



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Déardaoin, 24 Eanáir 2013*

*Thursday, 24 January 2013*

Chuaigh an Ceann Comhairle i gceannas ar 10.30 a.m.

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

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## Leaders' Questions

**Deputy Micheál Martin:** Yesterday, Oireachtas Members across all parties were briefed by the nursing unions on the cynical and over-spun announcement of the 1,000 jobs, which will be two year contracts, for newly qualified graduates at 20% below the normal wage rate for nurses. What emerged during that briefing yesterday was interesting. First, those present were adamant that, contrary to what the Taoiseach said yesterday, no new jobs are being created and that 1,000 agency jobs will be lost as a result of the creation of these so-called new jobs. Second, the deal was done with no discussion with the unions and, third, no alternatives in terms of where savings could be more effectively made have been examined by the Government, Minister or HSE. It was suggested that more than double the savings achieved as a result of this measure could be realised via alternative routes, in particular in terms of VAT and agency fees.

Nurses throughout the country view this initiative as a downgrading of their profession, which explains why so few have applied for the posts. We were told that up to last week only 30 applications had been received, hence the decision to extend the initiative to 2010 and 2011 graduates. Interestingly, the unions also told us yesterday that the management side of Government had been told, in the context of the extension of the Croke Park agreement talks, that this was a game breaker and that there would be no successful outcome to those talks if this issue was not revisited.

Intervention in this matter by the Minister, Deputy Reilly, has added fuel to the fire. The Minister said that nurses and midwives who are not happy with this initiative can emigrate or opt to work in fast food outlets, which was an appalling intervention by the Minister, who was characteristically dismissive and arrogant.

**An Ceann Comhairle:** A question, please.

**Deputy Micheál Martin:** Does the Tánaiste agree with the Minister, Deputy Reilly, that they would be better off emigrating or working in fast food outlets? Will the Tánaiste confirm also if, as stated by the Minister, this initiative is to be extended to physiotherapists and occu-

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pational therapists? We were told yesterday that HSE management and Department of Finance officials had categorically told the unions it would not be extended to physiotherapists and occupational therapists.

**An Ceann Comhairle:** Thank you, Deputy.

**Deputy Micheál Martin:** Can the Tánaiste confirm this morning on behalf of Government whether it is planned to broaden this scheme out to allied health professionals in the system? Will he also clarify whether the Government has considered the alternatives, which could realise more than double the savings proposed to be made as a result of this particular initiative?

**The Tánaiste:** Let us be clear, this is about new jobs. There are many people in this country who are out of work.

**Deputy Joe Higgins:** Yellow pack, cheap labour.

**An Ceann Comhairle:** This is Leaders' Questions. I do not want any interruptions, please.

**Deputy Bernard J. Durkan:** Deputy Higgins is not a Leader.

**Deputy Robert Troy:** Neither is Deputy Durkan.

**The Tánaiste:** The Government has made it clear that putting people into employment is its top priority. If a multinational company came into this country and announced 1,000 new jobs for graduates, everybody in this House would welcome it. An additional 1,000 jobs are being created in the nursing sector. There are currently approximately 35,000 employed in the health service. These 1,000 posts for graduate nurses are additional jobs. It is not intended to extend the initiative beyond graduate nurses.

**Deputy Róisín Shortall:** It is 1,000 jobs lost for agency nurses.

**The Tánaiste:** That is the intention and is what is being done. This is about providing employment. As a result of this initiative, there will be 1,000 additional nurses in the health service.

**Deputy Robert Troy:** Even the Tánaiste's party members do not believe him.

**The Tánaiste:** It is better for graduate nurses to be in employment. It also benefits the health service.

*(Interruptions).*

**An Ceann Comhairle:** I must ask Members to show some respect to the people asking questions and those replying.

**Deputy Micheál Martin:** It is important we have clarity and the facts in this House. The union representatives were adamant yesterday that these posts do not represent additional jobs as an instruction has been given to cut the number of agency nurses by 1,000. What this represents is the replacement of 1,000 agency nurses with 1,000 newly qualified nurses at a reduced rate. That is what is on the table. These are not new additional posts. That is the position. There is no point trying to confuse or mislead people on that fundamental point.

**An Ceann Comhairle:** Thank you, Deputy.

**Deputy Micheál Martin:** I also asked the Tánaiste to comment on the intervention by the Minister, Deputy Reilly, that young nurses who are not prepared to take up these jobs should emigrate or go work in fast food outlets. Does the Tánaiste believe that this response - which is a let them eat cake type approach - from the Minister is appropriate? I also asked the Tánaiste if he would confirm if the initiative is to be extended to other allied health professionals. Perhaps he would do so this morning.

Deputy Kelleher tabled a question on this matter yesterday-----

**An Ceann Comhairle:** Deputy Martin is way over time.

**Deputy Micheál Martin:** -----in which he asked how many people had applied for these posts. In a new farcical high, in terms of transparency from this Government, the reply was: "It is not considered appropriate to disclose the number of applications received while a public service recruitment competition is in progress." Has anyone ever heard the likes of it? That was the response given in reply to a parliamentary question from Deputy Kelleher.

**Deputy John Browne:** So much for transparency.

**Deputy Micheál Martin:** So much for transparency, Tánaiste.

*(Interruptions).*

**An Ceann Comhairle:** Please allow the Tánaiste to reply.

**Deputy Micheál Martin:** The bottom line is that this is annoying people. I put it to the Tánaiste, as a former SIPTU official, that he knows this is not the route to go.

**An Ceann Comhairle:** Deputy, please co-operate with the Chair.

**Deputy Micheál Martin:** There are sensible alternatives to this. It now seems that the cause has become greater than pragmatism, cop-on or common sense. It is a case that we will get this through no matter what because we have put so much into the initiative, whereas alternatives are there to be explored which could realise the savings. The Tánaiste should revisit this and ensure he can implement the alternatives being offered by the unions.

**Deputy Michael Healy-Rae:** Government spin.

**Deputy Pat Rabbitte:** St. Francis of Assisi.

**The Tánaiste:** At a time of very high unemployment, when many graduates are unable to find employment on leaving college, the priority must be providing employment opportunities. This will provide employment opportunities for 1,000 graduate nurses. The current complement of nurses in the health service is approximately 35,000. This additional 1,000 will bring the number to 36,000. Additional posts are being created in the health service. With respect to the issue of graduates emigrating, what this is all about is providing employment for graduate nurses at home-----

**Deputy Micheál Martin:** It was the Minister, Deputy Reilly, who made that comment.

**The Tánaiste:** -----in this country in our health service, which I think is better from the point of view of the graduate nurses themselves. It is also better from the point of view of the health service. We need to be reasonable about this.

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**Deputy Micheál Martin:** I am being reasonable.

**The Tánaiste:** This means looking at a situation where there has been a restriction on recruitment throughout the public service, as we know. There is an employment control framework. These additional jobs are being created outside of this employment control framework. There is no question, as the Deputy alleged, of downgrading the nursing profession. This is not being done.

**Deputy Micheál Martin:** That is what is happening. The health service plan will reduce the number of jobs by 3,500.

**The Tánaiste:** I have the height of regard, as does the Government, for nurses and what they do and for their profession.

**Deputy Micheál Martin:** How can the Tánaiste speak about additionality when the plan itself involves a reduction of 3,500 jobs?

**The Tánaiste:** This is 1,000 additional jobs.

**Deputy Joe Higgins:** The jobs are not jobs at the proper rate.

**The Tánaiste:** As for the point on the parliamentary question, it is not unreasonable to wait until the closing date for applications before one states how many people have applied.

**Deputy Micheál Martin:** The closing date has passed.

**Deputy Michael Healy-Rae:** The Tánaiste never answered the question.

**Deputy Mary Lou McDonald:** It can be reasonably stated the closing date has passed and had to be extended because the young graduate nurses and midwives, who along with their union leaders briefed Members of the Oireachtas yesterday, made it absolutely clear they will boycott this scam. It is not a scheme; it is a scam. This was imposed without consultation. For all the Tánaiste's talk of the necessity for agreement and Croke Park nua, he is setting out in a very deliberate way to slash the wages of graduate midwives and nurses by 20%. These are not new jobs. It is very clear that 1,000 existing posts in the system will be displaced to bring in graduates and exploit them at 20% less than the rate to which they are entitled. The Tánaiste's claim that this will somehow stem the tide of emigration is farcical when one considers across the water in London a graduate nurse will earn £33,000. If one of our very qualified graduates decides to go further afield, he or she will earn the equivalent of €40,000 and more. Let us not play games.

I understood that whatever about Fine Gael's disposition, the Labour Party would be committed to a concept of equal pay for work of equal value. I understood this because the Tánaiste keeps telling us he respects the public service and the profession of nursing, but all of the evidence stands to the contrary. The Government is cynically engineering a situation where young highly qualified graduates will earn €22,000 a year. I need not say the contrast this makes with the Tánaiste's pay packet and that of many others throughout the public service and Civil Service.

**Deputies:** Including yours.

**Deputy Mary Lou McDonald:** Will the Tánaiste, who is the leader of the Labour Party, see

that this scam is ended? Will he tell us about the status of this issue in respect of the Croke Park talks? We were told, as the previous speaker indicated, that this matter is on the table and that it will prove to be a game changer or game breaker for the unions and, crucially, for the young graduate nurses.

**The Tánaiste:** I repeat that we have an unacceptably high level of unemployment in this country. This level of unemployment is particularly severe among young people. One in four young people between the ages of 16 and 25 in this country are out of work. There are far too many graduates in different professions coming out of college who are unable to find employment in this country. Many of these young people are, unfortunately, emigrating. What this is about is providing employment opportunities for 1,000 graduates, in this case in the nursing profession. The idea of a graduate entry recruitment scale or salary is nothing new. It is done in the private sector and public sector. It has been done often in the past. This is about providing and creating an additional 1,000 jobs for graduates who will go into the nursing profession.

**Deputy Joe Higgins:** It is not. It is about replacing 1,000 agency nurses. Tell the truth.

**Deputy Michael Healy-Rae:** Playing with figures.

**The Tánaiste:** In respect of the discussions on the Croke Park agreement, these discussions are best conducted by those involved in them. The discussions are being led by the Minister for Public Expenditure and Reform. They are ongoing and it is a matter for the participants in these discussions on the trade union and the employer sides to put whatever issues they wish to put on the table.

**Deputy Mary Lou McDonald:** The graduate nurses were always going to be afforded an opportunity in the system, for the very simple reason that already our health services and hospitals are understaffed and under pressure. The Tánaiste knows this. The difference the Government has made here is that it has cut their entry rate by 20%. The real irony in all of this is that it is not actually about cost savings because if the Government was serious about cost savings, it would move entirely away from agency nursing and directly employ people in the system.

**Deputy Bernard J. Durkan:** That is right.

**Deputy Mary Lou McDonald:** We all know this is much more cost effective. However, people would be employed at the proper and full rate. So Members understand, the graduate nurses and midwives are people who have families. Many of them have children. They have rent and mortgages to pay like everybody else. They are telling us very clearly that they cannot and will not carry out these duties at yellow pack rates. It is as simple as this. It is very depressing to hear the leader of the Labour Party support so fulsomely a scheme - or scam - which is not about new jobs or any concern for young graduates or stopping emigration but which is all about driving down the wages of the nursing profession. It is nurses today. Who will it be next? Is this the blueprint for the health services? Is the Government intent on expanding this throughout the professions?

