrong. Nothing could be further from the truth. We were very lucky in 2011 and 2012 that we did not wake up one morning to find the IMF in Govern-

ment Buildings renegotiating and reorganising our finances, as happened in a number of other countries. For those who said that we should follow the example of a number of countries and not pay anything at all, I am afraid that history and events have shown that was not the way to go. A huge price has already been paid by those who followed that path and they will continue to pay for their choices for many years to come.

It has been a difficult time for many people. All Deputies experienced that in dealing with constituents at all levels. Every family in this country was affected negatively in one way or another in recent years. It was an awful situation. What people endured should serve as a reminder to never allow a recurrence of the events that came to pass. To those who say that we should splash money around, that everything is alright, that the garden is rosy, that the time is now and that we have recovered from everything, I say that we need to be awfully careful that we do not slip back into that place again. Many people think it is simple to say that we have recovered and should spend as we did before. It is not that way and it does not work that way. We live in a competitive world in which we have to fend for ourselves, make the best decisions for ourselves and provide for our own futures because it is a harsh place if things go wrong.

There are many people who have given speeches in the House, not only in the past couple of days but also the past couple of years, to the effect that we should go back to the old ways, namely, to protectionism and a protected society. The late former Taoiseach Seán Lemass moved away from that back in the 1960s, changed everything and developed a competitive society by means of which we were able to compete on our own. IDA Ireland and all of the other organisations concentrated on competing in a world market and moved away from the old days of protectionism, when as a small country we were always going to be at the bottom of the scale. People say this is all wrong and that we should change it, go back and try again. However, that is an experiment in which we should not engage.

There are those who say that we should get rid of our currency - that we should get rid of the euro and go back to the old ways. I am afraid that going back to the old ways is not an option. I hope we have learnt that sad and harsh lesson in recent years and that said lesson is adequate to ensure that we never go back to the old ways. I want the compliment all members of the Government and the Opposition for being helpful and supportive in reconstructing our society because that is what we have to do.

I am not going to go into the matter in detail but, as we know, there is an appalling problem with housing in this country. That problem must be dealt with and it must be dealt with now. It will not be easy and there will be no overnight solution. However, it will be dealt with and I believe the Government is going the right way about it.

Rural Ireland has been mentioned on numerous occasions, as well as broadband, communications, transport and post offices. Some Members of this House have been members of local authorities. We should all remember that one of the first requirements towards ensuring services remain throughout the country is a growing population throughout the country. If we stop planning permission in rural Ireland, there will be no need for post offices, schools, banks or services in rural areas. That is not what we want. We want to distribute our population, and the wealth we hope to grow in the future, throughout the country so that everyone will be able to benefit and contribute to its making.

The area of health has also suffered dramatically over the past number of years. We have at last come to the stage of having an opportunity to do something about it. I hope we have

learned the lessons. I am not criticising past Ministers or past Governments, but in the past we emulated what they did next door on the next island. This was the wrong thing to do, but whenever it failed over there, we seemed to pick it up. Some years back, they decided to concentrate large institutions and hospitals in particular areas and draw the whole population towards them. It did not work, but then we started doing it. Health economists come along from time to time and tell us that is how we should do it here. It is not; it failed. It is already old economics. It does not work.

We also need to remember the population of the country is almost double what it was in 1956. That is huge. There were hospitals, institutions and services throughout the length and breadth of the country that we had inherited from the previous administration. We have to build a new economy around the requirements of the people and deliver the services to them. We are on the right track and we are going to do it.

The question of broadband has been referred to already. It is a huge issue. Like road transport and rail transport, it is a communications issue. It has the ability to enable employment to be generated throughout the country without reference to any boundaries, good, bad or indifferent. When it comes to education, health and business, this is the way we need to go. If we develop it properly, and I am convinced we are going the right way about it now, we will do it.

No debate at this time should conclude without reference to Brexit. I heard many of the comments to the effect that there is nothing in the budget about Brexit. We do not know what Brexit will mean yet. We do not know what will emerge. It is remarkable that politicians made a decision, the outcome of which was not known at the time. There was speculation but that speculation was wrong. At no given point could anyone have concluded what the outcome would be. Now there is a problem and the Ceann Comhairle and I well know, as does everyone else in this Chamber, that we better work hard at it. It is a challenge the likes of which we have not had before.

For those who say we were able to handle all this in the old days, we heard that before too. This is not the old days. Times have changed. We are now in a competitive worldwide economy. Putting up barriers, gates and crash barriers to stop trade from happening worldwide will not work. The reason is simple: everyone depends on producing and selling more goods efficiently and effectively. We are as good as anyone else at it. Proof of it is that when our people, sadly, had to emigrate over many years, they succeeded in the land of their choice. They were well able to do it and compete with anyone else. They did not look for any handouts; they were able to do it themselves.

The world is our oyster. It is up to ourselves. We should not squander what we have and what we have striven to hold. We should not squander the sacrifices we have made. We should make them count, take them on board, and recognise the sacrifices that were made and the cost to the people. Now is our opportunity to repair the social end of our society that had to be neglected and that many times was visited upon over the past number of years and threatened. We have an opportunity now to deliver to all of the people in our country in an equal way that will be cohesive, helpful and beneficial to the economy and our society.

Budget 2017 is the first step in that direction. I hope it is the first of many. I also hope that the degree of co-operation that has brought this about will be seen by the Irish people as a means of restoring public confidence in the system.

Deputy Danny Healy-Rae: Stay-at-home parents and families have been discriminated against in this budget. They are not happy about the child care programme that is being rolled out because their needs have not been considered at all. Everyone in this country should be cherished and treated equally, but this section of our community - young families - is not being treated fairly in budget 2017. I am speaking for these people, who are working very hard and trying to survive with little help from anyone. They are what I call low to middle-income earners and they would welcome the opportunity of being able to go out to work to support the family income. However, they are not getting a chance to do so in this budget.

There has been a lot of repetition in the Dáil Chamber, and every Member is entitled to speak and highlight what they consider important, but I do not know if there has been mention of the fact that there has been no increase in the budget for county roads, class 3 roads and general maintenance. Every Member coming into this House knows the serious problem of ponding on our roads. It is happening on national secondary and national primary routes as well. Serious ponding occurs in heavy rain because the local authorities for the past number of years have not been able to carry out the normal drainage programme they used to undertake going back years. This programme was important for the safety of drivers travelling on the roads on dark nights. Each and every one of us knows what happens when we drive into a savage pool of water after heavy rain. We cannot see the road or where we are on it and a wave of water is up on the windscreen. If there are cars coming against us, we do not know if we will avoid them or they us. It is a serious matter.

People who are paying massive tax for their motor cars and vehicles and large amounts of VAT on diesel and petrol before they can go on the roads cannot understand where the money is going or how it is being spent. They feel it should be spent on the roads on which they are travelling, and I agree with them. It is not happening and has not been happening for the past number of years. Local councillors have been on to me today again. Until 2011, the local authority would receive in the third quarter of the year what was known as discretionary funding. The councillors could nominate two or three roads that were not on the roads programme but were no longer traversable since the three-year roads programme was put in place. Sadly, these roads are not being addressed and many of them are in an awful state. I cannot see, with the amount of money that is put forward in the budget for county and local roads, that there will be any change to that this year. This is to be deplored and must be rectified.

I spoke this morning about housing. I will refer again to social housing first. Until recently, there were four stages before a local authority would get approval to build a scheme of houses. That has been changed, but local authority officials are still not happy. It has been reduced to one stage if they want to go down that route. However, they have been advised that the Department will not cover any other expenditure that might be needed in the course of building the houses if the original figure agreed on varies upwards and that they will have to cover the extra cost.

8 o'clock

This is not fair. Where will they get this funding if it is required? This is another stumbling block that is preventing local authorities from providing social housing.

The procurement system effectively rules out small local builders being awarded contracts because only large national building firms will meet the financial requirements set down under procurement rules. Companies bidding for contracts must have a certain turnover and given

that no building work has been done in rural counties in the past seven or eight years, local builders do not have any turnover. However, they have the ability and know-how to build houses and they are prepared to do so. The big national companies will be awarded the contract but it is the small local companies that will do the work. They have stood the test of time and provided a good service and when something goes wrong, they are there to put it right again. As has happened before in many cases, something will go wrong and the small firms will not be fully paid. It is unfair that some of these companies will be caught again under the new procurement system.

The same procurement system will apply to the rapid build programme the Minister makes much ado about. Small building firms and contractors will build the rapid build houses, even if it is the large national companies that are awarded the contracts. No one knows if the small builders will be paid for the work they do.

I am disappointed and cannot understand the reason second hand houses have not been included in the help-to-buy scheme. The reason given was that the home renovation scheme would be extended to allow present occupiers two more years to improve their houses. This will help people who have a home, rather than those who are looking for a home. Whoever wrote the reply must have had a good few drinks at that stage because it did not give a reason for not allowing second homes to be considered under the help-to-buy scheme.

This morning, I raised with the Taoiseach two blockages that are preventing developers from building private housing schemes. I hope the Minister of State, Deputy Damien English, is listening because the Taoiseach did not listen to me this morning or give me a fair, reasonable or honest answer. He also laughed at me a couple of weeks ago when I raised the issue of flooding in County Kerry. As a Deputy elected by the people of Kerry, I do not respect the Taoiseach because he laughed at people who are experiencing flooding problems in Kerry and elsewhere. I was brought up to respect everyone, including politicians and I respected every Taoiseach until now. However, if this is the respect the Taoiseach has for people in Kerry, I do not have much time for him. It is not fair to laugh at people who ask that something be done when flood waters have risen and come into their homes. The Taoiseach should not laugh at them.

This morning, when I informed the Taoiseach about two blockages that are preventing local developers from starting to build houses, the Taoiseach did not give me much of a hearing. These companies cannot get funding from mainstream Irish banks and where they are able to secure funding from lending institutions outside the country, they are charged interest of 10% or 12.5%. The second blockage is the levies and charges they must pay up front and the taxes and VAT they must pay within two months. Something must be done about this because 37% or 38% of the cost of building a house finishes up in the coffers of the State. Surely a system could be devised to allow builders time to pay taxes and VAT.

While some developers and building contractors have a bad name, 95% of them are honest, hard-working people who want to survive and make a living, just like everyone else. If there is a problem with 5% of developers, there are methods of addressing that through the local authorities and building control regulations. I am sorry the Taoiseach did not listen to my comments on this issue and chose instead to make a joke of it by giving me an answer taken from the housing strategy that had nothing to do with the two issues I raised. If the two problems I outlined are not addressed, housing construction will be at a standstill next year and few if any houses will be built.