**The Tánaiste:** It is not about driving down wages. There is no reduction in the pay of nurses. The pay for nurses is not being-----

**Deputy Mary Lou McDonald:** Twenty per cent.

**Deputy Dessie Ellis:** A two-tier system.

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**An Ceann Comhairle:** Allow the answer, please.

**The Tánaiste:** Sinn Féin comes here week after week and whatever the issue is, it makes some allegation that adds more and more to it.

**Deputy Aengus Ó Snodaigh:** There is no allegation. It is the truth.

**Deputy Dara Calleary:** The Tánaiste wrote the book on that.

**The Tánaiste:** There is no reduction. Get the facts.

**Deputy Micheál Martin:** There is a 20% reduction.

**The Tánaiste:** Let us stick with the facts. There is no reduction in the pay of nurses.

**Deputy Micheál Martin:** Yes, there is.

**The Tánaiste:** Nurses' pay is not being reduced. What is being proposed-----

**An Ceann Comhairle:** Let us hear the reply.

**Deputy Joe Higgins:** The Tánaiste should go back to first class and do his maths again.

**An Ceann Comhairle:** Please allow an answer. We all want to hear the answer. The Deputies may not like the answer but let us hear it anyway.

**The Tánaiste:** What is proposed here is the creation of an additional 1,000 jobs in the nursing profession for graduate nurses. That is what is being proposed and it is over and above the existing complement of nurses who are employed in the health service.

**Deputy Micheál Martin:** The Tánaiste has been re-reading *Animal Farm*.

**The Tánaiste:** Please.

**An Ceann Comhairle:** I would appreciate it if the Tánaiste could ignore interruptions because I will try to control those who are interrupting.

**The Tánaiste:** Thank you, a Ceann Comhairle. Sinn Féin cannot come in here one day moaning about unemployment, yet come in the next day lashing any proposal to get people into employment. This is about providing jobs for graduates and addressing the serious issue we have of the numbers of people who cannot find employment at all, particularly graduates. In this case, in the nursing profession there are 1,000-----

**Deputy Mary Lou McDonald:** They will emigrate and go where they are paid properly.

**The Tánaiste:** Please. There are 1,000 additional jobs being created for nurses. Opposition Members may try to say that there is some other agenda, but it is simply about providing employment opportunities for people who do not currently have them.

**An Ceann Comhairle:** I call Deputy Mattie McGrath.

**Deputy Joe Higgins:** Where will the 1,000 agency nurses go when they lose their jobs?

**An Ceann Comhairle:** Deputy Mattie McGrath is representing your group, Deputy Higgins, so give him a chance.

**Deputy Mattie McGrath:** On behalf of the Technical Group, I want to follow up on the two previous speakers who questioned the Tánaiste. Quite frankly, I know by the Tánaiste's body language that his heart is not in the replies he is giving here today. I can remember the Deputy Eamon Gilmore whom I sat behind on the Opposition benches for four years. He demonstrated righteous indignation with all things that were or were not happening. We were going to see Labour's way or Frankfurt's way. Is this Labour's way, to tell deliberate untruths and be mischievous about creating 1,000 new jobs? Nothing could be further from the truth. No new jobs are being created.

These are our health care professionals to whom, on a daily basis - literally from womb to tomb - we entrust our families and our lives. They have a vocation and are highly skilled. Whether they work in labour wards, intensive care, accident and emergency units or palliative care, they look after us with professionalism and dignity. These people deserve respect from all of us, but above all from the Minister for Health. They should not be abused, as he was quoted as doing in the *Sunday Business Post* last week, by telling them that if they do not like it they can lump it and do yellow pack jobs packing supermarket shelves. This an outrageous attack by the Government on the caring professions. I need not even mention the plight of junior doctors who are being forced to do slave labour, in spite of an EU directive that we have to honour. It is Labour's way all right - they ignore the EU directive when they want to. It is Frankfurt's way, however, when we pay the bondholders that the Tánaiste said he was going to burn.

I can see in the Tánaiste's face and body language that he is not happy with this answer today. He knows it is untrue. He is trying to sell us porkies over here, but we are not going to buy it. Above all, he knows that the people, including these nurses, their families and their patients, are not buying it either. I have spoken about this matter to people in South Tipperary and in hospitals all over the country. The Tánaiste knows better than anybody else that this is playing games and massaging figures, which he is very good at.

What value does the Government put on young medical professionals? Will the Government investigate the working conditions of junior doctors to ensure they are not in breach of the EU directive, and report back to the Oireachtas as soon as possible? Will the Government reverse the disproportionate attack which has reduced these graduates' pay? These are our caring professions and we do not want them to emigrate; it would be worse than the Flight of the Earls. As Deputy Martin has pointed out, he received a misleading reply because he could not get the number who have applied. Who would apply? When the Tánaiste treats people with disdain, he will get the result he sought.

**The Tánaiste:** The priority for this Government is to get people into employment. We have an unemployment rate which is far too high. The biggest problem the country is currently facing is the issue of unemployment. People are finishing school and coming out of colleges but cannot get work. That is an enormous problem for the individuals concerned, their families and society. We must address it and are doing so at a number of levels. We are encouraging inward investment with the creation of jobs, and putting in place a range of measures that will provide employment opportunities and experience for people who would not otherwise get it. One of the ways of doing it is by the recruitment of 1,000 graduate nurses in our health service. It is about putting people into employment, nothing else. That is what is intended here.

**Deputy Joan Collins:** It is slave labour.

**The Tánaiste:** It is over and above the existing complement of people who are employed in



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the health service, which includes 35,000 nurses. This brings the total to 36,000 nurses. They are additional nurses in our health system. It provides employment opportunities for young graduate nurses who would not otherwise get them.

**Deputy Róisín Shortall:** What about the agency nurses?

**An Ceann Comhairle:** I call Deputy Mattie McGrath, please. He is well able to speak for himself.

**Deputy Mattie McGrath:** Thank you, a Cheann Comhairle. I am and I know that the Tánaiste is and always was, as well. The Labour Party was founded in Clonmel and I welcomed him there last year to commemorate the party's 100th anniversary. Given the proud tradition of the Labour Party, however, I am simply appalled that the Tánaiste would treat nurses, our caring profession, like that. I listened to his spiel about jobs, the five-point plan and his promises. Yes, it is vital that we create employment but above all we must also care for our young, elderly and other vulnerable people. We must treat our health care professionals with some modicum of respect and fair play, which they deserve. We are just displacing agency nurses. Fewer than 35 people have applied for the vacancies, so people are voting with their feet. They have no faith if they do not get respect. The Minister for Health, Deputy Reilly, is telling them to eat cake or else pack supermarket shelves, but that is not the way to treat them. The Tánaiste knows that, as does the former Minister of State, Deputy Shortall, which is why she is not in the Department of Health any more. This is a con. Somebody called it a scam, but I would call it a sham. I am asking the Tánaiste to revisit it for the sake of all those working in the health care sector, including hospitals. People in the community are under pressure and need honest answers, not spin and massaged figures about job creation, which we are getting in all Departments. Nursing is the most caring profession. It is a vocation and we must respect nurses.

**Deputy Joe Higgins:** Plus 1,000 and minus 1,000 equals zero.

**Deputy Paul Kehoe:** Zero Joe.

**An Ceann Comhairle:** I do not want to interfere in the internal politics of the Technical Group but Deputy Mattie McGrath is their spokesman for today.

**The Tánaiste:** Of course, the Government respects those working in our health services. They are doing a fabulous job in very difficult circumstances, as there is increasing demand on our health services. They have to do that work with less resources and, in many cases, with fewer people. This proposal is about jobs. Our top priority is getting people into employment and thus getting work experience. There are currently 35,000 nurses in the system and this proposal will bring the number to 36,000. They are 1,000 additional posts for graduate nurses. At a time when there is so much unemployment and so many young graduates cannot get any work, I think Members of this House should be welcoming the creation of jobs, rather than coming in here and complaining about it.

**Deputy John Halligan:** What is there to welcome?

**An Ceann Comhairle:** That completes Leaders' Questions. We now move on to the Order of Business.

**Deputy Joe Higgins:** We are back to the naíonáin beaga. Plus one and minus one equals zero.

## **Order of Business**

**The Tánaiste:** It is proposed to take No. 13, motion re proposed approval by Dáil Éireann of the Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013 (back from committee); No. 14, motion re proposed approval by Dáil Éireann of the Exchange of Information Relating to Taxes (Montserrat) Order 2013 (back from committee); No. 3, Euro Area Loan Facility (Amendment) Bill 2013 - Order for Committee, Committee and Remaining Stages; No. 28, Residential Tenancies (Amendment) (No. 2) Bill 2012 - Second Stage (resumed); and No. 29, Electoral (Amendment) (Dáil Constituencies) Bill 2012 - Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that Nos. 13 and 14 shall be decided without debate.

*11 o'clock***An Ceann Comhairle:** There is one proposal to be put to the House. Is the proposal for dealing with Nos. 13 and 14, motions on proposed approval by Dáil Éireann of agreements to improve tax compliance and exchange of information relating to taxes without debate, agreed to? Agreed.

**Deputy Micheál Martin:** On promised health legislation, a serious situation is developing in respect of access universal health care, which is the core aim of the Government in respect of its health policy. More than 40,000 people will have their medical cards taken from them under the health service plan and thousands of people are leaving private health insurance because of the increase in premia. Moreover, further increases will be imposed this year. Premia are at an all-time high and the accident and emergency wards are under enormous pressure. However, my point is that Members were promised the health (amendment) (No. 2) Bill, which was to deal with a wide range of eligibility issues. The health (amendment) Bill, which is a separate Bill, pertains to the extension of eligibility to medical cards. I also refer to the status of the health, private patient charges, Bill. Increasingly, people cannot make sense of what is emanating from the Minister for Health in respect of his legislative proposals and the reality on the ground in the health service. The circle cannot be squared and the situation is worsening.

**An Ceann Comhairle:** Thank you, Deputy, this is not an extension of Leaders' Questions.

**Deputy Micheál Martin:** Two years have elapsed without any governance of health.

**An Ceann Comhairle:** It is about the Order of Business.

**Deputy Micheál Martin:** While the Bill pertaining to health governance is being introduced next week, there has been no governance in health for the past two years and it is showing in terms of the management of the service itself.

**Deputy Pat Rabbitte:** I remember a period like that a few years ago, where there was none for four years.

**Deputy Micheál Martin:** When will the aforementioned three Bills come before the House?

**The Tánaiste:** Deputy Martin himself was Minister for Health and Children and his legacy

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was that he did not read his brief.

**Deputy Bernard J. Durkan:** Yes.

**The Tánaiste:** As a consequence of not reading the brief, he cost the Irish taxpayer a small fortune.

**Deputy Micheál Martin:** Will the Tánaiste answer the question?

**Deputy Dara Calleary:** I do not think the Tánaiste read his brief this morning.

**The Tánaiste:** However, that of course was in times when money was plentiful-----

**Deputy Micheál Martin:** By the way, that is not true.

**The Tánaiste:** -----and the Deputy thought it could be poured down the drain.

**Deputy Micheál Martin:** That is completely untrue.

**The Tánaiste:** This is the reason we have ended up in our present position-----

**Deputy Micheál Martin:** Telling untruths is nothing new for the Tánaiste.

**An Ceann Comhairle:** Sorry, would you please allow the Tánaiste to reply?

**The Tánaiste:** -----with an enormous mess in the public finances-----

**Deputy Micheál Martin:** Answer the question.

**The Tánaiste:** -----that the present Government must clean up after him. In good times-----

**Deputy Michael Healy-Rae:** The Tánaiste should look forward.

**Deputy Micheál Martin:** The Tánaiste should look to his own record and what he is responsible for.

**An Ceann Comhairle:** Thank you. When is the legislation promised?

**Deputy Micheál Martin:** The Tánaiste stood over that Minister when he shafted one of the Tánaiste's own Ministers.

**The Tánaiste:** In good times, Deputy Martin made a mess of the health services. The legislation-----

**Deputy Micheál Martin:** The Tánaiste lacked the bottle to take him on and allowed one of his Ministers to go.

**An Ceann Comhairle:** Sorry, hold on a minute. Hold on a second-----

**The Tánaiste:** In good times, Deputy Martin-----

**An Ceann Comhairle:** -----I am not putting up with this. This is about promised legislation.

**Deputy Micheál Martin:** Yes, and he will not answer.

**An Ceann Comhairle:** The Tánaiste will reply as to when the Bill is due.

**Deputy Micheál Martin:** He will not answer.

**An Ceann Comhairle:** Thank you.

**The Tánaiste:** You could not run the health services efficiently.

**An Ceann Comhairle:** Speak through me.

**The Tánaiste:** As for your legacy and record, your record was miserable.

**Deputy Micheál Martin:** I will stand over my record on the health services any day in comparison with that of you or the Labour Party.

**An Ceann Comhairle:** Tánaiste, speak through me please.

**Deputy Micheál Martin:** You allowed your Minister, who had principles, to walk away.

**The Tánaiste:** You left the Government with a HSE-----

**An Ceann Comhairle:** Hold on a second Tánaiste, I am on my feet. I am not going to tolerate this shouting and roaring across the Chamber. This is the Order of Business, where Deputies are entitled to ask about promised legislation, full stop, no speeches. Will the Tánaiste please reply to the request as to when these Bills will be introduced?

**The Tánaiste:** The health (amendment) (No. 2) Bill will be published this session. The health (amendment) (No. 3) Bill will be published in 2013, the health (amendment) Bill will be published in this session and the health (private patient charges) Bill will be published this session.

**Deputy Micheál Martin:** I thank the Tánaiste.

**Deputy Bernard J. Durkan:** Does the Deputy feel better now?

**Deputy Pat Rabbitte:** The Deputy still has not read the Travers report.

**Deputy Emmet Stagg:** The Deputy still did not read the briefs.

**An Ceann Comhairle:** I call Deputy McDonald. We do not want any speeches.

**A Deputy:** We definitely want to brief the Deputy.

**An Ceann Comhairle:** Please let the Deputy ask a question about legislation. Thank you. We have had Leaders' Questions.

**Deputy Mary Lou McDonald:** I refer to the Construction Contracts Bill. Members have been waiting for this legislation for quite some time. They are acquainted with the fact that subcontractors across the State are under considerable pressure and are awaiting this legislation. I understand there are Government amendments to go before the Cabinet. Can the Tánaiste indicate whether these amendments have gone before the Cabinet? Second, when will the legislation be introduced to the House?

**The Tánaiste:** I understand the aforementioned Bill is awaiting its Committee Stage and

consequently, it already is in the House system.

**Deputy Mary Lou McDonald:** To clarify, the Bill is indeed scheduled to go before the committee in February. However, the difficulty is this has not been confirmed. Members await Government amendments that I understand must go before the Cabinet. As there is an urgency to this matter, can the Tánaiste state whether the amendments have gone to the Cabinet, yes or no? If so, I assume the February deadline will be met but if not, the worry is this will drag on further.

**The Tánaiste:** The scheduling of Committee Stage obviously is a matter for the committee. The Minister has not yet submitted amendments to the Government.

**Deputy Mattie McGrath:** I am delighted to note the Minister for Children and Youth Affairs is present in the Chamber, as I wish to ask the Tánaiste a question on the proposed children first Bill given the passing of the children's referendum. In addition, when will Members have a debate in this House on the Supreme Court decision that found that the present Government stole €1.1 million of the money allocated by this House to run the referendum?

**An Ceann Comhairle:** That is a separate issue. The Deputy must speak to his Whip about the latter. What legislation is-----

**Deputy Mattie McGrath:** I asked about the children first Bill, in which the Government puts so much faith. When will we have fair play and respect for children?

**An Ceann Comhairle:** We will deal with the fair play when the Bill comes in.

**The Tánaiste:** The children first Bill will be taken this session. There is ongoing consideration of the views of the Oireachtas committee, including significant policy, operational and legal issues.

**Deputy Robert Troy:** The Government has had them since last June.

**Deputy Dara Calleary:** There is a degree of confusion with regard to the status of the reports of the interdepartmental committee into the Magdalene laundries. The Taoiseach answered questions from both Deputy McDonald and me this week, in which he stated the Government has yet to receive the report and yet, at the beginning of January the Minister for Justice and Equality stated he expected to receive it within days. Can the Tánaiste confirm whether the report has been received by the Government? Will the report be made available to the survivors' groups ahead of its publication?

**The Tánaiste:** No, that report has not yet been considered by the Government.

**Deputy Dara Calleary:** Has it been received by the Government?

**The Tánaiste:** It has not been received by the Government. The Minister will bring it when he is in a position to so do.

**Deputy Robert Troy:** Given the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, is due to sign a memorandum of understanding today with his counterpart in the United Kingdom on exporting energy, can the Tánaiste confirm whether the Wind Turbines Bill sponsored by Senator John Kelly, which I understand was not opposed in the Seanad, will be adopted and accepted by the Government and brought into the Dáil for debate?

**An Ceann Comhairle:** Is there promised legislation in this area?

**The Tánaiste:** Legislation before the Seanad is a matter for that House.

**An Ceann Comhairle:** Is it before that House?

**The Tánaiste:** Yes.

**Deputy Robert Troy:** Does the Government intend to accept it?

**The Tánaiste:** It is before the Seanad.

**An Ceann Comhairle:** As it is before that House, I am sorry but it cannot be debated in this Chamber.

**Deputy Michael Healy-Rae:** On the Water Services Bill, there is grave concern on foot of what has happened in respect of student grants.

**An Ceann Comhairle:** That Bill also is before the Seanad. I am sorry but we cannot discuss this in this Chamber onto this comes into us.

**Deputy Michael Healy-Rae:** Yes but my point is there is great concern-----

**An Ceann Comhairle:** I am sure there is.

**Deputy Michael Healy-Rae:** -----that we will lose the local knowledge and expertise that has been built up within local authorities.

**An Ceann Comhairle:** You can make all these comments when the Bill comes into the House. This is the Order of Business and it is just on promised legislation. The Bill is before the Seanad.

**Deputy Michael Healy-Rae:** I do not want it to end up like the grants processed by SUSI.

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

**An Ceann Comhairle:** I call Deputy Bannon.

**Deputy Robert Troy:** This should be good.

**Deputy James Bannon:** Can the Tánaiste indicate when the much-needed education (admission to school) Bill will be published in light of the ongoing problem-----

**Deputy Robert Troy:** Is the Deputy going back to school?

**Deputy James Bannon:** -----parents are experiencing in accessing places for their children in schools, following the closure of many small rural schools in areas of low population?

**Deputy Robert Troy:** As a result of the Government's policy.

**An Ceann Comhairle:** What Bill is the Deputy talking about?

**Deputy James Bannon:** The education (admission to school) Bill.

**The Tánaiste:** The heads of the education (admission to school) Bill are currently being

drafted and it will be published this year.

**Deputy Aengus Ó Snodaigh:** I wish to raise two items of legislation. A welcome announcement was made late last year that the children's hospital would be built on a site in the grounds of St. James's Hospital. However, I note the remit of the previous development board expired in December. Legislation has been promised, for some time this year, to establish a development board for the new national paediatric hospital. Can the Tánaiste indicate that this legislation will be introduced soon in order that there is no delay in proceeding with this project? Second, an announcement was made during the budget that control of the digital hub would be transferred to the local authority. However, as there is no legislation to underpin this in the legislative programme, is this transfer still intended? I contacted the local authority, which replied it was awaiting the legislation to give effect to this transfer.

**The Tánaiste:** First, the Deputy is aware that the Government has made a decision to build the national children's hospital and has made a clear decision as to its location. There will be no delay in that project. The national paediatric hospital development board establishment order will provide for an amendment to the functions of the national paediatric hospital development board but I do not have a date for the publication of that legislation. It will not delay the building of the hospital.

With regard to the digital hub, it is intended to proceed with what has been announced. I am not clear on the legislative implication but I will get a reply sent to the Deputy directly.

**Deputy Dessie Ellis:** There are plans to change the tenant purchase scheme some time this year. When will legislation come before the House regarding a new tenant purchase scheme, as it is an important issue for local authorities who sell to people who wish to buy local authority houses?

**The Tánaiste:** A housing Bill is being prepared to strengthen the regulatory framework for social housing. The heads of the Bill are expected in spring this year and the Bill will be published this year.

**Deputy Bernard J. Durkan:** What is the state of the Bill to provide for exchange of criminal records and information with other EU member states? Have the heads been discussed? I refer to the criminal records information systems Bill. When is that likely to come before the House? There is also a Bill to strengthen and streamline the function of certain company law enforcement agencies and make other necessary amendments to the Companies Act. It is the companies (miscellaneous provisions) Bill. Have the heads been approved and when will the Bill come before the House?

**The Tánaiste:** The heads of the first Bill mentioned by the Deputy were cleared in April last year and it is expected to be published later this year. I do not have a date for the second Bill.

**Deputy Róisín Shortall:** I ask about two further pieces of health legislation. The first is the Health Service Executive (Governance) Bill 2012 which we were told last year was a priority piece of legislation. It went through the Seanad in September so why has it not been produced in the Dáil? Is there a reason the legislation is being held back? The second issue is the promised Government alcohol strategy, which the Tánaiste earlier indicated we would have before Christmas. When can we expect to see that strategy and the public health legislation to give effect to it?

**The Tánaiste:** The Health Service Executive (Governance) Bill 2012 will come before the House next week. The alcohol strategy Bill proposals are currently being finalised by the Minister of State, Deputy White, on foot of the recommendations of the national substance misuse strategy report. The Minister of State is giving this priority but unfortunately there was not as much preparatory work done on the Bill as we had been led to believe.

**Deputy Patrick O'Donovan:** There is a commitment I have raised before on the implementation of a national standard for home services for elderly people and vulnerable adults and the provision of home care. When is it likely that we will see related legislation before the House?

**The Tánaiste:** I will have to get a reply for Deputy O'Donovan as I do not have the information here.

**Deputy Pádraig Mac Lochlainn:** In section B of the legislative schedule there is a justice (miscellaneous provisions) Bill. Is the Government considering sentencing guidelines or a new sentencing council in response to the ongoing issue and controversy arising from court decisions regarding sex offenders?