The Government is not giving the problems presented by Brexit the recognition they deserve. The issue is causing uncertainty among farmers and others. The dramatic decline in the value of sterling has already resulted in a reduction in income of between 10% and 12% for small companies exporting to London. Brexit will affect everyone, notably the tourism sector. Hoteliers have done great work in the past three or four years turning around the tourism product. If it was not for the tourism sector, towns such as Killarney, Dingle and Kenmare in County Kerry would be very quiet places. The Oireachtas should set up a separate forum, comprised of Ministers and backbench Deputies from all parties, to work together day and night on this issue. The people who elected us are seeking guidance on Brexit and we need to have a policy to deal with it.

On the day I learned about the British decision to leave the European Union, I called on the Government to ask or cajole the UK into having another referendum. While this does not seem likely, I have met people who voted to leave and are crying out for another opportunity to vote because they know they were wrong and have changed their minds. The whole country depends on the Dáil to advise how or whether we will survive Brexit and what strategy or strategies will be put in place to deal with it. This needs to be done urgently and I ask the Government to wake up and tackle the issue immediately.

The budget did not deal with school transport. Successive Governments gave undertakings that when a school closed in a certain area and its pupils were moved to a more central school, funding would be made available to ensure Bus Éireann provided school transport for pupils travelling to the central school. This agreement has not been honoured and many parents are suffering as a result. They must take children on long journeys to school and lose valuable time. Some have to bring younger children with them in the car each morning and evening, regardless of whether they are sick or tired or anything else, to ferry older children back and forth. The rules have been changed and ten children are now required to keep a school run going.

In some glens and valleys, sadly, because of rural decline, they do not have free school transport. One thing the whole of the country appreciated was the free school transport that was brought in by Donogh O'Malley and that made a difference to so many families. However, it has gradually been eroded. There was a Bill in the Dáil on access to schools. People in these areas are as entitled to education as those of any other class or creed so I ask that we ensure that what is happening will be reversed. We have to see after our children, and if we do not, our country will go down the Swanee.

We are talking about rural decline. Places in south Kerry have amalgamated. Even Kilgarvan, Sneem and Caherdaniel cannot have a team of their own and have to join up with two or three other teams. That gives an indication of how many youngsters are emigrating from our country to London, Australia and Canada. The worry I have is that, while they received a wonderful education, we are going to lose all their talents. Even though they mean well when they leave and they intend to come back, that is not happening. We are losing our doctors and people of many and various skills. They are our future. I am very worried we will not have the people to fill the positions that need to be filled in the future. Even at this point in time, we must ensure no more of them will go and we must work harder to ensure we have employment for them here in order to keep them in rural areas. Maybe some of the environmentalists would say they should all move into the cities, towns and villages but that is not the way I see it. A light in a glen is a sign of life. If we do not have that light, we will lose our future. I do not think we value rural Ireland as much as we should.

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The west is where most calves are produced and that is where our beef industry originates. If there are not enough calves, our beef industry will fall down because it is those people who get up in the middle of the night to calve the cows and mind the calves and put them suckling. It does not matter if it is raining, dry or cold, they have to get out and do that. We must appreciate that but those people have been neglected. For as long as I am here, I will keep highlighting that because rural Ireland cannot be let go. If that happens, we can forget it.

There is a lot of money being spent here in Dublin. I do not begrudge the people of Dublin but it looks to me as if the aim is to get people into this city, underground or overground. They are talking about building another terminal in Dublin and fighting over where they will put it. At the same time, they let Shannon be downgraded. I do not begrudge the people of Dublin but the people in the west and other rural areas are entitled to the very same treatment.

I hope the Ministers take on board what I have said. I look forward to co-operating with them as long as they co-operate with me but the treatment I got this morning from the Taoiseach, and the other day as well, is not acceptable. I do not condone him laughing at the people of Kerry or any other people when the flood is coming in their doors.

Minister of State at the Department of Education and Skills (Deputy Damien English): I wish to share time with the Minister, Deputy Heather Humphreys.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Damien English: Deputy Healy-Rae raised the issue of the protection of rural Ireland and this budget is certainly rural-proofed as I and the Minister, Deputy Humphreys, will outline. We look forward to working with the Deputy on that and would be glad to hear any ideas he might have to help to achieve that.

In the absence of the Taoiseach, I will have to defend him because he is my boss and I had better make sure I do that. I would be surprised if a man who spends a lot of time - weeks and weeks - in Kerry every summer, as Deputy Healy-Rae knows, would laugh at people under pressure from floods. It is not something that would be in his nature. While I was not here and cannot absolutely guarantee it, I would be surprised if that is what he was laughing at. To be fair, that is not something he would do. That does not take away from the issue. There are serious issues of flooding in Kerry and other places, and it is a particular issue for farmers and those with their own businesses. It is something we have to address and money is being provided for flood relief. I doubt that is something the Taoiseach would have laughed at.

With regard to the issues about development and the barriers for developers, the Deputy is right that these are issues of concern. In putting together our plans for rebuilding Ireland and the action plan to tackle homelessness and housing, we engaged with all the stakeholders, including developers of all different sizes who, as the Deputy said, want to get back in the game and want to be able to build houses. We need them to be able to build houses. Therefore, the budget has a 50% increase in the housing budget to try to tackle this issue now and for the years ahead. The commitment of €5.5 billion of taxpayers' money over the next four to five years is to do exactly that - to get houses under construction again, to get developers back in the game and back working and to get small builders back out there building houses, both social and private. In 2017 we will see €1.2 billion of taxpayers' money being spent on housing. Hopefully, that will do what the Deputy suggests and help some of these developers get back in the game and get them going.

I want to deal with two specific issues. First, Deputy Healy-Rae is correct that the cost of money is an issue for developers and builders and it is too high for some of them. Two new funds have been set up through the Department of Finance which are designed to make money available for construction, and hopefully some of them can avail of that. Second, we announced last week and under this budget that the Part V element can now be paid for up front by county councils. Some developers might have a site for ten or 20 houses but they need the cash to get going. We are now allowing that the Part V 10% can be paid for up front, which will give the developer a bit of cash to build the first few houses and get the project moving. We recognise this is an issue.

In the budget and in the housing action plan there are commitments to fund infrastructure on key sites. I am conscious the focus of those key sites will probably be in the Dublin region first, then Cork and the greater Dublin region, but there is also a commitment to fund infrastructure and open up sites. In some cases, there will be a site where 500 or 600 houses could be built but, for the want of a bridge or a new road, the site is not active. We are providing taxpayers' money in a €50 million commitment in 2017 to get that started, and some €200 million overall to fund that infrastructure. There are also other commitments to fund infrastructure on those sites.

Development levies are an issue, of that there is no doubt, and they are an impediment to some people being able to construct again. That is a decision of local authorities but it is certainly something we are engaging with them on as a Department with responsibility for housing and planning. In Cork and Dublin we have already made changes to the levies, which has given positive results. In some cases, if they are told it is €30,000 to €60,000 per unit to open up a site, developers are not going to build those houses because they cannot pass on that cost. The Deputy is on the ball in that regard and these are issues we are addressing.

There is some confusion over the help-to-buy scheme for first-time buyers. It is a supply initiative and it will help one-off houses. Last year we saw some 6,000 one-off houses built in rural Ireland, many of which were possibly built by first-time buyers, although I do not have the figures. They can also avail of this assistance towards getting a house. It is a supply measure. The Deputy asked why it is not for second-hand homes. I saw a teacher from the Deputy's area on the news yesterday saying he was disheartened and disappointed that it was not available for him to buy a house. While I totally understand that, we have to focus taxpayers' money - the people's money - on new supply. The major problem is that there is not enough supply, which is why the incentive is towards supply of new housing. If we made that grant available for second-hand homes, we would not be guaranteed to increase supply. It should reduce the competition for the second-hand home in question. The gentleman and others I am sure the Deputy represents should be in a position to buy a cheaper second-hand home. First-time buyers should target new developments and houses.

In what way is the measure a supply measure? I am conscious there is some confusion. Many people are of the opinion that the measure will drive up the price of houses. In my view, that of the Minister responsible for housing, Deputy Coveney, and the Minister for Finance, Deputy Noonan, the measure probably would drive up the price if it were designed for second-hand homes, but it is not for them. It is for new supply. I refer to the supply of houses of a kind that are not available at present. In the greater Dublin region, there is no supply of houses worth between €240,000 and €280,000, yet there are first-time buyers who want to buy such houses. Why are they not being provided? Our understanding is that the customer does not exist. Although single people or couples may want to buy houses at the price in question and reckon they can afford a mortgage worth €240,000 or €260,000, they cannot get the money from the bank.

They cannot queue up to buy the houses so the developers are not supplying them. Developers are building houses worth €450,000, €480,000 or €500,000 for a different part of the market. We want the starter homes, however. We want houses worth between €260,000 and €360,000. If the scheme works, and I have no doubt it will, it will put first-time buyers in a position to put a deposit together, obtain a mortgage and try to buy a house in the price bracket in question. We expect the developers will respond to that and build houses for this market.

An analysis of the sale of houses at a certain site in Dublin recently shows that approximately 80% of the buyers were in rented accommodation. If first-time buyers are able to avail of the scheme and buy newly supplied houses, it will free up the houses they are leaving for others. I have no doubt that the scheme will work. It will not drive up the price because there is no price at present. The houses in question are not currently available. We are trying to bring them on board. There is a sunset clause. The provision is for only three years, not for the next ten years. We are all reluctant to incentivise something too much. The period is three years so the scheme cannot run away with itself, as it were. It is a question of bringing on board the supply that we badly need.

We have discussed frequently the importance of social housing and getting back in the game of building social housing. I agree with many Members that for a long time, before the crash, we stopped investing in social housing and in teams of people in both my Department and local authorities to build social housing. The previous arrangement is being reactivated and we are putting the teams together such that all local authorities will be in a position, during the lifetime of this plan, to return to delivering 10,000 social housing units per year, as was the case in the past. We are getting back there.

Social housing on its own will not be enough to solve the problem this year, next year and the year after. We need to increase the private supply of housing. We need to depend on private landlords as well. That is why they are addressed in the budget. We must also reactivate our own construction programme for social housing.

We have committed to supplying 47,000 houses. This budget goes a long way towards meeting that commitment. We wish we could do more but we have to be realistic. It will take a little time to get social housing activity back up to where it should be. I agree there should be such activity.

In this House, we have alluded to the fact that the budget for next year will help approximately 21,000 people get into homes through the various assistance measures, including the housing assistance payment, HAP, and the rental accommodation scheme, RAS, and also the construction of new houses and provision of vacant properties. We are doing all this and it will help to provide social housing. Over the next four or five years, the plan will see approximately 130,000 houses coming on stream in general for everybody.

Part of my brief when in the Department of Jobs, Enterprise and Innovation was dealing with companies daily to try to win jobs for all counties. Housing is an issue for their clients. I refer to people who are not on the social housing list but who need an affordable house. It is important, therefore, that when we commit taxpayers' money, we help all parts of the housing market. We need more houses and more supply. That is the bottom line. I have no doubt that our housing action plan, Rebuilding Ireland, with the backing of this budget, on which the Dáil will vote, will address this problem. It will address the problem of infrastructure and bring the cost down.

There are 84 actions. I have touched on only some of them. The help-to-buy scheme is but one of them. They are all designed to tackle homelessness and provide emergency accommodation. They are to increase the supply of housing because we need it for those who need help to get out of emergency accommodation or get off the streets and those who require assistance paying the rent. We also need it for those with jobs in cities and towns but who cannot get a house, be they in Kerry, Cork, Meath or Dublin.

There is a two-pronged approach and both prongs are very important. I am sorry I cannot touch on any more aspects. It is a progressive budget.

Minister for Arts, Heritage, Regional, Rural and Gaeltacht Affairs (Deputy Heather Humphreys): I welcome the opportunity to address the House this evening on the key measures being introduced as part of budget 2017 under the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs. As the House will be aware, my Department was expanded when the Government was formed to include a wider portfolio of rural and regional affairs. I am pleased to report that the first budget being delivered for this new broader portfolio includes a number of funding increases across a wide range of schemes that will benefit both the arts and cultural sectors, in addition to communities in rural areas.

I will speak first about the arts, culture and heritage sections of my Department. The year 2016 was a very special one when the nation remembered the pivotal events of 1916 that ultimately led to the foundation of the State. Communities throughout the country responded to the commemorations by staging their own arts and cultural events, which allowed communities nationwide to interrogate and celebrate our history. The year 2016 has been a fantastic one for the arts and culture. At home and abroad, more than 4,500 events have been held under the umbrella of the Ireland 2016 centenary programme. Our artists and creative thinkers helped us to consider the events of 100 years ago and reflect on what has been achieved in this country over the past century.

As the year draws to a close, I want us to build on the positive legacy that has been left by the commemorations. I want to build on the goodwill and engagement we have experienced throughout the year. In particular, I want to see the arts and cultural sectors benefit as the economy continues to improve. I want us to re-emphasise our commitment to supporting creativity and innovation. I am very pleased, therefore, to have announced a series of funding increases for the arts and cultural bodies under my remit. They will have a positive and distinct impact on arts provision throughout the country.

I am allocating an additional €5 million to the Arts Council, which represents an 8% increase on its annual budget. This is the largest increase in its budget for nine years. This additional funding will allow the Arts Council to continue to enhance supports to artists and arts organisations on both a small and large scale, from locally based groups to the Abbey Theatre. All our national cultural institutions are receiving an increase in funding, including an additional €650,000 for the National Museum of Ireland. This is on top of a €200,000 increase in day-to-day funding. The National Gallery of Ireland will receive an additional €1.5 million to allow it to open its newly restored Milltown and Dargan wings. This new expansion and restoration project, which has received more than €30 million in State investment, will transform the gallery into a world-class exhibition space. It represents a very exciting new chapter for this outstanding cultural institution. It is my hope that the gallery's major extension will draw substantial additional visitors every year.

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The Irish Film Board will receive an increase in funding in the order of €2 million, delivering on a commitment in the programme for Government. This will bring the board's annual funding to in excess of €16.5 million, representing a 14% increase in the annual budget. The increase in funding, which is in keeping with a commitment in A Programme for a Partnership Government, will allow the board to invest in even more Irish talent in the year ahead. It follows on from a very successful year for the Irish film sector in 2016. Of course, this all has a positive effect on rural areas. One has only to look to Kerry and the whole west coast, where "Star Wars" was filmed. This brought a great benefit in terms of bed nights and activity in all the towns the film crew visited.

Culture Ireland, the agency that promotes Irish artists overseas, will receive a €1 million boost in its core funding in 2017. This will allow it to showcase the best of Irish creativity on the world stage. An additional €1 million has been allocated to assist the Heritage Council in its work. This work is done throughout the country. The allocation will have an impact on rural areas as well. Each of the agencies has warmly welcomed the increases in funding. I hope to build on these positive increases in the years ahead.

I have secured an additional €5 million for the delivery of a Culture 2025-Ireland 2016 legacy programme. I will be announcing further details on this initiative in the coming weeks. It will focus on improving arts and cultural provision in communities in addition to a range of other measures. All the measures to support arts, culture, heritage and film reaffirm the commitment of the Government to increase funding progressively for the arts as the economy improves, as committed to in An Agreed Programme for a Partnership Government. The increase in funding levels across a wide range of agencies and bodies under my remit also reflects the importance which this Government attaches to promoting and supporting our artistic and cultural strengths and supporting jobs in creative industries.

I want to deal quickly with the misconception put forward in the House yesterday that the arts budget is being cut by 16%. This misconception was caused by those who rely on the blunt figures of the budget book for their budget day analysis. To be clear, once-off funding in the region of €49 million was allocated to my Department for the 1916 commemorative programme this year. That money was once-off funding for a once-in-a-generation series of events and, crucially, the majority of the money, roughly €31 million, went towards a series of capital projects, including the new visitor centre at the GPO, Richmond Barracks and the Kevin Barry Room in the National Concert Hall. This money was not repeated this year because these projects have been completed, and indeed they will leave a very positive, lasting legacy of our commemorations. Therefore, if one considers all the key agencies under my Department which fund arts and culture, it will be seen that core funding is up right across the board. This will have a real impact on communities, artists and art organisations across the country and is much more important than figures in a budget spreadsheet, which can be easily misconstrued.

On the rural affairs side of the Department there are increases across a range of schemes which will provide a boost to rural Ireland. I acknowledge what Deputy Danny Healy-Rae said about rural Ireland and assure him that I am fully committed to rural Ireland. I also understand rural Ireland because I live on a farm and know about the cows calving in the middle of the night. I am very conscious that if rural Ireland is to succeed, we need people working in it and enjoying it like the Deputy and I enjoy living in it. I would not want to live anywhere else. It is a matter of revitalising rural Ireland. As committed to in the programme for a partnership Government, an enhanced town and village regeneration scheme will be delivered in 2017. I have trebled the funding for the scheme in 2017 from the baseline amount of €4 million to €12

million. This will allow for continued co-operation between communities, including local business and local authorities, to enhance amenities and facilities that improve the quality of life for locals. This is very much a bottom-up approach. It will consist of local people identifying the solutions for their area and my Department supporting them and working in conjunction with the local authorities. People must come forward. There are many good ideas and plenty of energy in rural Ireland and in the towns and villages across the country. It is a matter of harnessing that and using it to good effect.

I also intend to run a pilot scheme in 2017 to encourage more residential occupancy in towns and villages. Details on this scheme are being finalised by my officials. Funding is also being made available for preparations for the roll-out of broadband under the national broadband plan in 2017. The House will be aware that my colleague, the Minister for Communications, Climate Action and Environment, Deputy Denis Naughten, has allocated significant funding for both the roll-out of the national broadband plan and the improvement of mobile coverage in rural areas. The increase in funding for the Heritage Council will also benefit communities in rural Ireland, and the built heritage investment scheme will operate again in 2017, as will continued support of our archaeological and built heritage. There will also be increases in the recently reopened CLÁR scheme and the rural recreation schemes in 2017. Of course, recreation is so important in rural Ireland for the development of those amenities, not just for the people who live there, but also to attract tourists into such areas.

While these initiatives will individually make a contribution to rural development, it is their combined impact, along with other initiatives across Government, which will make a real and sustainable difference to rural Ireland. Co-ordination of these initiatives right across Government will be delivered through the action plan for rural development. Work on the action plan is well under way and I will publish it later in the year.

The budget includes a number of positive measures from my Cabinet colleagues which will have a very positive impact on rural Ireland. For example, the Minister for Agriculture, Food and the Marine, Deputy Creed, has announced details of a new low-cost finance scheme for farmers, while the Minister for Social Protection, Deputy Varadkar, has announced improvements to the farm assist scheme and has increased the number of spaces on the rural social schemes. This is a strong indication of the cross-departmental approach this Government is taking to tackle the challenges facing rural Ireland. My Department will continue to prioritise the support of the Irish language and the sustainable development of our island communities in 2017. Funding allocations for Gaeltacht support schemes and Irish language support schemes are both being increased for next year. Funding is also being increased for the 20-year strategy for the Irish language which will allow for this essential strategy to be further progressed in the year ahead. Údarás na Gaeltachta, which provides critical support for enterprises in Gaeltacht areas, will receive an allocation of €3.2 million for its current programme expenditure and maintain its capital allocation of €6.687 million. Combined with an extra capital allocation of €2.4 million, which has been secured for it this year, this will allow the agency to continue to support job creation in Gaeltacht areas.

My colleagues, the Ministers of State, Deputies Michael Ring and Seán Kyne, will speak to the House in greater detail on the areas of the Department dealing with regional development and the Gaeltacht.

An Ceann Comhairle: I am not sure whether there are cows calving in Westmeath tonight, but Deputy Robert Troy is sharing his time with Deputies Eugene Murphy and Shane Cassells.

Deputy Robert Troy: If there are, I will not be pulling them anyway.

I welcome the opportunity to contribute to this debate. It is the first budget of its kind and is not our desired outcome, but let no one think any different: the alternative was another general election, which I do not think any of our citizens wanted. While others shirked their responsibility to influence policy and their responsibility to the people who placed their confidence and faith in them in the last general election, we did not and we do not apologise for using the 500,000-plus votes we received to change the direction in which this country is going. In the budget before this one there was a 50:50 split of tax cuts to services, whereas in this budget, thanks to our influence, there is a 3:1 split of improvements in services to tax cuts, and the tax cuts favour those on middle to low incomes.

I was amazed and shocked to look at the news on Monday night and see the Minister for Transport, Tourism and Sport, Deputy Ross, finally wake up as he led his Independent Alliance colleagues into Government Buildings, saying he wanted to ensure the budget had the stamp of the Independent Alliance on it. Less than 24 hours before the budget was announced, the Minister wanted to put the Independent Alliance stamp on the budget. However, I am not surprised that he did not want to change Fine Gael ideology because, after all, he is only coming home to the right-wing party he left a number of years ago.

If one considers the supply and confidence document, many of the positives that emanated from this budget were prescribed in that document earlier in the year, the increases to social welfare payments being one example. I am disappointed they will not commence in January but I would rather see them commence in March than not see them commence at all so our carers, our disability workers and people on unemployment assistance who have seen no benefit or increase for a number of years can share in that benefit.