**The Tánaiste:** Legislation is promised on sentencing. The Minister for Justice and Equality has put together a group to examine sentencing policy and guidelines. He is giving priority consideration to that issue.

### **Tax Compliance and Exchange of Information: Motion**

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):**  
I move:

That Dáil Éireann approves the following Order in draft:

Agreement to Improve Tax Compliance and Provide for Reporting and Exchange of Information concerning Tax Matters (United States of America) Order 2013,

a copy of which was laid before Dáil Éireann on 11th January, 2013.”

Question put and agreed to.

### **Exchange of Information Relating to Taxes: Motion**

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):**  
I move:

That Dáil Éireann approves the following Order in draft:

Exchange of Information Relating to Taxes (Montserrat) Order 2013,

a copy of which was laid before Dáil Éireann on 11th January, 2013.”



Question put and agreed to.

### **Euro Area Loan Facility (Amendment) Bill 2013: Order for Committee Stage**

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd):** I move: "That Committee Stage be taken now."

Question put and agreed to.

### **Euro Area Loan Facility (Amendment) Bill 2013: Committee and Remaining Stages**

Section 1 agreed to.

#### SECTION 2

Question proposed: "That section 2 stand part of the Bill."

**Deputy Michael McGrath:** I raised an issue relating to this section on Second Stage. Section 2 provides that in future, any further changes to the Greek loan facility can be passed by this House by way of resolution and would not require any further primary legislation. The issue we are debating, essentially the third amendment to the Greek loan facility, must come before the House by way of legislation. A full debate on Second Stage offered Members an opportunity to examine the Bill in detail, as they do with all other legislation, to assess its consequences for Ireland. Ireland has lent €350 million to Greece. Any changes applied to other programme countries that have potential implications for Ireland should require the passage of primary legislation. For this reason, the Fianna Fáil Party will not consent to the section.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd):** I appreciate the Deputy's fundamental point that a full debate must take place in the Oireachtas when issues of this nature arise. The difficulty, however, is that this is an international agreement among the countries concerned that has come before the Oireachtas for ratification. The House cannot change the contents of the agreement. The Minister for Finance, Deputy Noonan, has given a commitment to introduce primary legislation should any change be made to the amount of money involved. This would require holding a full debate in the House on each Stage of any such Bill. If the amount of money is not fundamentally changed, the Constitution allows a motion to be passed in the Oireachtas. However, fundamental changes to the agreement could not be rubber-stamped and would require a full debate similar to that which we have had over the past three days.

It should be noted that a guillotine was not used on the Bill. All Deputies had an opportunity to express their views and Deputies from all sides engaged in a full and frank discussion and made excellent contributions in which all relevant issues were scrutinised. The constitutional obligation to introduce a motion in the Dáil for acceptance or rejection is adequate. The proposal should stand.

**Deputy Michael McGrath:** In the event of such a resolution coming before the House, will the Government provide for a full debate? Will the Minister of State give such a commitment?

**Deputy Fergus O'Dowd:** While I am not the Minister for Finance, I believe such a commitment is implicit in the text. I would be pleased to give a commitment to hold a full debate. What would be the point of the Oireachtas if such important issues were not debated? My strong personal view is that a full debate would be necessary as a full debate is required under the Constitution. There is no point in having a parliament if fundamental issues are not debated.

Question put and agreed to.

Sections 3 and 4 agreed to.

Schedule agreed to.

Question proposed: "That the Title be the Title to the Bill."

**Deputy Richard Boyd Barrett:** The Title is a misnomer as it is entirely incorrect to suggest the agreement will enhance the stability of the euro area. It will do precisely the opposite by further destabilising the Greek economy. It is likely that a slightly different or modified version of the model used here will be applied to Ireland in the near future. All of the models put forward thus far have failed because rather than delivering stability, they have brought devastation and instability. The Bill is misnamed and I do not support it.

**Deputy Fergus O'Dowd:** The House has heard the Deputy's argument before. I am pleased that the vast majority of Irish people and Members of the Oireachtas support the legislation on the basis that it will ensure Greece can meet the new and significant obligations the changes place on its economy. While these changes are having a significant impact, they also allow Greece to remain in the euro, thereby strengthening the currency, and have been supported by all the countries that signed the initial consent. Ireland dropped out of this consent, as it were, when we entered a programme.

Ireland supports the agreement and welcomes the constructive changes taking place in Greece which allow it to remain in the euro. Greece is receiving a tranche of money that it needed. It is important, however, to highlight the differences between Greece and Ireland. We are in a different position because we are about to exit an agreement. We wish to remain part of the euro.

**Deputy Michael McGrath:** While the Fianna Fáil Party views the agreement as necessary, it is not a solution. Greece remains on a life support machine and this agreement will not change that. I predict that further amendments will be made to the Greek loan facility because it still has some distance to travel. The European Union's handling of the Greek debt crisis is an example of how not to deal with a crisis. The initial solution provided in 2010 and its subsequent iterations have not been sufficiently comprehensive and did not address the root of the problem. Further changes will come before the House because the Greek debt and deficit are not on a sustainable path. While the agreement marks an improvement, it is certainly not a solution.

**Deputy Mattie McGrath:** I, too, support the Bill, having voted for it on Second Stage yesterday. However, I also believe it tinkers at the edges and is akin to treating someone for a cold when he or she has a much more serious medical problem. The European Union and In-

ternational Monetary Fund have dealt with Greece in a ham-fisted manner from the beginning. The Greek people have resisted this approach with some success. We have not had an overall evaluation of the real problem or the way forward. Ireland is being held up as the good boy of Europe while Greece is portrayed as its bad boy. The root cause needs to be addressed. As Deputy Michael McGrath noted, this matter will come before us again in the not too distant future.

**Deputy Pearse Doherty:** This legislation is not worthy of the support of the House. If there is one reason we should not support the Bill, it is the Minister of State's comment that it confers new obligations on Greek people. That is the crux of the issue. The interest holiday and reduction in the interest rate on the euro area loan are clearly positive developments but the key issue is that the changes in the legislation impose new obligations on the Greek people. These obligations will not and should not be met because they will further destroy the Greek economy and impoverish its people.

The agreement is symptomatic of Europe's approach to the debt crisis, which has been to do as little as possible and only then after it has been forced into a cul-de-sac. It was the potential for a Greek exit of the euro that gave rise to this agreement. Some tinkering at the edges has also been done in respect of Ireland's difficulties but it has always been the minimum required. Greece's debt must be fundamentally restructured, including by means of a substantial write-down, to enable it to return to some sort of normality. With that normality, it can stop destroying its economy through cuts in public services and people's incomes and it can start to see growth and sustainable debt levels. Ireland needs the same restructuring of our banking debt, particularly in terms of the promissory note and the recouping of the money provided to the pillar banks.

Unfortunately, this Bill is symptomatic of Europe's approach, namely, tinkering around the edges, doing as little as possible, sticking heads in the sand a little bit deeper and pretending that this facility will somehow resolve Greece's problems. In the same way, the outcome of the Eurogroup meeting has been flagged as the great white hope for Ireland. A dose of reality is required in both cases, yet this Bill does not provide it.

**Deputy Richard Boyd Barrett:** As the Minister of State mentioned, we have discussed much of this matter. However, I wish to underline a point in challenging the notion that this Bill will bring stability, as the Title suggests. I want to cut through the myth that the money in question is, for the most part, being invested in the Greek economy to make it function and to provide funding for services and citizens. This is not the fact. Some €29 billion of the amount involved will be used for bank recapitalisation. Yet again, we are bailing out the banks, not the Greek people. Just as in our case, the majority of our loans were for the banks. We did not take them on because we were spending too much, though. Like Greece, we bailed out our banks so that they could bail out German and French banks. The cost of the loans has been loaded onto the people, who must make significant interest payments, digging them deeper into a hole.

The legislation before us should be called the "Control a Country Through the Use of Debt Bill". That is what it is about. Debt is control. If one can force a country into a position of indebtedness, one controls its economy. One can then asset strip that economy. This is what is happening in Greece and is beginning to happen in Ireland. Demands are being placed on us to sell our State assets. We have already gone a long way down the road of smashing up public services. We are doing what others want us to do, that being, to open our economy so that they can control it and buy our assets and markets at fire sale prices. This Bill is not about stability. It most certainly is not about bailing out the ordinary Greek people who have been crippled by

the situation.

The main opposition party in Greece and the many left-wing parties that oppose this Bill may well be in government soon. They do not consider it a bailout of the Greek people. Just in case there is any suggestion that those of us who oppose the Bill do not want to help the Greek people, I wish to say that it is precisely because we want to help them that we are opposing it. We want to stand in solidarity with the Greek people, who know that this is a debt noose around their necks.

**An Ceann Comhairle:** This debate is on agreeing or not agreeing the Title.

**Deputy Richard Boyd Barrett:** Not agreeing.

Question put and declared carried.

Bill reported without amendment and received for final consideration.

Question put: "That the Bill do now pass."

The Dáil divided: Tá, 89; Níl, 27.	
Tá	Níl
Bannon, James.	Adams, Gerry.
Barry, Tom.	Boyd Barrett, Richard.
Broughan, Thomas P.	Collins, Joan.
Browne, John.	Colreavy, Michael.
Butler, Ray.	Crowe, Seán.
Buttimer, Jerry.	Daly, Clare.
Byrne, Eric.	Doherty, Pearse.
Calleary, Dara.	Ellis, Dessie.
Cannon, Ciarán.	Ferris, Martin.
Carey, Joe.	Flanagan, Luke 'Ming'.
Coffey, Paudie.	Fleming, Tom.
Conaghan, Michael.	Halligan, John.
Conlan, Seán.	Healy, Seamus.
Connaughton, Paul J.	Higgins, Joe.
Conway, Ciara.	Mac Lochlainn, Pádraig.
Coonan, Noel.	McDonald, Mary Lou.
Corcoran Kennedy, Marcella.	McLellan, Sandra.
Coveney, Simon.	Murphy, Catherine.
Creed, Michael.	Ó Caoláin, Caoimhghín.
Daly, Jim.	Ó Snodaigh, Aengus.
Deasy, John.	O'Brien, Jonathan.
Deering, Pat.	O'Sullivan, Maureen.
Doherty, Regina.	Pringle, Thomas.
Donnelly, Stephen S.	Ross, Shane.
Dooley, Timmy.	Stanley, Brian.

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Doyle, Andrew.	Tóibín, Peadar.
Durkan, Bernard J.	Wallace, Mick.
English, Damien.	
Feighan, Frank.	
Ferris, Anne.	
Fitzpatrick, Peter.	
Flanagan, Charles.	
Griffin, Brendan.	
Hannigan, Dominic.	
Harrington, Noel.	
Hayes, Brian.	
Hayes, Tom.	
Healy-Rae, Michael.	
Heydon, Martin.	
Hogan, Phil.	
Humphreys, Heather.	
Humphreys, Kevin.	
Keating, Derek.	
Kehoe, Paul.	
Kelleher, Billy.	
Kenny, Seán.	
Kyne, Seán.	
Lynch, Ciarán.	
Lyons, John.	
McCarthy, Michael.	
McFadden, Nicky.	
McGinley, Dinny.	
McGrath, Finian.	
McGrath, Mattie.	
McGrath, Michael.	
McHugh, Joe.	
McLoughlin, Tony.	
Martin, Micheál.	
Mathews, Peter.	
Mitchell, Olivia.	
Mitchell O'Connor, Mary.	
Mulherin, Michelle.	
Murphy, Eoghan.	
Nash, Gerald.	
Naughten, Denis.	
Neville, Dan.	
Nolan, Derek.	