We will have extra gardaí, but only during the last general election campaign the Tánaiste and Minister for Justice and Equality, Deputy Fitzgerald, said this would not be possible. We will have an extra €15 million in the National Treatment Purchase Fund, which will help to alleviate the historically high waiting lists that climbed so high under the previous Administration. An area I am particularly glad to see receive attention is that of child care. A 35% increase in spending on child care is to be most welcomed. As party spokesperson on child care during the previous Dáil, I continuously and relentlessly highlighted the need for increased investment in this area, so I welcome the increase.

Deputy Howlin said earlier today that he never saw the introduction of a budget without knowing the dates of certain measures contained in it. I remind Deputy Howlin that the previous leader of his party introduced a cut to the lone parent allowance, saying it would not take effect until we had a Scandinavian child care model. We do not have a Scandinavian child care model yet, but I certainly welcome the measures the Minister for Children and Youth Affairs, Deputy Zappone, has moved towards in this budget. While no one can question the Minister's sincerity, I have concerns about the gaps in the provisions. With a household income of €48,000, the subsidy is €8,000, but if the income is €1,000 more, the subsidy drops to €900, which is not fair and I hope the Minister will reconsider it.

The capacity in the sector is another big issue the Minister needs to look at. We should never take away the autonomy of parents. I listened to the Minister, a woman for whom I have great respect, and she was sort of saying that children should not be minded by their grandparents. It is not her decision; the parents decide if their child should be minded by the grandparents.

The biggest challenge and the greatest threat facing our economy at the moment is Brexit. There is huge disappointment among businesses that depend on exports at the Government's lack of response in the budget. Each week €1.2 billion worth of goods and services are exported between Ireland and the UK. As a result of currency fluctuations, businesses are losing between 20% and 25% right now. The prepared consumer goods sector contributes very significantly to job creation in my constituency and accounts for 20% of Irish exports to the UK. It operates on a net margin of 4% to 5% and it is losing between 20% and 25%. That is a loss of 20% now and is putting real jobs at risk now.

While I acknowledge that it is a moveable feast and we are facing two years of negotiations until we know the actual outcome, we should be putting in place now measures to support businesses through these two years of uncertainty. We should have the foot on the ball long enough to see who can survive this. We need to give business the opportunity to work through this until we know what the outcome is. Great work has been done by many captains of industry building up good industries and creating good employment. They find themselves, through no fault of their own, in a very volatile situation. They need support now. The Minister, Deputy Noonan's, promise of a rainy day fund in 2018 is simply not good enough. We need support and these businesses need support now. Nobody has even consulted them to ask what support they need.

The strong pound in recent years has highlighted one critical weakness - how uncompetitive we have become. We have fallen from being the seventh or ninth most competitive country in 2011 to the 17th most competitive country in 2016. We need to examine our high energy costs, our high commercial rates, our high waste charges and our high cost of credit. These things could be done now to help businesses. What did they get in yesterday's budget? An extra €3 million was given to IDA Ireland and Enterprise Ireland, which is an insult to people who are creating jobs. I know the devastation caused by job losses in an area. We experienced it recently in Cameron in Longford and Imperial Tobacco in Mullingar. We need some of that €3 million that is going to IDA Ireland and Enterprise Ireland to bring replacement jobs to our area. Businesses need greater supports to maintain the jobs in our areas.

I turn to my area of responsibility, namely, transport, tourism and sport. It is quite obvious that the Minister, Deputy Ross, the mute Minister in public, is just as mute when he sits at the Cabinet table. Sports funding has been reduced. We have been waiting for more than 12 months for the new sports capital programme. We are told it is coming but the funding is down. Tourism funding is down even though we are facing even greater challenges in the tourism industry because of Brexit and even though we need to ramp up our marketing funding in new markets such as the Middle East and the Far East.

The Minister clapped himself on the back earlier because he had secured a minuscule increase in road funding even though he knows that our national, regional and local roads are crumbling at the seams. As a Deputy who represents a rural constituency, the Minister of State, Deputy Corcoran Kennedy, also knows this. The only capital projects mentioned are the ones that have already commenced, which he wants to finish off. It is simply not good enough.

The Minister talked about reviewing airport capacity in 2018. Does he not know that Dublin Airport is already bursting at the seams for the want of the development of a second runway? What is he doing in that regard? He talked about his Department competing with housing for scarce resources. Does he not realise that his Department plays a pivotal role in helping to solve our housing crisis? We need greater improvement in our public transport infrastructure and that will help with our housing crisis. At a time when funding from the EU is at an historical low,

the Minister, Deputy Ross, should be engaging with the EU to look at innovative methods of funding new projects to try to bring about greater capacity in our public transport infrastructure and get Dublin out of its current gridlock.

Deputy Shane Cassells: I welcome the opportunity to speak on the budget this evening. Since the budget was announced by Martina Fitzgerald on “Morning Ireland” yesterday, there has been plenty of debate and media commentary as to whether it was a good deal for people, both from a personal perspective and from a service delivery aspect. The shift towards expenditure on public services, as demanded by Fianna Fáil, is a positive change, as Deputy Troy said.

There are plenty of positives to the budget. Regardless of one’s political persuasion, there is no weakness in acknowledging those positive aspects. Naturally there are areas where my party worked hard to see improvements, including in areas such as the return of the National Treatment Purchase Fund, the old age pension increase and cuts in USC, coupled with initiatives to help the self-employed. The efforts of Fianna Fáil to ensure the budget would help entrepreneurs to create jobs were positive. We did not get everything we wanted and we need more action in certain areas. However, we have ensured that people got value for their vote with Fianna Fáil through the areas where we have exerted influence.

I wish to comment on child care. In the early days of the Government, during Question Time with the Minister for Children and Youth Affairs, I sought assurances from her in respect of the funding for the sector, about which I am passionate. I warmly welcome the 35% increase in early years funding. We need to see the sector properly resourced so that our children can receive the very best in early years education. However, the narrative in the Chamber from some over the past 24 hours and, indeed, in opinion pieces by some eminent institutes over recent weeks has been disturbing. It is almost as if investing in the early years sector is in turn penalising those who choose to parent at home. For years I have listened to Deputies and others call for investment in the early years sector. From the moment I came into the Dáil, I pressed the Minister, Deputy Zappone, on it and I welcome the increase. I would disagree with the Minister over the distribution of those funds. We need to help the squeezed middle more and not just those on low incomes. However, there are positive moves in the right direction.

It was unbelievable to hear some of the attacks on the child care sector this afternoon. Investing in one sector is not an attack on others. However, there is an attempt to reduce and simplify, and present the debate as such. Perhaps the most derogatory statement I ever heard was uttered in this Chamber this afternoon when Deputy Mattie McGrath said that parents may come to regret to “farming out” their children in years to come. What a disgusting and Neanderthal statement to come out with. It insults not just hard-working parents who care for and love their children but those hard-working professional people in the sector who over the past three decades have moved that sector on to a different plateau.

Some people like to think of the sector as a child-minding service without taking the time to examine how this is actually the first rung of the educational system. It is fighting hard to get recognition and funding as such. The increases in funding announced yesterday are welcome, but derogatory statements by Deputy Mattie McGrath and others are not helpful and insult the professional front-line staff in the service. On the housing measures, while people have been critical of the home buyers’ scheme, anything that helps people will be welcomed by first-time buyers. However, having met developers in my county where there has been a total cessation of building in key towns, I know that the elements which impact the supply of homes was what we needed to examine. The fact that this was not addressed in tandem with the incentive for

buyers was a terrible miss. We are going to drive people from certain areas into other areas where the schemes are going to be built. There is not going to be an equal spread and that issue has to be looked at.

With regard to education in the budget, the funding which was allocated to the third level sector is a start but it still falls a long way short of what had been set out as required in the report by Peter Cassells. In addition, the failure to deal with the pupil-teacher ratio was also a missed opportunity. Having held meetings with the INTO representatives in my constituency it will come as a big disappointment to teachers and parents that these ratios were not tackled. There are however, many positives to the budget and overall the Dáil needs to work constructively in that regard.

Deputy Eugene Murphy: It is lovely to see people coming in to the Visitors Gallery to watch us perform here. Sometimes we are great, sometimes not so good. I see that Deputy Durkan has invited some people in, as have some other Deputies. Céad míle fáilte. I love to see people coming in and watching the proceedings because that is what democracy is about. Schools also come in to visit the Gallery, today and every day, to watch us perform here.

With regard to the budget it is fair to say that Fianna Fáil had a serious input into it. Deputy Cassells has spoken about the investment in services and tax reduction. I will explain why we did that. It is because our constituents were saying, to me and other TDs, that budgets are not all about cutting taxes. We need better services and we all know the difficulties in the health service. We know we need better services in education. We need to improve our services and that is quite evident in this budget. We gave the €5 increase to pensioners, as agreed by Fine Gael. That is important because pensioners have lost a lot in recent years. They have lost a lot of their benefits and a lot of money. There are many, many pensioners who come to me and to other TDs, who are in quite serious financial situations. It is not easy to survive on €200 plus per week. If any little financial crisis occurs with those people at all, they find themselves in trouble.

The national treatment purchase fund, NTPF, will not eliminate waiting lists but it was a Fianna Fáil scheme initially when it was brought in. It was removed but now it is back with €50 million. Of course it is not going to solve our problems but it certainly will reduce the waiting lists. It is good to see the CLÁR programme back for rural Ireland which was another scheme brought in by Fianna Fáil when in government. It had been abandoned completely. Programmes such as CLÁR and RAPID are very important for local employment and local initiatives. I acknowledge that there are quite a number of positive initiatives in the budget for rural Ireland. That is important because for years rural Ireland was forgotten about. It desperately needs help.

I welcome the investment in child care and we need to provide that child care for people. However, I have had representations on this issue today that there are people who feel left out of the loop. Parents of children who are not in full-time care whose children might be looked after by grandparents are now excluded from the new child care plan as unveiled in the budget. They will not be able to avail of any child care subsidy and I believe that is wrong. It needs to be rectified and the Government needs to look at the matter. Overall, the package was needed and I look forward to the Minister for Children and Youth Affairs, Deputy Zappone, giving us more clarification when she comes in to the House.