Ó Cuív, Éamon.	
Ó Fearghaíl, Seán.	
Ó Ríordáin, Aodhán.	
O'Donnell, Kieran.	
O'Donovan, Patrick.	
O'Dowd, Fergus.	
O'Mahony, John.	
O'Sullivan, Jan.	
Penrose, Willie.	
Perry, John.	
Phelan, Ann.	
Phelan, John Paul.	
Rabbitte, Pat.	
Ring, Michael.	
Ryan, Brendan.	
Shortall, Róisín.	
Smith, Brendan.	
Stagg, Emmet.	
Stanton, David.	
Timmins, Billy.	
Tuffy, Joanna.	
Wall, Jack.	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Pearse Doherty and Richard Boyd Barrett.

Question declared carried.

### **Residential Tenancies (Amendment) (No. 2) Bill 2012: Second Stage (Resumed)**

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

**An Leas-Cheann Comhairle:** Deputy Mattie McGrath was in possession. He has nine minutes remaining.

**Deputy Mattie McGrath:** I welcome classes from Coláiste Dún Iascaigh who are in the Visitors Gallery today.

I compliment the work of the voluntary bodies, as I am sure the Minister and all other Mem-

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bers do. I am the chairperson of Caislean Nua Voluntary Housing Association and I wish to pay a special tribute to the members of its small committee. Most of them are older than me and they do tremendous work, as do voluntary groups throughout the country. I am not referring to Respond! Housing Association and the many other groups which also do great work, but to the several hundred smaller groups that are of and for the community. They volunteer their time on a daily basis, because there are always issues to be dealt with. Thankfully, last Christmas was nice but two years ago the water pipes froze and there were leaks in some houses. The committee members had to go out and deal with the residents. There is a wonderful bond between the residents and the committees of these voluntary association boards.

The boards are voluntary and limited by guarantee. As such they are subject to many statutory obligations in respect of financial regulations, company law, the residential tenancies legislation and regulations relating to good housekeeping and respect for tenants. There is a range of issues to be addressed on Committee Stage, particularly measures to protect tenants and tenants' deposits from illegal retention and to tackle the non-payment of rent by tenants remaining *in situ*. These are two of the most common issues that arise. Anybody who has been a member of a local authority has been confronted with these issues. I compliment the housing staff in both North and South Tipperary County Councils, Waterford County Council and, indeed, all county councils, especially the staff who deal sensitively with these issues. The rent collectors in south Tipperary have been very professional in doing their job and have always had a very high collection rate.

I pay special tribute to Donal McManus and his colleagues on the Irish Council for Social Housing. They provide an outstanding support for the local groups, especially the fledgling groups I like to encourage. Indeed, we encouraged one in Ballymacarbry, County Waterford, and the former President, Mary McAleese, came down to officially open its estate. The people got involved and it was a joy. There is a great deal of work involved in procuring the site and planning, appointing architects and builders and generally overseeing the job. It is not easy to deal with Departments over the different stages. While departmental officials have a job to do, issues came to the fore towards the end of that development about VAT and so forth which were unclear and caused a great deal of trauma and angst. Thankfully, however, they were resolved. I thank Niall Morrissey who was the liaison between the Department and the group. He is now chief executive officer of South Tipperary Development Company. He is a very able and dignified official. He is also very respectful of community groups. That is what is required. What we must not do with this Bill is in any way damage or frighten the community initiative. That is vital.

Due to low funding in the Department most houses are being allocated by local authorities through the rental accommodation scheme, RAS. Even though funding has been cut to the bone, I still see value for money being achieved and careful, neat and clever design. Indeed, there is a competition bi-annually at the annual conference for the different schemes and designs, not only for housing but also for community facilities and all the different aspects of creating a home and special place for residents. The different ideas, designs and clever concepts make life a fulfilling experience for the residents. There is nothing more satisfactory for a voluntary board than being able to house people who are in need. We had one case just after last Christmas. The person had left their community, bought a house in a different county but it did not work out and they became homeless. It was very meaningful and delightful to help. We have a strict tenancy agreement which must be respected by both sides but one can deal sensitively with it and make people's lives better.

The demand for the dispute resolution service of the Private Residential Tenancies Board, PRTB, has increased, but the number of staff in the PRTB has reduced. The most recent annual report stated that 2010 was a challenging year for the dispute resolution service with an unprecedented 2,230 dispute applications being received, representing an increase of 20%. Sadly, I have no figures for 2011 or 2012 but I believe the figure has increased simply because of the economic depression. People have lost their jobs and incomes and are challenged in many ways with bank loans and so forth. More staff are needed in the PRTB as we must deal with that issue sensitively. It is not fair on the staff either. I compliment the staff because it is a very delicate area.

In that regard, I wish to pay tribute to the council housing liaison officers, especially the officers in south Tipperary, Tess Collins and Catriona Crowe. They must deal with severe problems on a daily basis. Often it can be quite intimidating but they do it with decorum, respect, utmost sensitivity and confidentiality, which is very important. That is also required of the voluntary sector in respect of its tenants. I hope that area will be strengthened as there are not enough of these officers. Given their budgets, it is a challenge for councils to maintain them, but they must be supported. Above all, they must be allowed to do their work without fear or favour and to sort out issues early. We have seen the work that has been done in the Cooleens Close area in Clonmel.

There is also the work the RAPID - Revitalising Areas by Planning, Investment and Development - programme assisted on the fringes of voluntary schemes and also in deprived areas in the towns of Cashel, Tipperary and Clonmel. It is a shame that RAPID funding for the co-ordinators has been withdrawn under this Government. To its credit, South Tipperary County Council has decided it will try to shore up the money - it was getting 60% of the funding - for the co-ordinators, who are doing an outstanding job in those three towns. They are getting down to the problem areas in the communities. The value for money of those RAPID programmes within the housing stock in the socially deprived areas, the work they have done and the schemes they have brought forward cannot be let go. South Tipperary County Council saw the value of that and has tried to put the money together to retain the co-ordinators. However, there will be no funding for the programmes. That is wasteful. The Minister of State, Deputy Jan O'Sullivan, promoted and supported that programme in her constituency, where it was badly needed. That programme has done valuable work and we must not throw the baby out with the bath water. We are in an economic depression but that type of value and support is vital. That is evident. If anybody carried out an audit of its value in any Department, there would be no questions asked and it would not be touched. It would be saved, ring-fenced, supported and enhanced.

While I do not wish to be critical of departmental officials, I sometimes wonder why they do these things. We saw it again two weeks ago with the monitored alarms which are used in the voluntary schemes and also in private houses. A decision was taken to cut them but, thankfully, they had to go back on that decision. These decisions cannot be taken with the stroke of a pen. We must support the voluntary sector as well as the local authority housing sector. I am a strong supporter of the voluntary sector. We must protect it and encourage it. We cannot oblige its volunteers to stay up for nights filling in complicated quasi-legal documents. They must pay for legal advice, although my group has a very good and supportive legal adviser in Aine Ryan. It is intimidating. We also must have audited accounts every year. There are many obligations that people do not see. However, that is my view on the situation at present.

*12 o'clock* **Deputy Damien English:** I wish to share time with Deputies Tom Hayes and



Sean Conlan.

I am grateful for the opportunity to contribute to the debate. This amending Bill is important and timely, reflecting the growing move in society away from owning a home to renting. The Irish practice of home and property ownership is, rightly, deeply ingrained, given our historic experiences of famine and the land war. However, in more recent years, there has been a trend towards the norm on the Continent of renting, not just as a short-term option but even when establishing a family home. According to the 2011 census, the rate of home ownership dropped from 74.7% to 69.7% between 2006 and 2011. In my town of Navan, the rate has dropped from 73.2% to 67.43%. The rates in other towns such as Trim and Enfield reflect the decrease in the national average, according to the CSO figures. Our laws and the size and quality of apartments and other units have been slow to follow European trends fully and the Bill is a welcome step in the right direction.

I welcome that the fact that PRTB will be renamed the residential tenancies board and that since 2010, it has been self-financing. This marks the board out from many other State agencies and quangos that do not pay their own way, leading to increasing public cynicism about their relevance and about public institutions generally. We must be wary, however, as a Parliament, in voting through increases in powers and responsibilities of the day-to-day workload of the board if there are no plans to provide additional funding to meet them. We expect a great deal from the board and I have received many queries through my office over the years regarding services people had hoped they would get from the board. There can be delays due to staff shortages and workload and there have also been problems with the board's powers to follow up on cases but that is being addressed in the legislation, especially in regard to tenants who disappear or move on. The landlord generally owns the house and can be contacted and dealt with. There are consequence for him or her but it is easy for tenants to disappear or move on and the board does not always have the powers, time or funding to chase them to enforce fines or to ensure they correct what they have done. We need to ensure this is borne in mind when additional powers are given to the board.

In this regard, I am concerned with section 16, which will terminate the practice of charging a fee of €25 for mediation services, even though the Bill and many of the board's reports propose to encourage more mediation. While I recognise the principle underpinning this is to increase the take-up of mediation as an option, this could be done by way of a fee reduction or another form of incentivisation rather than wiping out an important income stream for a self-financing agency. I would welcome the Minister of State's feedback on this matter. Perhaps I am missing something and the Minister of State could outline the reason for this.

Similarly, the number of board members will reduce from 15 to 12 and while, on paper, it is often wise to reduce the size of boards to save money, we are going through tough times and the board will face an increased workload with a reduced staff. There is a great deal of international evidence that a board comprising 12 members is the optimum in the context of decision-making and achieving outcomes. If that is the case, I accept it, once it is recognised that we are asking the board to do much more as its powers are increased. The last thing I want is more backlogs. The board does not carry out the day-to-day functions but it makes decisions in this regard.

The voluntary and co-operative housing sector is doing fantastic work in every county providing safe and secure accommodation, often for those on the margins of society, for whom a home provides a sense of dignity and self-worth, which is often life changing. In my home town, good work is done by Navan Mental Health Housing Association, which is based in

Flower Hill. Nationally, 700 voluntary and co-operative bodies have approved housing status, providing a total of 25,263 housing units or homes, as I prefer to call them. Too often we call them units when they are people's homes. The voluntary and co-operative housing sector may find it difficult to raise the registration fee of €90 per tenancy. Its drive and ethos is different, as it is not-for-profit. Rents are generally well below market rates and those paying them are on social welfare supports. This should be borne in mind. Is there scope for a reduced registration fee, even for a settling in period? Perhaps a balance could be struck by retaining the mediation service fee and reducing the registration fee for not-for-profit bodies. I am conscious I have not been present for all the contributions to the debate and I may have missed the reasoning behind this. The flip side is there are many advantages for the tenant and landlord in this sector as the expensive avenue of redress to the courts is being removed for many of the day-to-day disputes that arise. This benefit cannot be highlighted enough.

As a Member for Meath West, I have gathered much evidence from my clinics and contacts with local public representatives about the need for a deposit protection scheme and I am sure other Members are no different. The issues regarding deposits are often linked to disputes over rent arrears which, in turn, are often linked to disputes about the quality of accommodation and failure to deal with problems repeatedly flagged for attention. Our student population and young adults setting out on their careers are particularly vulnerable in this regard. Tenants in this age group are rarely always angels but there can be plenty of devils among landlords who take advantage of generalisations about students and young people to provide excuses for retaining part or all of a deposit. While this is deeply unfair it is also, sadly, common. England, Scotland, Wales and New Zealand, which are fellow common law jurisdictions, have deposit protection schemes. These are worthy of study, not for the sake of it, but in a strong, solution focused way to deliver for people in the expanding rental sector. I urge the Minister of State to examine this and drive such a scheme forward under this or future legislation. It is an issue for many groups in society and we need to do all we can to protect them.

**Deputy Tom Hayes:** I am pleased to have the opportunity to contribute to the debate. The PRTB is doing a good job, which is more important now than ever before, given the changed circumstances in many houses and on many housing estates throughout the country. The board is under huge pressure because of a reduction in the number of its staff. The Minister has been lobbied to resource the agency better to carry out its functions in a more meaningful and efficient way.

The Bill is welcome but I wonder whether it goes far enough. Anti-social behaviour is a major problem in every town, including in Clonmel, Cahir, Cashel, Carrick-on-Suir, Fethard, Tipperary town and others in my constituency. Third parties can bring complaints to the PRTB but the process of adjudication and appeals is too slow and bureaucratic and the penalties are too weak. Generally, the Garda will not act unless a criminal offence has been committed but many offences could be prevented if gardaí had powers to act when complaints are made to them in the first place. Many older people cannot sleep at night because of noise and nuisance created by unruly tenants. In this day and age, it is not good enough, particularly for the elderly, who have paid for their houses and worked hard all their lives. In the times we live, people feel vulnerable at night because of the incidence of break ins and robberies throughout the country. It is, therefore, unfair for older people to have to tolerate noise and other anti-social behaviour. It is becoming more prevalent and needs to be tackled. The Ministers for Justice and Equality and the Environment, Community and Local Government and the Minister of State with responsibility for housing, who is present, need to tackle this issue. It is particularly unfair on

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older people who have paid for their houses but it is also unfair on people with young families. Many changes have taken place in society and in the way people act and behave, but they must behave within the law. The law needs to be strengthened to protect and help everyone who lives in a housing estate or a residential area. The gardaí play their part, but we need forward thinking and planning. The Garda is under resourced but gardaí are playing their part. Last week, I called to my local Garda station and saw a plan for community support and involvement and to protect the people. A Garda station closed in a small rural area but the gardaí have put a plan in place to deal with ongoing policing in the future. The gardaí are prepared to work and co-operate, but we must all work together. The gardaí must be provided with legislation to help them deal with what is a major problem in many areas.

Many tenants, genuinely, cannot afford to pay rent but some deliberately will not pay it. That is a real problem. These tenants know from experience that if they do not pay the rent it will be at least a year before their landlord's complaint to the PRTB will be dealt with. That is not good enough. This is why I go back to my earlier point. The staff and resources need to be provided to make the board effective. The period of delay is too long for a landlord to have no rental income. Landlords have mortgages and household and water charges to pay and commitments to meet. Everyone must play the game and regulations need to be tightened up.

The days of changing locks overnight are gone, and rightly so, but now the law has swung full circle in favour of bad tenants. We need to redress that and change our attitudes. That must be part of the Bill. This is an opportune time to insert a speedy process for dealing with tenants who do not pay and are over-holding. Landlords, many of whom are in serious financial difficulty, should have such tenants evicted within one month.

This is important and timely legislation and can be of benefit to the many people who will be affected by it.

**Deputy Seán Conlan:** As a nation, we have arrived at a new place in residency arrangements. Due to the events of recent years we find ourselves drifting towards the European model of families and individuals renting accommodation rather than purchasing it, as was the case before the recession. This has largely resulted from the imposition of more difficult criteria for mortgage applicants, making it more difficult to secure finance to purchase a home, and from the fall-out of a broken financial system whereby many have accrued enormous debts and will not be considered for further advances in the foreseeable future. Added to this is the growing number of unfortunate people who have lost jobs and can no longer meet their mortgage repayments, presenting them with no alternative but to hand back the keys of their homes and seek rented accommodation.

The rental sector is booming. There is enormous growth in the sector. The presence of the essential elements guaranteeing future growth has provided a challenge to the Legislature to enact legislation capable of delivering an adequately regulated property rental sector that will meet the needs of the new rental population. This is what the Bill seeks to do.

The Bill is aimed at expediting the dispute resolution process and broadening the scope of the legislation to afford this facility to tenancies in the voluntary and co-operative housing sectors. It does this to considerable effect. In that regard, the Bill is a welcome improvement on the current system.

Rented accommodation is often acquired on a short to medium term agreement basis and

fast and efficient addressing of disputes is essential as they often relate to people who are transient. It is important that the resolution process addresses the needs of those at whom it is targeted. Therefore, anything that expedites the process is helpful.

Some 72% of cases brought by tenants to the PRTB, which will now be known as the residential tenancies board, RTB, relate to issues of deposit retention, while 68% of those brought on behalf of landlords relate to rent arrears. These are the two major issues causing disputes. It is puzzling, therefore, that the legislation that seeks to address the area of dispute resolution in the tenancy sector ignores the two items that represent almost three quarters of all complaints processed. While I applaud the endeavours of the Minister in seeking to address this area, we need to include many of the issues that are absent from the current process if we are to provide legislation that adequately addresses the needs of the sector.

Before the recession, rental accommodation was the domain of the young and the less well-off. It has now become the vehicle of choice for a wider range of our citizens as a means of providing accommodation for themselves and their families. It will become more common and, in time, we will become more like our European counterparts. A properly regulated sector can do the nation a service, allowing members of the community to have a home and a life, two things they have often had to choose between because of the exorbitant price of accommodation.

The key issues for landlords are non-payment of rent and anti-social behaviour of tenants. If tenants trash an apartment or house, the unfortunate landlord, who may have bought the property as a pension plan and at a very high price, may not have the financial wherewithal to renovate the apartment. The tenants can walk away scot free and there is a very slow process in place to deal with the issue. From tenants' points of view, retention of deposits is a massive issue.

We need legislation with teeth to address these issues in a speedy fashion and make sure both landlord and tenant are treated fairly. Unless we properly fund the RTB we would be better off abolishing it and going back to the old system of settling disputes in the courts. Tenants and landlords both need speedy resolution. Twelve months is too long to deal with any issue. Perhaps we should have statutory time limits for responses to queries from individuals. Statutory time limits and proper funding would ensure that the organisation can deal with issues in a speedy fashion.

I welcome the basis of the legislation. We need to tweak it and make sure we focus on the fundamental issues that are of most importance to people in the private rental sector.

**Deputy Clare Daly:** In analysing any situation we can see the glass as half empty or half full. Many Deputies have largely welcomed the Bill. It will be broadly supported. It is, however, limited in its cover and in what it does. We need to look at it in more depth.

The critical absence from the Bill has already been highlighted. The biggest issues of concern are, from a tenant's point of view, the withholding of deposits and, for landlords, rent being unpaid. Those issues are the two significant contributors to the caseload of the PRTB but they are the two areas that are excluded from the Bill. The Minister says this will be addressed later. That is doing things the wrong way around. If the Bill is to be comprehensive, adding this later is not adequate. We need to examine this inadequacy. We say the legislation will reduce delays and simplify procedures for dealing with disputes between landlords and tenants. Nobody will say that is a bad thing. We must look at the mechanisms being put in place to make that a reality. If we look at the actual situation, we have to say the Bill is trying to square a circle.

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Unless resources are provided we cannot deliver on the legislation and we will not be contributing to improving the situation. We have seen the statistics. More than 2,000 cases are before the board. This, according to the board itself, represents an unprecedented 20% rise in the number of cases in the past year. Other Deputies highlighted issues such as the waiting time of between eight and 12 months. With the embargo on public sector recruitment, the numbers in the organisation are due to fall from 70 to 33 staff. How will it deal with more applications with fewer staff to provide the efficient service the Bill claims it will deliver? It sounds good but behind the scenes the situation will get worse.

We are increasing the scope of the board to extend cover to voluntary and co-operative housing schemes. Most Deputies welcome that but I am not so sure. I have no problem with their inclusion but we must dig deeper and ask where we are going with social housing policy. There has been an explosion of these voluntary and cooperative bodies while there has been an erosion of local authority provision. Do we really need hundreds of these voluntary housing organisations? I am not so sure we do. These are some of the background issues the Minister of State must resolve before this legislation will deliver any meaningful change.

We must step back from the situation to look at the nature of accommodation provision in Ireland. We are in a peculiar hybrid situation where there has been an explosion of rental property. The slum owning, rack renting landlords of James Connolly's time are not new to this country but the landlord of today is very different from the traditional landlord who played that role. Many people have become involuntary landlords by virtue of the fact they cannot meet the mortgage payments on the home they bought at the height of the boom. Many of them have had to move back to their parents' houses or share with someone else, while renting their property to repay an unsustainable mortgage so the bank gets its money. In many cases, the rent is not even enough and they must make up the deficit.

Many retired people were encouraged to buy property, particularly those who found themselves with an inadequate pension fund, and their life savings are now going towards mortgage repayments while the property is a liability rather than an asset that could fund a pension. These people are not renting to make a profit and we must consider that. Many of these involuntary landlords need decisive action.

What is the benefit of the State paying rent subsidy for the private rental of those properties with unsecured tenure? There should be some sort of a scheme whereby the Government would take over those mortgages on the basis that much of the debt was written off when the banks were recapitalised. Those people should be allowed to get out of those contracts. That would then be a vehicle for the State to become the landlord, directly providing social housing, which would be a much better way of resolving disputes. Contrary to what people think, the management and tenant resolution process is far easier within the scope of direct provision by local authorities. The local authorities are in a much better position to deal with these issues than the private sector. This Bill must be seen in that context, where there is a new type of landlord and circumstances are different from before.

There has been a virtual collapse in social housing provision. No houses are being built and no NAMA properties are being transferred into the ownership of the local authorities. The best that is on offer at present is the long-term lease where the local authority or tenants engage in a ten year lease. That is a joke, where the local authorities take over these properties, pay rent on them for ten or 20 years, become responsible for the full maintenance for the property and at the end of that period they are handed back to the person who owns it and who has profited in that

time while the person who was living there and considered it a home does not have any security other than the obligation of the local authority to rehouse him somewhere else. It undermines the idea of a home.

There has been an explosion in RAS properties, where people rent the property for a five year period. Is that better than what happened before? It is better than the rent supplement situation because the rent is calculated as if the property was a council house and the person can take up gainful employment if the opportunity arises and by some miracle he manages to get a job. He could then pay higher rent but would not lose all the benefits as used to happen under the old system. Does that, however, offer adequate security of tenure? No, because that person is still at the whim of the landlord if he or she wants to sell the house and the tenant cannot make changes. There are broader issues that must be discussed at greater length.