One of the biggest disappointments for me, as Fianna Fáil's junior spokesperson on flood

relief, is to see the lack of emphasis on the flooding crisis that is hitting many parts of rural Ireland. For an island nation we have failed miserably to deal with this matter. Now, with climate change etc., this is becoming critical. Consider counties such as Roscommon. I find it difficult to explain to people in the House that as I speak, in parts of Roscommon, parts of east Galway and parts of south Galway, the water has only receded to the back walls of people's gardens. That is how close the water is. Businesses have been ruined, farms have been ruined and houses have been ruined. This is a massive crisis and the flooding issue has not been given any mention, especially with regard to my part of the country. The Budget 2017 Expenditure Report says that "Existing infrastructural and service priorities include the commencement of flood relief schemes in Athlone, Blackpool, Lower Lee (Cork City), Clonakilty, Glashaboy and Templemore." Those places are being looked after but there is no mention of where the real crisis is with flooding. The Minister of State, Deputy Corcoran Kennedy, will understand exactly because she is a rural TD from Offaly and she has had to deal with this, as do TDs from Westmeath, Roscommon, Longford and Galway. We have to tackle this problem. There is no emphasis in tackling it in this budget. I hope that when the Minister comes to the House he will explain exactly what he has laid out, what he is going to do for people who have lost property, parts of their homes and their businesses. They need to be assisted and helped. We need to get real about the issue of climate change and the flooding it is causing. Politicians need to take back control of the River Shannon from agencies.

Deputy Eoin Ó Broin: I will use my time to focus on the housing, planning and local government elements of the budget, areas for which I am responsible within Sinn Féin. All Members of the House know that we are in a housing emergency. Every part of our housing system is in crisis. The scale of the human cost, particularly on children, means that politicians must be focused on solutions. It is not enough to shout from the sidelines. That is why Sinn Féin proposed the setting up of the Dáil Committee on Housing and Homelessness, the report of which made very substantial recommendations to the incoming Government. It is also why we brought forward the rent certainty legislation, which unfortunately was rejected by Fianna Fáil and Fine Gael in this House, and was rejected also today in the Seanad. It is why in the Dáil and in committees we seek to play a constructive role. Where we make criticism we do so because we believe Government policy is not adequate. When we oppose Government policy we always propose costed alternatives. I say this because I am deeply disappointed by the housing elements of the budget. My disappointment does not come from a desire to score political points but from my view that what was announced yesterday is not enough to address the causes of our housing crises. Not only is the housing programme unambitious, it repeats the many policy mistakes of the previous Fianna Fáil and Fine Gael governments. This means that the housing crises will continue.

I am increasingly concerned by the gap that is opening up between the words of the Minister for Housing, Planning and Local Government, Deputy Coveney, who clearly understands the scale of the problem, and the actions and inactions of his Government. In his press conference yesterday the Minister made five key claims about the housing budget. The first claim is that the total spend on housing next year will be up 50% on 2016. On the face of it, and from the budget document, that appears to be true but figures provided to me by the former Minister, Deputy Alan Kelly, suggest that the increase may be much more modest. In a parliamentary question answered on 5 May 2016 the then Minister, Deputy Alan Kelly, said the projected spend on housing for 2016 would be €933 million. If this figure is correct, and it is different from the figure in yesterday's budget document, then the actual increase announced yesterday is only 23%, not 50% as claimed. The then Minister also stated in reply to the parliamentary

question that capital spending, which is crucial in housing, for this year would be €528 million. This means that according to yesterday's announcement the 2017 increase would only be 19%. These are not trivial differences and it would be helpful if the Minister, Deputy Coveney, would put the correct figures on the record - those of his predecessor or those contained in yesterday's budget document. Even if the 50% increase is accurate, given the level of cuts to social housing budgets since 2008, it still leaves local authorities chronically underfunded and unable to meet the growing level of housing need in their administrative areas. Capital spending on social housing remains less than half what it was in 2008. The €150 million announced yesterday is not only insufficient: it is an affront to those families, especially homeless families, in desperate need of social housing.

9 o'clock

The Minister will claim that the Government simply does not have the money and that this is the best he can do. I do not accept that. Sinn Féin has shown in its alternative budget that it would be possible to increase capital spending by as much as €491 million next year. We would double the proposed increase in the allocation for local authorities. We would restore the Traveller accommodation budget to 2008 levels. We would double the allocation to the Housing Agency for purchasing vacant units. In addition, by facilitating a modest investment of funds available from the Irish League of Credit Unions, we would unlock an additional €360 million, which, crucially, would be off-balance sheet. In total, this would deliver more than 8,000 real social housing units, twice what the Minister, Deputy Coveney, announced yesterday. It is not that the Government does not have access to the funds for a more ambitious programme, it is that it is choosing to fritter them away on meaningless USC cuts rather than investing them in housing.

The Minister also said yesterday that he will meet the housing needs of 21,000 households next year. Again, this is simply not true. A total of 16,600 of the housing units referred to by the Minister are subsidised private rental units and not real social houses. The overwhelming majority of these are in short-term two-year HAP tenancies. That is not social housing. Yes, the scheme has some advantages over rent supplement, particularly for those in work, but it does not meet the long-term social housing needs of the families involved. It is bad housing policy and runs contrary to the Government's stated commitments to build sustainable communities. Almost 80% of the housing to which the Minister referred yesterday is private sector housing subsidised by the State. This is the fundamental flaw that has been at the heart of Government policy for decades. Over-reliance on the private sector did not work in the 1990s, it did not work in the 2000s and it certainly will not work now.

The same can be said about the promise to fund 3,000 exits from emergency accommodation next year. We know from international best practice that private rental accommodation is the least appropriate and least secure exit from homelessness. It does not provide the long-term security that homeless people, especially those with a history of repeat homelessness, need. However, this is what the Government is proposing in the majority of cases. An exit from homelessness is only meaningful if it is into secure, permanent housing.

The Minister's other keynote proposal is the misnamed help-to-buy scheme. It was interesting to see how irate the Minister, Deputy Coveney, became yesterday when being put under pressure by the media at his press conference. He, as a Minister, cannot on one hand state that he wants to listen and hear the views of other people on his proposals while, on the other, rubbish those opinions as "academic" - to quote what he said - because he does not like what peo-

ple say. The overwhelming majority of expert opinion is telling the Minister that this scheme will not work and, in many cases, that it will actually make matters worse. There is nothing academic about fuelling house price inflation or pushing ever greater numbers of people out of the first-time buyer market but, unfortunately, in its isolated wisdom, this is what the Government is seeking to do. This is not a transformational housing budget, as the Minister claimed. It is a *status quo* budget which does nothing for the vast majority of families on council waiting lists suffering with excessive rents or locked out of the first-time buyers market.

I am also concerned by the significant cut to the local government fund. This is a 7% drop, or approximately €22 million, as outlined yesterday. I would like to hear from the Minister about what he thinks will be the impact of this cut on council services and about which services he believes councils should cut as a result of his decision.

I am also concerned about the paltry €2 million allocated for improving water quality and what appears to be a very small overall capital investment programme for upgrading the water system. I have asked the Minister on a number of occasions - I appeal to him again to clarify the position now - how much of the €533 million capital investment programme next year for Irish Water will be direct Exchequer funding as opposed to borrowing. Will the Minister tell us why no provision has been made in next year's funding for the consequences of the possible abolition of water charges? We know it is not the Government's preferred option. If, however, Fianna Fáil keeps its word on this matter, the money will have to be found and, on that basis, it should have been included in the financial Estimates.

Genuinely, I would like to be able to welcome the housing budget of the Minister, Deputy Coveney. People elected me to effect change. There are no votes to be had in criticising purely for the sake of it but the housing policy in budget 2017 and the anaemic level of investment underpinning it are simply not enough. This is why I cannot and will not support the budget.

Deputy Carol Nolan: This budget is nothing more than a master-class in rhetoric and spin. The Minister for Public Expenditure and Reform stood in the Chamber yesterday and announced an additional spend of €458 million in education. However, outside of demographic pressures and money that has already been committed, the grim reality is the true figure for our education system, which has been ravaged by regressive and harsh cuts over the years, is €170 million. While I welcome any investment in our education system, the reality is it needs a great deal more. It is obvious that education is not deemed to be a priority by the Government.

Less than one month ago, the Minister for Education and Skills announced to much fanfare that he would create an education system that would be the best in Europe. The budget delivered yesterday makes a farce of this commitment and statement. It seems the Minister is fond of plans and reviews, and plans to carry out even more unnecessary reviews. He is the master of the glossy report that contains yet another meaningless strategy. Our education system does not need glossy reports that will gather dust on shelves in the Department of Education and Skills. We do not need an action plan, we just need action. What our education system chronically needs is investment to help it recover from the regressive cuts that have taken place over the years. It needs a Minister that will deliver.

Yesterday was a real opportunity for the Minister to lay down a marker and to put his money where his mouth is, but he failed to deliver. His partners in Fianna Fáil have stood up in the Chamber and cried crocodile tears about the school transport system, the NEPS service, school class sizes, guidance counsellors and resources for children with special needs. It seems they

are content to stand over a budget that will not deliver the resources our education system so badly needs. They strut around the Chamber stating that their fingerprints are all over the budget, but this is not something of which to be proud.

Fianna Fáil and Fine Gael have delivered a budget that does not provide any additional resources for the NEPS service, despite a clear programme for Government commitment to invest in the service. Vulnerable children are waiting years for assessments in order to access critical resources. The fact this has been ignored is unacceptable and inexcusable. These are children with special needs. Our education legislation states each and every child should reach his or her potential, and children have the right to reach their potential. How can they do so if a simple assessment, with recommendations to help children achieve their potential, cannot be carried out? This is where it is all going wrong and this needs to be addressed. Sinn Féin proposed an investment of €3.5 million in our alternative budget, which would have allowed for the recruitment of 43 extra psychologists and the provision of administrative support to enhance the capacity of this vital service.

Despite all the soundbites over the airwaves in recent months, Fianna Fáil is content to stand over a budget that does not provide any additional funding for school transport. Rural communities have been let down very badly and children cannot get seats on school buses. Perhaps I should not be surprised by this, given the fact it was a Fianna Fáil Government that introduced the cuts to the school transport in the first place. I am hugely disappointed that the promised review of school transport has not been delivered while schoolchildren throughout the State, including in my county of Offaly, have been left without school bus seats. Sinn Féin had proposed an additional allocation of €5 million to provide a more flexible and fair service that would deliver for the needs of our students and their communities.

Fianna Fáil also made much noise about the restoration of guidance counsellors. I am glad that party finally agrees with our position that the provision of guidance counselling services needs to be ring-fenced outside the existing pupil-teacher ratio. I welcome the fact the Minister has since shifted his position and agrees with the need for ex quota guidance counselling provision. We received a note from the Department of Expenditure and Reform that an additional 750 posts would be required at a cost of €47.6 million to provide guidance counselling on an ex quota basis of one counsellor per 500 students, which is realistic and only fair. The additional investment of €2 million and the recruitment of 100 posts is a token gesture and does not go as far as it should to address the huge deficit in the service. In our pre-budget submission, we provided for the full restoration of guidance counselling, ex quota, on the basis of one guidance counsellor per 500 students.