In some ways, this debate can be contradictory. We need more protection for landlords and we also need more protection for tenants. How do we balance the two sets of rights, particularly when they conflict? It is not an easy issue to deal with. I am not sure the legislation can achieve that. We have all experienced cases of tenants whose deposits have been withheld for the most ridiculous reasons, such as basic wear and tear that the landlord is lawfully responsible for. The landlord decides to chance his arm and withhold the deposit, making it very difficult for that person to move on, particularly if there is money from the HSE and there are issues around being unable to get a second deposit. It is an horrendous situation that must be addressed.

On the other side, landlords are in a very difficult situation. I had a recent case that highlights the new nature of landlords and the pressures people face. Their experience with the PRTB was not satisfactory and if we want legislation to improve that, we must take such cases into consideration. This couple were self-employed and their business dried up because of the recession. They had a second property with a large mortgage as an investment. As they were self-employed they had no social welfare entitlements and they were living off the rent from the second property. They registered with the PRTB and paid their money, doing everything by the book. Early last year, their tenant fell behind with the rent and by the middle of the year had stopped paying the rent at all. By now they were owed thousands of euro. They served the tenant with all the notices required and did everything by the book as instructed by the PRTB. The tenant was supposed to vacate the premises but did not and, instead, changed the locks. The people contacted the PRTB to secure help from the dispute resolution service but were told that although they had registered, they had failed to re-register. They were not aware of that requirement and despite being owed thousands of euro in rent, when they sought assistance from the board, they were told the case could not even be looked at until they gave the PRTB another €180. Even then the board could not say when the case would be heard, in spite of the fact that the tenant had not paid any rent for nine months. These people have virtually no income in the later years of their lives and will probably have to sell the house to realise anything at this stage. That gives us a glimpse into the complexities surrounding this issue.

The idea of tenants being protected from unscrupulous landlords is good on paper but there are measures in place that state the contract cannot be terminated pending an appeal to the board so landlords are waiting 12 months with somebody *in situ* in their property. The person *in situ* knows that he or she can get away with living, basically rent free, for months while this process is being weighed up, and this results in significant financial hardship on landlords such as the couple I mentioned. What is a protective measure for the tenant has become a real source of coercion for the landlord in that case and it is clearly very unfair. We need a better balance. I am not sure that the Bill, as it is structured, but particularly the PRTB the way it is structured,

can deliver on that. Even the good objectives of this Bill cannot be delivered if that board does not have the staff and if we do not have a criterion in the Bill which states that paragraph (k) should be dealt with in a month. That means investment and more resources going in, but if we are serious about tenants' rights and landlords' rights and improving the situation for both, we have no choice but to do it.

I would go back to the point I made at the start, that we probably are looking at this debate the wrong way round. In many ways it is indicative of the sort of creeping privatisation of social housing stock. It is wrong to move away from direct provision of housing, which was the norm years ago and now does not happen at all. It creates all sorts of problems and all manner of bureaucracy, and that is the elephant in the room.

There has been an explosion in the number of voluntary housing bodies. There are 700 of them in a country of this size, managing 25,000 units. Some of them are only for one dwelling here and there, and are minor, but I am not sure extending this type of control is good. Why do we need all of this duplication of separate housing organisations, with their own directors, management teams, offices, bureaucracy and administration, when there are 34 local authorities with fully trained staff who have experience over decades of housing issues and who can deal with many of these issues? It is like privatising the area.

Each of these not-for-profit bodies will be charged €90 to register with the PRTB. Let us be clear that they will not pay because they have no money and it will be the tenant in that property who will end up paying. The same tenant will end up paying for the property tax because those houses are included in the property tax, which will amount to a couple of hundred euro. When we know the statistics on rent arrears already. We are putting onerous pressure on tenants, almost making it inevitable that they will fall behind in their rent. When we know that half the families in the State have only €50 a month left when they meet their basic expenses, de facto between those measures we are adding significant amounts of extra rent making it more likely that these precise tenants will end up in front of the PRTB because they cannot pay their rent either. We need to stand back and look at how we are relying on the private sector too much.

I am aware that many of the non-traditional landlords, the new type, need tenants in their houses to repay their mortgages, but that is an unsustainable situation. It is linked to the overall mortgage crisis and the failure of the banks, despite being compensated, to write down those mortgages and deal with those properties in negative equity where borrowers cannot cope. We need an initiative so that those who are merely keeping those houses going and merely acting as a landlord simply to pay the banks can go into another process where they can hand back the property without being left still owning the banks loads of money, and so that they can get on with their lives. They never wanted to be a landlord, but who will step into the vacuum? The only one who can do that is the State in the form of the local authorities, but it does mean the banks playing their part and accepting the fact that they have been compensated by the taxpayer already to the tune of billions of euro, and part of that was about writing down unsustainable mortgages. That must be added in.

We need to take on board what is best in terms of international experience on issues of security of tenure. In countries such as France, for instance, tenants are provided with a security whereby, if they rent their main residence, their rights are akin to the rights of a home owner, and that is what we need to do. We are not talking about houses, which are only bricks and mortar and a little furniture. We are talking about people's homes, their lives, their ability to raise their families in decency, etc. That means rights and responsibilities on both sides. However,

we probably are looking at it slightly the wrong way round.

Nobody will oppose this Bill. It will go through to the next Stage. I am glad that the Minister stated that the issues of rent arrears and deposit retention will be addressed later on, hopefully before it concludes. That will be an assist for sure. It represents 50% of the case load of the PRTB and unless we come up with an easier, seamless mechanism for dealing with these issues, the rest of the Bill will definitely not be able to implement the objectives. We may consider looking at some amendments on the voluntary housing issue for the reasons I stated. I am not fully comfortable with that because de facto it will move the cost onto the shoulders of tenants who cannot deal with it, but I am glad that we are beginning to discuss these issues in more detail. It needs to be supplemented by a broader discussion on direct provision of social housing in the manner in which we did previously. I am not talking about having to go around and build the houses, but about some mechanism by which the State could take them over and run them more efficiently than is being done currently.

**Deputy Derek Nolan:** We need to acknowledge that we have a serious and growing problem with anti-social behaviour in residential areas. We also must acknowledge that the current system simply does not work. It does not work because the enforcement of the anti-social behaviour laws in the Residential Tenancies Act is difficult and is being implemented poorly by the PRTB, and the laws are simply not capable of being enforced properly by that kind of body.

With many of the issues I get as a local representative, I feel I can help, do something and advocate, but this the one issue that occurs repeatedly and where I feel utterly powerless to help. People come in to me who have neighbours who cause them misery. These people are enduring behaviour that is sometimes minor but which accumulates, has a grinding effect on them, affects their mental and physical health, community relations and the vibrancy of the neighbourhood, and that completely undermines the quality of life, not only in that person's home but in the entire neighbourhood, and it can all be because of one tenant or one house in that area.

What has happened in the property market, as has been alluded to previously, is that we have gone from people either owning their own home or being in a local authority home and the existence of a small rented sector to a plethora of different housing types. We have private owners, private rented, local authority housing, the residential accommodation scheme, the long-term leasing scheme and rent allowance. As a result of all of these different types of tenancies and housing models, there are no longer areas, as there used be in the past, where there was a private estate and a local authority estate. The different models and different forms of housing provision are spread right across every area of cities, urban areas, towns, etc.

For example, Ballybane, in Galway, the area in which I grew up, has local authority housing that was built in the 1980s and has settled down. It has private residential accommodation that was built but has never been given a chance to settle properly. There has been more local authority housing put in and more private housing during the boom, and it has been over-populated. Coupled with that, there is a third level institution nearby and the area has suffered all of the anti-social behaviour problems that are possible to list. It is a microcosm of the problems we face and an example of how the current infrastructure and tools of the law to deal with anti-social behaviour simply do not work. One couple that came to me were in their 70s and lived in a private house. The local authority had bought the house next door and their life was made hell by behaviour of the children, intimidation, car mechanics operating outside the door, the illegal building of sheds against their wall and all manner of such behaviour. This was an elderly couple who were afraid to speak, act or do anything. They eventually came to me, to other local



representatives and to the local authority, but at the end of the day the solution for that elderly couple was to sell their house and move rather than persist in working with the local authority and using the other legal avenues to deal with the anti-social behaviour. The only way they could envisage enjoying the last two or three decades of their lives was to leave that property. They have sold it and are now living in private rented accommodation. That is how serious it is. That is an issue where a local authority is involved. There are other issues where the PRTB is involved where the service and action to help those people would not be as good.

I can give many examples of people from areas such as Knocknacarra who experienced little things, but the cumulative effect of little things can really impact on people, including rubbish being thrown on the streets, bins being left blocking cars in people's driveways, ten cars parking outside a house and parties in the night. Any of those individually could be regarded as an isolated incident but the cumulative effect on people can undermine their confidence and their enjoyment of their home. It is often a sense of fear and intimidation that can undermine people's lives. When I talk to people I am at a loss as to what to tell them to do. I have never come across anybody who got a successful resolution to these kinds of issues from the PRTB. One of the people who came to me had been to a solicitor, who asked if they had three brothers who might come along, knock on the door and intimidate them, because that would be quicker, cheaper and more effective than taking the legal route which they might not win and would cost them a fortune. If people in the legal sphere are recommending fighting intimidation with intimidation, we are in a seriously difficult position.

I acknowledge that there are some very good landlords. When there is a good landlord there is rarely a problem. However, there are real problems with delinquent landlords who do not care. It is a factor of the change in the housing model. People went from having very little to owning 20, 25 or 30 houses, all for the purpose of making a quick buck. They do not run it as a business or with any professionalism - they run it in a way that it does not matter whom they get in as long as they can pay off the mortgage for 25 years in order to have a vast property portfolio and can retire comfortably. As the sole motivator is paying the mortgage, they do not look after the property - they do not paint it, upgrade it or replace furniture. The windows are often left decaying. All they care about is getting in the rent to pay the mortgage. The landlord of a person living in Shantalla owned up and said as much. The property is then left to decay so much that the landlord will not get tenants who will maintain the property. This is a major issue and the sense of powerlessness people have further adds to the issue. Something drastic needs to be done.

I very much welcome the provisions of the Bill. However, regarding the PRTB we are tweaking around the edges of a failed system. The 2004 Act is quite good in defining anti-social behaviour in very broad and effective terms, but we are missing enforcement of those laws. There is something we have failed to implement in the system and the law. Regardless of whether it is owner-occupied or privately rented, the property owners have responsibility for those properties. Just because they have been leased to tenants does not mean the landlord can step back and claim it is an issue between the tenants and their next-door neighbours. The landlord who is taking the rent is responsible for how the tenants behave in the property and that principle needs to be enshrined. The ability we have now with a proper register of property ownership, and a proper analysis of who owns what properties through the household charge and the property tax, gives us an excellent opportunity to enforce the responsibility of owners of properties to those properties.