The budget does absolutely nothing to address the issue of class sizes. Ireland has the second highest primary class size in Europe, which is unacceptable. Two thirds of all primary school pupils are being taught in classes of 25 or more. Oversized classes place a huge burden on teachers and can often mean that students do not receive the individual attention that they badly need. Students with special needs or, indeed, gifted pupils who need to be challenged are not getting the necessary attention because teachers are over burdened. In our budget submission, Sinn Féin proposed investment in capital and current spend to reduce the PTR at primary level and provide additional classroom accommodation to reduce class sizes.

The €35.6 million allocation for third level is nothing but a joke. In yet another glossy report commissioned by the Department of Education and Skills, Mr. Peter Cassells set out the clear need for immediate and substantial investment in third level but he was ignored. The

€35.6 million allocation to provide for both higher and further education is wholly inadequate and is nowhere near enough to address the demand within the sectors. Sinn Féin proposed an investment of €150 million across each of these sectors to provide a much needed injection of funds.

This budget lacks vision. It tinkers around the edges and does not deliver the investment that our public services, including our education system, so desperately need. It seeks to play to the gallery rather than deliver what is in the best interests of the citizens of this State. It is populism at its very worst. Sinn Féin set out a clear plan that would deliver real and substantial investment in our education system. We listened to groups as diverse as IBEC, Social Justice Ireland, the Irish Fiscal Advisory Council and even the European Commission, which called for increased investment in public services. In a rare show of unity, both the Irish Congress of Trade Unions and IBEC oppose abolishing the USC and called for investment just like we were saying. In delivering this budget, Fianna Fáil and Fine Gael have shown that they have not learned the lessons from the past. They have once again acted to protect their friends and to give more back to higher earners rather than secure our children's future through investment in a quality education system that meets the needs of all our children. This budget does not deserve the support of the House.

Minister for Housing, Planning, Community and Local Government (Deputy Simon Coveney): I wish to share time with Minister of State, Deputy Kyne, and Deputy Michael D'Arcy.

I am pleased to have an opportunity to contribute on the budget and to clarify a number of issues. A series of comments have been made by a number of Opposition spokespeople both yesterday and today on the housing measures and it is good to have an opportunity to respond to them. This has been a balanced budget. Of course, we would have liked to have done more in many areas but we had to ensure the expenditure committed to by Government was affordable and that we did not go down the road of increasing expenditure in an unsustainable way, which we would regret in a few years. A number of Deputies opposite have claimed credit for the change in emphasis in this budget from previous budgets. There is a clear change of emphasis in the programme for Government as well as in the commitments that we have made in the confidence and supply agreement with Fianna Fáil to try to deliver on improving public services now that the State can afford to do it. These commitments were bought into and decided by Fine Gael. That happens to be consistent with what Fianna Fáil is saying but the idea that Fianna Fáil has decided what the split between expenditure and taxation should be is a nonsense and I say that as someone who was involved in the negotiations. However, I am glad there is basic agreement on the need to spend more on improving public services and to assist people who rely on the State for their income through the many supports available in the education and health sectors and through housing provision and so on. We have very much bought into that change of emphasis.

This is a significant budget from a housing perspective. I have heard what I expected to hear from some Opposition parties. No matter what we do, it will not be enough. Sinn Féin's view seems to be that the State should house everybody and that the sole focus of a budget should be on the provision of social housing. The main focus of my budget should be on the provision of social housing and the provision of affordable housing in the right place but there has to be a balance between what the private sector can deliver and how we can help it to deliver it, and a proactive approach to the State delivering a lot more in terms of social housing need. Expenditure on housing has increased by 50% in this budget. No other Department comes close

to such a percentage increase. That is a reflection of the fact that housing and the provision of social housing, in particular, is the No. 1 priority for Government in respect of focused capital expenditure over the next five years. As I have said many times, we are committed to adding 47,000 units to the social housing stock over that period and there needs to be a big move in that direction next year. Yesterday's budget allocation means we will provide more than 21,000 housing solutions for social housing clients through HAP, RAS and so on in 2017.

The issue is delivering on the promise of the rebuilding Ireland programme and putting the resources in place to do that, and delivering through the tax system on what was promised in terms of trying to fix an element of the market that relates to first-time buyers. However, everything we are doing is about driving supply, including getting vacant properties back into use, and getting new homes built for everybody in the market, including first-time buyers who are simply not having homes built for them at the moment. In addressing the housing response in the budget, Members have to address the complete picture, including initiatives such as the funding for the Housing Agency to purchase properties; the repair and lease initiative to get vacant properties back into use; the buy and renew initiative for local authorities and approved housing bodies to get, for example, some of the 40,000 vacant residential properties in Dublin back into use; and the living city initiative to return buildings to use not only for owner-occupiers but also for investors who want to rent them into the market. There are multiples examples of areas where we are trying to drive supply by using existing vacant stock and there are multiple examples of measures we are taking to increase the supply of new stock such as a streamlined planning system, new financial models through ISIF, the investment of €200 million in an infrastructure fund to open up sites that are currently unviable because developers cannot afford to pay for the infrastructure as well as develop houses and sell them at prices people are willing to pay, and using public land in a much more strategic way to create partnerships such as that in O'Devaney Gardens, a site that will be transformed over the next two years. All these things are happening to drive supply. The area that has received most attention is that relating to first-time buyers, which people have focused on in isolation as though it is the only thing we are doing on housing in the budget. Even in isolation it makes sense but added to the other supply measures it also makes sense. Last year, 38,000 houses were sold in Ireland and only 24% of those were purchased by first-time buyers, when the figure should be closer to 55%. Only 2% of those sales were new houses purchased by first-time buyers and that is because first-time buyers' homes are not being built by developers right now. They cannot make a margin on them so they are building higher-value homes and selling half of them to cash buyers. If we do nothing, developers will continue to target areas in the market where they can make margin and first-time buyers, who should make up more than half of the purchasers of new houses, are going to continue to be locked out of the market.

We have spoken to the Central Bank about its rules to make sure the property market does not overheat will continue to apply. However, the real difficulty for first-time buyers in buying a house is in putting together a deposit. If a first-time buyer is lucky enough to be able to afford to take out a mortgage for €300,000, he or she has to raise a deposit of €38,000 while paying significant sums of money on a weekly or monthly basis in the private rental sector. We are targeting a specific segment of the problem for first-time buyers by helping them to put a deposit together. On a €300,000 house, we are giving them an income tax rebate worth €15,000 towards that deposit.

The link between income and the price of a house, at 3.5:1, on which the Central Bank is insisting, remains intact so there are measures to make sure there is no overheating. If we do

not intervene, however, we will not see new houses being built for a segment of the market whose participants developers currently believe will not purchase homes because they cannot do it by putting together a mortgage. We are trying to turn notional demand for houses into real demand for houses and to create the ability to pay for them by helping first-time buyers put a deposit together and ultimately get a mortgage to buy a home. We are doing the same for people who want to build their own homes, as long as they are borrowing 80% of the value of that investment and taking out a mortgage. That makes sense.

This is a temporary measure for three years and I call on developers to get on with building houses for first-time buyers as that is a fundamental element of the housing market. More than half of buyers should be first-time buyers but they are not supplying that market at the moment. There is pent-up demand in the first-time buyers' market at the moment and this is a temporary initiative to ensure that those people can now get a mortgage. A lot of people will be able to make the transition from the private rental market into the owner-occupier market if we have enough homes built for them. These measures are modest and make sense. They also back up the multitude of other proposals we have to increase supply, with increased spending by 50% in one year.

Minister of State at the Department of Arts, Heritage, Regional, Rural and Gaeltacht Affairs (Deputy Seán Kyne): Mar Aire Stáit do ghnóthaí Gaeltachta, cuirim fáilte roimh an cháinainéis a fograíodh inné agus roimh an leithdháileadh atá beartaithe do ghnóthaí Gaeilge, Gaeltachta agus oileán as an Roinn Ealaíon, Oidhreacht, Gnóthaí Réigúnacha, Tuaithe agus Gaeltachta don bhliain 2017. Tá €46.736 milliún ar fáil don Roinn sa bhliain 2017 do ghnóthaí Gaeilge, Gaeltachta agus oileán agus chomh maith le sin cuirfear €13.239 milliún ar fáil don Fhoras Teanga. Ó thaobh an chláir sonrath sa Roinn, tá mé ag leathdháileadh €440,000 breise do scéimeanna tacaíochta Gaeltachta chun an Ghaeilge sa Ghaeltacht a chaomhnú agus a chur chun cinn agus ciste i measc tionscnaimh eile, do scéim na gcúntóirí teanga Gaeilge agus scéim na gcampaí samhraidh chomh maith leis na céadta eagraíochtaí pobail Gaeltachta.

Tá €250,000 breise ar fáil do scéimeanna tacaíochta Gaeilge a chuireann an Ghaeilge taobh amuigh den Ghaeltacht chun cinn, ag maoiniú tionscadail teanga, cúrsaí ard-oideachais in Éirinn agus thar lear agus eagraíochtaí ar nós Taibhdhearc na Gaillimhe, Gaillimh le Gaeilge, Gnó Mhaigh Eo, etc.

Tá €250,000 breise ar fáil do Straitéis 20 Bliain don Ghaeilge. Ina iomlán, €1.25 milliún atá ag maoiniú tionscnaimh ar nós pleananna teanga do bhreis is 20 pobail agus tionscnaimh chun Gaeilge a chur chun cinn i dteicneolaíocht, san áireamh meaisín aistriúcháin teicneolaíochta, plean teanga gníomhachta RTE, réamhscolaíocht Gaeltachta agus seirbhísí iarscoile. Tá €60,000 breise ann do oifig an Choimisinéara Teanga. Tá €1 milliún breise i maoiniú caipitil d'Údarás na Gaeltachta agus i rith 2016, rinne mé leithdháileadh freisin de €2.4 milliún do mhaoiniú caipitil breise d'Údarás na Gaeltachta. Tá €9.275 milliún ann le cabhrú le pobail oileán. Is éard atá sa leithdháileadh sin ná €6.631 milliún i gcaiteachas reatha agus €2.644 milliún i gcaiteachas caipitil.

I compliment the Minister for Housing, Planning, Community and Local Government, Deputy Coveney, on his plans for the housing sector because that is the main challenge the Government has, not only in our cities but in many of our smaller towns and rural areas. I have every faith that the plans he has put in place can be delivered not only in terms of the social housing targets for local authorities but to kick-start private developers into building houses. The incentives will stimulate the necessary level of housing for first-time buyers.

On taxation, I welcome the incremental lowering of the USC, which follows recent budgets and is designed to put money back in people's pockets. On social protection, I commend the Minister for Social Protection, Deputy Varadkar, on his work on pensions and the first increase in carers allowance since 2009 and in other disability payments, invalidity pensions and the provision of optical and dental benefits, as well as the increase in back to education allowances and the 85% Christmas bonus. I also commend him on fully restoring farm assist and on the provision of extra places on the rural social scheme, something I spoke to him about.

In education, I welcome the extra 2,400 teachers who have been recruited, the 900 resource teachers and the 115 SNAs nationally in 2017. There has been a €36 million investment in third level education, which is part of €160 million invested in higher education. Hopefully, my local universities, NUI Galway and GMIT, will be able to benefit from that.

In agriculture, I commend the Minister for Agriculture, Food and the Marine, Deputy Creed, on the sheep scheme which is very important for the west, and his innovative loan scheme which will help farmers with cashflow and short-term challenges faced particularly in the harshest of winters. I commend both Ministers, Deputies Donohoe and Noonan on the budget.

Deputy Michael D'Arcy: A total of €1.3 billion was to be distributed in the budget in some way and I want to dispel a few myths first. There is a myth that this nation does not redistribute wealth but the income tax take for 2017 is €20.5 billion, while the social protection budget for 2017 is €20.25 billion. There are practically no jurisdictions which give out the entire tax take on income and redistributes it to the social protection budget. The old age pension accounts for €7.25 billion, the biggest level of expenditure from any one pot in the State. This is closely followed by unemployment assistance at a cost of €4.6 billion, child benefit at a cost of €2.6 billion and illness, disability and carers benefits at a cost of €4 billion, which for me is money well spent. There is a debate to be had at some point in the future on universal payments, which provide money for people who are comfortable or well-off. I have a problem with that. There are too many people coming to my constituency offices in Wexford, Gorey and Bunclody who need assistance from the State much more than people who are comfortable and will receive a €5 per week increase in the old age pension. This is an issue on which we need to have an honest debate. It will be a difficult debate but it must be had at some point in the future. We should also have an honest debate on taxation. Ireland ranks high among the OECD countries in terms of the rate at which a person moves to the higher rate of taxation. When a person reaches €33,801, he or she moves to the higher rate of taxation of 49.5%.

I have been critical of Fianna Fáil but I commend it on its responsible attitude not only in terms of this budget but also in the formation of a Government. Deputy Michael McGrath's speech was good and was a speech of politics of the centre. I have a deep respect for Deputy McGrath. During the two years we were members of the banking inquiry, I got to know him well. He is a good politician. I am less complimentary of Deputy Micheál Martin's contribution which I thought was poor. I am happy to praise people when I think what they are doing is good, but I am equally happy to criticise them when I think what they are doing is bad. Deputy Martin is shaping up to be this generation's Jack Lynch.

I note there is nobody in the Chamber from the other Opposition parties. There is a very good term for them, namely, the mobocracy. These are the people who will implement whatever is the most populist at the time. Politics does not work like that. I have no time for the type of silly statements we heard from some members of the Opposition, including the proposal from the AAA-PBP, which it was stated would bring in €24 billion. Current tax yield is €50

billion, which means the AAA-PBP proposes to increase the tax take by almost 50%. Sinn Féin was more modest in that it proposed measures to increase the tax take by €2 billion, despite that at this time all of our taxes are at a maximum. We have the second highest VAT level in Europe and some of the highest personal taxation rates in the OECD. Excise and duty taxes are also very high, some of them the highest across Europe. Sinn Féin wants to take another €2 billion from that area. The area in which we have a low tax rate is corporation tax but that is by choice because we have only a small number of corporations relative to the size of our economy.

The first-time buyer's tax rebate is required. First-time buyer's need a kick-start. However, I have a problem with the exclusion from that scheme of people who may wish to relocate but, because they are paying tax in another jurisdiction, will not have the four years' contributions required to qualify for that scheme. This is an area we need to revisit.

I welcome the changes in regard to guidance counsellors. An area that has not been provided for in this budget is capital expenditure for local authorities for projects for which they will never have funding. I know there are capital budgets provided for in other spaces, but local authorities in each area should have a budget available to them that would boost the economy of their particular county. It is important we take a coherent view rather than a piecemeal view of this issue.

An Leas-Cheann Comhairle: The next slot is being shared by Deputies Sean Fleming, Eamon Scanlon and Pat Casey.

Deputy Sean Fleming: I welcome the opportunity to speak on budget 2017. Earlier this morning, when asked how I would rate this budget, I said I would give it a rating of 5, which I think is a fair assessment. I said it deserves a pass but not an honour and so I settled on a rating of 5. It deserves a pass because of the input of Fianna Fáil by way of the programme for Government. We ensured that all available funding would be spent on a 2:2 basis in terms of the improvement of public services, which have been decimated by Government over the past four or five years. Fianna Fáil's input ensured a €5 increase for pensioners and people of a working age. We also ensured that the targeted USC cuts of 0.5% across the three rates benefited people on low and middle incomes rather than only people on high incomes, as Fine Gael would have wished to do.

I was intrigued by the contributions over the past hour from those whom I would call "the hurlers on the ditch", namely, Sinn Féin who have said they will oppose this budget. Sinn Féin proposes to oppose the €5 increase in the old age pension and the increases in payments for people in receipt of jobseeker's, disability and carer's allowances. I know people would like more. However, I do not understand Sinn Féin's politics. While we would like to give more, a €5 per week increase for 2017 is welcome, yet Sinn Féin proposes to try to block it. I hope the people Sinn Féin represents get the message loud and clear that it is opposing the €5 increase.

The Minister, Deputy Coveney, referred in his contribution to the first-time buyer's grant being only a small part of the housing strategy. He then went on to talk about how many new people will be accommodated under the new housing schemes. The largest group of people who will benefit under the housing strategy are people in receipt of rent supplement, which is paid by community welfare officers. During the course of this year and next year the rent supplement scheme will be replaced by the housing assistance payment, which will be administered by the local authorities, such that people will be moving from one scheme to another. It is simply a change of scheme name. The Minister will then report at the end of next year that

the Government has helped 10,000 or some other number of people with their accommodation needs via this new housing assistance programme. However, he will not acknowledge that in effect all he did was change the name of a scheme.

Fianna Fáil got the overall macroeconomic aspects of this budget right, which is why there is a reasonable amount of money available for public services. However, Fianna Fáil did not write the details of the budget. When the Government, particularly Fine Gael, was left alone, things started to go awry. While people welcome some of the aspects of this budget, they are also aware of its shortcomings. As I said earlier, I give this budget a rating of 5 out of ten. Most people will get a €5, €6 or €7 increase in their pay or pensions next year, depending on their level of income.

I would like to refer to a particular group of people that have not been mentioned thus far. There are people under 24 years of age who are in receipt of jobseeker's allowance of €100 per week. This payment will increase to €102.70 per week, which means these people will get an increase not of €5 but €2.70 per week. Even though the document provided states that there will be a €5 increase in all weekly payments, when one reads the small print one finds that people under 24 years of age will only get €2.70. There are people aged 24 who are married, whose spouses or partners will also get an increase of €2.70, which amounts to an increase of €5.40 for a couple. However, in the case of a couple with a child, as can be the case because people in their mid-20s do have children, there is no increase for the qualified child. This means the €5.40 in additional income going into that household equates to €1.80 per person. In the case of a 24 year old who is married or living with another 24 year old person and has two children that €5.40 equates to €1.35 per person per week. This is where this budget has gone off the track. We thought there would be a €5 per week increase across the board. When Fine Gael got to work on the details after we were no longer involved in discussions, it came up with the idea of a €1.35 increase for people in that category. Those are the facts from the Department of Social Protection. Worse still, the Government has not even said when those people will actually get the payment.

Another shortcoming of the budget is the failure to make adequate efforts to improve the pupil-teacher ratio in primary schools. Almost 30% of pupils in County Laois are in classrooms of more than 30 students, which is unacceptable. The extra teachers allocated will only keep pace with the extra pupil numbers and will not improve matters. Hospital waiting lists have not been dealt with at all. The waiting lists for people seeking community services, including child psychology services, orthodontic services and dental treatment, have not been dealt with properly. I received confirmation today from the relevant agency that there are 190 people waiting for home care packages in County Laois but there is little or nothing in terms of home help to be found in the budget today.

While we all support initiatives to get more houses constructed, the first-time buyer's grant will not achieve that. If the Minister had thought about it a bit more, he would have gone about things in a different way. The idea of giving a tax rebate of up to €20,000 is to confine the scheme to people who have been in well-paid jobs for the last four years. As they have paid a lot of tax, they now qualify for a rebate. People coming home from abroad will not qualify. People who have been out of work during the last four years but who now have a well-paid job will not qualify as they will not have paid enough tax in the preceding four years to get the rebate. People who have to move house or who previously had a house but are now separated will not qualify. Too many people are excluded. The Government has been telling people to save but a condition of the plan is that a person will have to take out a mortgage of at least 80%.

That means those who have been prudent and tried to save up 30% of the price of the house will now be penalised. They will not qualify unless they take on additional borrowings. I do not know where that condition came from. The conditions for the scheme require one to be well-off and to have paid a lot of tax over the last four years and force one to take on an excessive mortgage even if one does not need to do so. A slight mistake has been made there and the Minister needs to revisit it.

No adequate preparation is made in respect of Brexit and the sterling exchange rate. I find it unusual that in dealing with European institutions the Government adopts an *à la carte* approach. It quotes Europe when it suits and dismisses it when that suits. The Irish Fiscal Advisory Council says that the level of spending increases breaches the EU fiscal rules but the Government is going to ignore that. It is going to ignore the EU ruling in relation to the Apple tax case, which is fair enough, but it will then come along and tell everyone in Ireland that we must accept EU directives when it comes to Irish Water. There is no consistency or credibility in the Government picking those bits of European regulation that suit it one day while dismissing other European regulations the next. The Government produced a table yesterday setting out a high risk in terms of currency developments, housing supply pressures and the concentration of income tax from the major corporations. There is also a high risk in regard to the EU budget contribution based on the estimated increase in GDP. The budget does not adequately deal with those issues.

Deputy Eamon Scanlon: I am glad to have the opportunity to speak on the budget. There are parts of the budget I welcome, including the €5 increase in the pension, the €5 increase in working-age payments and the new €15 million national treatment purchase fund. While the €15 million will help, it is insufficient to make inroads into the waiting lists. There are many people waiting for procedures to be carried out. The last time the fund was in place, Fianna Fáil put €50 million into it and we definitely caught up. If we can continue to increase the fund, we will eventually solve the problem. The targeted USC cuts of 0.5% across the rates are welcome as is the increase and reactivation of the CLÁR and RAPID programmes. I also welcome the expansion of the rural social schemes with 500 new places. I am very much aware of people in rural Ireland who may live alone and who are in their late 30s. For the sake of their health, they want to get on a community employment or rural social scheme even though it is only €20 per week. It gets them out of the house meeting people and is good for them. I know of two cases where people work four weeks in the month to get paid for two because they want to get out working. It is good for them. The €55 million increase in rent supplement is welcome because it is very badly needed at the moment.

There are areas in which more could have been done, however. I am not sure the first-time buyer's grant is well thought out. Before I came into the Dáil, I was very involved in the property business and I cannot see how this is going to work. In our part of the country, which is the north west, people are on the minimum wage. If they are over that, they are very lucky and probably working in Government jobs. In our part of the world a four-bedroom semi-detached house costs approximately €150,000. People there will not have been paying that much tax and I do not think they will see any benefit from the scheme. I agree with Deputy Fleming that the scheme should be reconsidered in the Finance Bill to see if it can be tweaked. I understand that it is needed to get builders to build houses because it is not profitable at the moment to build these types of houses, but we should look at it again. It will not work in its current form.

The lack of investment in local authorities was mentioned by the last Fine Gael speaker. There is a serious issue with regional and, in particular, local roads. We should look at more

funding for local improvement schemes because the people involved are as important as those people who live on the motorways. They should be looked after and given whatever help we can provide because the roads network has become terrible over the last number of years, particularly with the weather we have seen.

The inheritance tax threshold for children has been raised to €310,000 while the category B and C thresholds have been raised by 8%. I have heard Sinn Féin and other Independent Deputies criticising this measure. Are they telling me that a father or mother in Dublin who wants to hand over his or her house to a son or daughter should be penalised? The average price of a house in most parts of Dublin is nearly €400,000. That places a liability on a son or daughter who is given a house by a parent of €40,000 to €50,000. It is another mortgage again notwithstanding the fact that the parents earned the money and paid tax on it. They are being taxed again because they want to give it to a family member. The thresholds should be increasing, not falling. Certainly, the category B threshold should be increased. While it has been increased by 8%, it involves brother to brother and should be increased substantially.

The home carer's tax credit has been expanded by €100. While this is a step in the right direction, the efforts of stay-at-home parents must be fully recognised with further increases. They play a major part in the care of children.

The provision of €55 million for rent supplement and HAP is welcome because there is no doubt that rents are getting expensive. While they are very expensive in Dublin and the larger urban areas, my local area in the north west has seen rent increases of 40% over the last two years, unbelievable as that seems. There is now a shortage, which we never had in our area of the north west before.

The confidence and supply arrangement outlines a commitment to a full review of the plan in mid-2017. This was a critical part of the overall agreement and it is vital that the review provides an opportunity to make crucial decisions on pivotal infrastructure projects designed to address housing, transport, broadband, flooding and the broader threat of climate change. School transport must also be looked at. It is going to be reviewed in 2017 and I look forward to that.

Deputy Pat Casey: This is my first time to be involved in the budgetary process at national level and it is clear that the Government has a great deal of work still to do to ensure that budget formulation is an open and inclusive process for all Deputies. This is essential for a Parliament that wants to work professionally on behalf of the people. Last minute changes to spending thresholds and budgetary measures only tend to reinforce the view of parish pump deals and cynical gestures. Coming from a business perspective, I find the budget process far too secretive, piecemeal and lacking the unity of purpose that the Dáil needs to have as we try to steer the nation through the turbulent waters following Brexit.

There are some positives, however. Fianna Fáil has contributed to the change of direction in budgetary policy. Taxpayers wanted a fairer Ireland. They did not demand self-interested tax cuts; rather, they wanted better public services and demanded investment in all our futures. In this regard, the commitment to increase public spending on child care and social welfare payments is to be commended, but the delay in payments serves to take some of the good out of the welfare restoration.

One of the measures I am particularly pleased about is the restoration of 400 guidance counsellors in the education sector. This was a particularly counter-productive cut by the previous

Government. I commend the decision and hope mistakes like this will never be made again.

My national focus is on the housing crisis. I have serious concerns about the packages and measures announced in the budget. The solution is frustratingly simple, that is, supply. The range of measures announced, and in some cases re-announced, yesterday lacked the national urgency that this crisis demands. I understand that the first-time buyer's grant is being introduced by the Minister, Deputy Coveney, to entice the construction sector to build, but it is extremely high risk.

Where are the measures to ensure that house prices will not become further out of the reach of buyers? For example, my constituency of Wicklow has the highest house prices and rents outside of Dublin. The State should not rely on the private sector, profit-driven market to increase housing supply. As I stated before, and again stress, if this measure simply increases prices without increasing supply in a measurable way, then it needs to be reversed quickly. Encouraging people to commit themselves to overpriced mortgages is a lesson I thought we had all learned.

In the hospitality sector, the 9% VAT rate was a targeted measure to defend a vital industry that was in troubled times. It is worth carrying out a serious analysis as to the value of a similar VAT reduction for the construction industry as it pertains to housing only. A VAT change could be targeted, measured and easily adapted.

The renewal lease scheme, as announced, is a move in the right direction, but on too small a scale to make a meaningful impact. In 2017, €6 million will only deliver 150 units, while the national funding scheme used off balance sheet could potentially deliver thousands of units. That is the ambition and radical approach my colleagues in Fianna Fáil and I will bring forward. I will continue to work constructively with colleagues in the House to get on top of the crisis, but this budget leaves a lot to be desired at a time when people are looking for leadership and direction.

With regard to the film industry, I welcome the increase to the Irish Film Board. Not nearly enough has been envisaged to ensure that Ireland can become a global location for quality film and television production. This can happen with changes to the section 481 cap and the extension of the horizon clause until 2030. Wicklow is a centre for Irish film production and the employment and knock-on effects of the industry is countywide and convinces me of the potential of the industry to make a national impact in our recovery.

This brings me to rural development, which is once again the poor relation of the budget. There is a complete lack of ambition and joined-up thinking regarding the potential of rural Ireland to contribute to the island's economy and relieve the pressures on urban areas. A previous Fianna Fáil-led Government promised us that there would be rural proofing of budgets. This has not happened. The piecemeal and timid measures in the budget serve only to highlight the gap that exists between official Ireland and the reality in rural Ireland.

Just today, I received more disgraceful news about the roll-out of fibre broadband in Wicklow and east Carlow. A town such as Hacketstown in County Carlow needs a lift to encourage business development, but it will not be fit for fibre broadband until 2018 at the earliest. That is not acceptable. Fibre broadband is the key to opening the potential of rural Ireland. Even areas that are supposed to be connected and live, such as Laragh, are in fact only partially connected and full coverage cannot be guaranteed until 2018.

The sheep scheme and the increase in the farm assistance scheme are to be welcomed. The restoration of the ANC payments has not yet been achieved, with towns and farmers being left behind. The agrifood sector is still very anxious about the lack of Brexit-proofing.

This is the first budget of this Dáil. There are too many in the Chamber who, even after eight months and following the Brexit vote, refuse to take responsibility seriously. There are flaws in this budget, which I am obliged to point out. However, at this time, we have a duty to provide stability in turbulent times. This is simply the right thing to do and I am happy that Fianna Fáil is honouring its commitment.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Pat Breen): As Minister of State with responsibility for small business, I am pleased that the first budget of this Government is taking the necessary steps to support our entrepreneurs and SMEs. I am acutely aware of the economic impact of our SMEs. Over 235,000 active enterprises in Ireland are micro and small enterprises, and this makes up almost 99% of all active enterprises and nearly 50% of private sector employment. Those jobs are spread across all counties and regions.

We need to continue to reward and encourage those risk takers who start a business and those who continue to take risks in creating and growing jobs. I welcome the improvements the Minister for Finance has made to the CGT entrepreneur relief, lowering the rate from 20% to 10%. I also welcome the Minister's signal that he will review the €1 million lifetime limit in future budgets. As Minister of State with responsibility for small business, I will continue to advocate for an improved tax regime to support those businesses that are taking risks and employing people.

As Deputies know, regional job creation has been a priority for the Government. We want to ensure that all regions, cities and towns are facilitated in achieving their economic potential. That is what the eight regional action plans for jobs are all about. They are about getting things working from the bottom up and bringing private and public sector interests together to implement plans and deliver new ideas. The aim of these plans is to create almost 250,000 jobs across all regions by 2020. With 45,000 jobs created last year, this leaves 200,000 jobs to be achieved by the end of 2020, including 135,000 outside Dublin in all the regions. That will support the proposals of Deputies opposite who live outside Dublin. This is all part of the programme for Government.

Results so far are very encouraging. Since the first quarter of 2015, the national employment rate has fallen from 10% to 8.6% and all eight regions have recorded a reduction in the rate of unemployment over that period. The Government continues to support the regional jobs agenda, with the largest enterprise allocation in over a decade. IDA Ireland will see its capital funding grow by 22% to €137 million. Some of the additional moneys will enable it to progress three more advanced facilities in the regions, with new builds planned for Dundalk, Limerick and Galway next year.

On the Enterprise Ireland side, an additional allocation of €5 million in competitive funding was announced in June for 48 local and regional initiatives. A further €3 million was announced for a regional accelerator scheme for areas outside Dublin. In 2017, Enterprise Ireland will continue to roll out additional competitive regional funds to support collaborative approaches to job creation across the regions.

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To ensure a very strong focus on regional development, the capital allocation to the local enterprise offices is also increasing by €4 million, from €18.5 million to €22.5 million. This recognises their potential to generate start-ups and job creation in the regions. The additional funding demonstrates the programme for Government's commitment to achieve regional balance in the delivery of jobs.

Brexit will present a significant challenges for us, as many speakers have said. The fall in sterling has hardened my resolve to work to deal with the challenges which Brexit poses to companies in Ireland. Volatility in exchange rates always presents challenges and I am particularly conscious of the scale and impact on the indigenous sector. Over the medium to long term, exchange rate volatility highlights the importance of focusing on a wide spectrum of competitive policies, in particular policies to enhance competition and productivity. A competitive and sustainable base can help to provide a buffer zone against exchange rate fluctuations and other uncontrollable external factors. With our plan to grow the number of jobs supported by the enterprise agencies, additional resources have been provided in the budget for 2017, primarily for staff resources for Enterprise Ireland in the context of Brexit.

Enterprise Ireland is being provided with a total Exchequer capital allocation of €185 million. Some €63 million of this, an increase of 12%, is focusing on general enterprise development and business supports and €122 million, an increase of 3.7%, is for its research and development supported activities. I welcome the extra resources Enterprise Ireland will benefit from, in order to support its clients in the face of Brexit.

Debate adjourned.

Written Answers are published on the Oireachtas website.

The Dáil adjourned at 10 p.m. until 11.30 a.m. on Thursday, 13 October 2016.