When I deal with such cases I often contact the local authority, which has no role if it is

not a local authority house, or contact the Garda, which has no role if it is not a criminal matter. However, somehow we can issue on-the-spot fines for speeding, littering and dumping. I do not understand why we cannot issue on-the-spot fines for some of the very simple forms of anti-social behaviour that occur in residential properties, regardless of whether they are owner-occupied. If we know who the owners of those properties are, that fine should be passed on to the landlord immediately and without question. The relationship between landlord and tenant should be one where there is agreement to pass that fine on. However, the landlord cannot be immune from the concerns of neighbours, gardaí and others as to what is happening. However, that is what is happening and they are closing their ears and paying no attention. If the fine were issued to the landlord, who could then pass it on to the tenant, we would have the landlord involved and a landlord would be very quick to act. A landlord who suddenly gets a bill for €80 for a house party, €100 for nappies being thrown into the garden or €1,000 for blocking someone's house would be very quick to act.

We cannot continue with the current system. We need a fundamentally different approach to this issue, which is growing. In certain areas it is completely destroying the fabric of community. Once there is one house it affects the next-door neighbours; they move out and the same thing happens - a private landlord will come in and rent it out, and the problem spreads. Entire areas of Galway city - I can name the estates - are being vacated by people who simply cannot live there anymore and are moving out. Once that happens there is no longer the proper social mix between privately rented and owner-occupied, and it becomes more serious than anti-social behaviour - that is when criminality starts to become an issue and the area becomes a haven for certain kinds of activity. We need to nip that problem in the bud with a proper system that makes landlords and owner-occupiers responsible financially in an easily enforceable way for anti-social behaviour occurring in properties owned by people from which they benefit financially now and into the future. It is not unreasonable to take that approach. We need a task force between the justice and housing authorities to implement such a system. The only way to solve that problem is to take radical and effective steps to deal with it.

**Deputy Jerry Buttimer:** I congratulate the Minister of State on the Bill. I agree with Deputy Nolan that we are just tinkering at the edges. We need to consider how we manage, enforce and co-ordinate legislation on rented properties and I support his call for a task force. There are housing estates in vast areas of Cork city with no owner-occupier and just rented accommodation or there might be a single owner-occupier in a row of houses with the rest being rented. That does not lend itself to the development of community through a proper mix of housing. That approach needs to be taken now. How we view housing is changing. There is now a generation of Irish people - unfortunately, perhaps - who might now regard themselves as being committed to a life of renting as opposed to looking forward to buying or owning their own property. That is why we need to review our approach to housing. That should be our fundamental starting point.

Undoubtedly, the landlord and tenant need to live up to their responsibilities and duties in unison. While the main focus of the Bill is on the private-rented sector, particularly the role of the landlord, it is important that we recognise that the majority of landlords and tenants are decent people, both living in mutual co-operation and respect. However, there is the minority and there are those who, for whatever reason, do not live up to their responsibility. Our landscape has changed and our expectations regarding the type of dwelling - be it an apartment or house - have changed. We should never be allowed to compromise that expectation on the tenant's part. Equally, the tenant also has a duty.

I acknowledge the difficulties that the PRTB encounters. I have been a party to hearings with the PRTB and have found the work of staff dealing with investigations very comprehensive. While waiting times for hearings are lengthy and people do not often get the outcomes they want and are disappointed on other occasions, the PRTB makes decisive judgments. While I am often critical of the board, it provides a service and is an important part of our housing agencies.

I welcome the decision of the PRTB in the Bishops court residents' case. It is important to put on the record of the House what happened in this regard. Residents alleged that the occupants, or their associates and visitors, of two rented properties engaged in persistent anti-social behaviour, including street brawls, late night parties, recklessly driving souped-up cars, theft from neighbouring houses and drinking and urinating in public, which is activity all of us in this House would condemn out of hand. Having complained to the landlord, whose response was not in their view satisfactory, the residents made a complaint to the PRTB. This was the second time they had taken up the matter with the PRTB.

The residents based their complaint on three subsections of the Residential Tenancies Act 2004, namely, section 15(1) under which a landlord, as the designated owner of a property, has a duty to enforce tenancy arrangements, section 15(2) which states, "would be ... adversely affected by a failure to enforce an obligation of the tenant were such a failure to occur and includes any other tenant under the tenancy involved in that subsection", and section 16(h), which states in regard to the role of the tenant, "not behave within the dwelling, or in the vicinity of it, in a way that is anti-social". These provisions armed the residents in demonstrating to the PRTB that the landlord, in failing to tackle anti-social behaviour, was in breach of his duties to them. Following two hearings by the PRTB, it was established that the residents had "clear, credible and compelling evidence of the affect the anti-social behaviour had on them and their families." They were able to show through the use of this legislation that their quality of life was being greatly affected and that the anti-social behaviour was particularly stressful, frightening and upsetting for older people.

The PRTB also found that the landlord was in breach of his duty to the residents who suffered inconvenience, loss, stress, distress and upset and that their entitlement to peaceful enjoyment of their dwellings was adversely affected. This shows how effective legislation can be. There is an obligation on landlords and tenants to respect the rights of their neighbours and to not behave in an anti-social manner. I pay tribute to the residents association in Bishops court who demonstrated that the landlord and his tenants were in breach of the legislation. To its credit, the PRTB enforced payment of a fine of €29,500 to the residents, one of the largest amounts ever awarded by it.

I would now like to draw the attention of the Minister of State, Deputy O'Sullivan, to a model which I hope she, in conjunction with the Minister for Education and Skills, will look at in the context of students, student accommodation and student behaviour. This model, which is a register of landlords and tenants, is operated by University College Cork, and should, I believe, be introduced throughout the country. In this regard, there is joined-up thinking between the students union, college authorities, Garda Síochána, local residents and landlords. When a complaint is made, representatives of the college and students union visit the students residing in the property which was the subject of that complaint and make contact with the landlord. A property in respect of which persistent problems arise and which problems the landlord fails to deal with can be removed from the register by the college. There are regular meetings between the college, students, local residents and the Garda. These meetings are action-orientated. The

college and Garda respond to each complaint and requests by residents. There is also strong community policing in this area through Mr. Ken O'Connell, the community garda, landlords and the residents association, all of whom deserve great praise.

The college has bought into this idea and keeps excellent records of complaints and so on. It also has in place a good process in terms of managing complaints, although some do manage to slip through. As my constituency office is located in that area, I hear all sides of the argument from landlords, tenants and residents. This is an example of a voluntary code of conduct that is working well. The University College Cork guide to renting accommodation states that anti-social behaviour on the part of UCC students is a serious breach of student rules and a complaint can be referred through formal student discipline procedures to UCC as detailed in student rules. I would also like to put on the record my appreciation of the role of the UCC students union. Next Tuesday, Cork Institute of Technology, CIT, will hold a coffee morning for local residents to demonstrate that students living in rented accommodation and residents can live and interact in a mutually respectful way.

After eight years, there are still difficulties with the PRTB. The radical reform promised has not yet taken place. Dispute resolution is slow, often delaying landlords obtaining overdue rent and making it difficult for them to end troublesome tenancies and causing delays for tenants experiencing difficulties in having their cases processed. Tenants who continue to live in a property in respect of which a dispute arises are often vulnerable. It is important there is a further review of the housing market. I welcome that the Minister of State has undertaken to review the deposit protection scheme, which was the topic of discussion during a meeting I had earlier this week with landlords from Cork, who are good landlords.

I welcome the Bill and congratulate the Minister of State on her initiative. I look forward to further dialogue with her on this issue.

**Deputy Finian McGrath:** I welcome the opportunity to contribute to this debate on the Residential Tenancies (Amendment) (No. 2) Bill 2012. This is an important debate in the current economic and housing climate, with all the associated problems for people in this State.

Before going into the details of the legislation, I would like to deal with the issues raised by the voluntary community housing sector. I warmly commend the great work done by the Irish Council for Social Housing and urge the Minister and Government to note their concerns around this legislation.

**An Leas-Cheann Comhairle:** I apologise for interrupting the Deputy but according to my list he has already spoken on this Bill. Is that correct?

**Deputy Finian McGrath:** Yes.

**Deputy Jan O'Sullivan:** The Deputy made his contribution last year.

**Deputy Finian McGrath:** Am I allowed to make a further contribution?

**An Leas-Cheann Comhairle:** No, we cannot break the rule.

**Deputy Finian McGrath:** What happens now?

**An Leas-Cheann Comhairle:** The next speaker is Deputy Boyd Barrett but as the Deputy is not in the House I propose that we suspend the sitting for five minutes. Is that agreed? Agreed.

24 January 2013

*Sitting suspended at 1 p.m. and resumed at 1.05 p.m.*

*1 o'clock* **Deputy Richard Boyd Barrett:** I support many aspects of the Bill. A key provision is on the significant problem of deposit retention whereby landlords refuse to return deposits to tenants. It is very welcome that we should strengthen the law in this area to ensure landlords do not abuse tenants in this way. The biggest category of cases brought to the attention of the Private Residential Tenancies Board is deposit retention and this indicates a real problem. This is not to say all landlords are of the 19th century variety but sadly quite a few of them are. Anything which gives us stricter regulation in this area and safeguards the rights of tenants and their entitlement to get back their deposit is very much to be welcomed.

On the issue of the non-payment of rent, obviously people should pay their rent and it is reasonable that landlords should expect rent to be paid. However, I am aware that a number of housing organisations believe people are in rent difficulties for all types of reasons, particularly in the current economic climate. I agree with this view as it has certainly been my experience in dealing with the many people coming to my clinic and I am sure other Deputies have the same experience. It is clear the difficult situation we are in is putting families in great difficulty with regard to paying rent. Many families are forced to make terrible choices between putting food on the table, paying electricity bills or paying the rent. We must have a regime which is humane in this regard and takes into account situations where people, for genuine reasons, fall into arrears. I do not know exactly what is the answer but these issues must be taken into account. We must assist people who are in difficulty and not take a hard line. I am a little concerned about this area and I understand groups such as Threshold and others are also concerned. When disputes arise about tenancies - a significant number of such cases are on my desk at present - while a hearing is awaited rent builds up and this can be a real difficulty.

Several times I and others have raised an issue which contributes to the extreme difficulty for many tenants, namely, the reduction in rent caps for rent allowance. The Government does not seem to acknowledge it has got this wrong and that the rent caps applied are simply not appropriate in many parts of the country. Particular categories seem to be hit very hard in this regard such as single people in Dublin, particularly in south Dublin but I suspect in the centre of Dublin also. It is possible to obtain private rented accommodation in parts of Dublin within the rent cap and obtain rent allowance, but in many places it is impossible. I am not exaggerating, and perhaps the Minister of State knows this. Week in week out people come to my clinic in tears fearing that because of reductions in the rent caps and the refusal of landlords to reduce rent they face eviction and will find it impossible to find somewhere else to rent in the vicinity. Consequently, families - most often with young children - are faced with the prospect of entering the emergency homelessness system, which is awful. Something must be done about this because the situation is dire and getting worse.

In order to resolve this matter, quite a number of people are - sometimes with the tacit suggestion of community welfare officers - making arrangements with landlords to under declare the amount of rent that is being charged. They are getting rent allowance on the basis that it might be €925, but in fact the rent is €1,000 or €1,100 so they have to make up the difference. People are getting into extreme difficulty as a result. Further down the road, people are simply unable to pay the rent, so they find themselves in arrears. In that scenario pressure is put on them over non-payment of arrears, whereas it is not the tenant's fault but the fault of the Government and the inappropriateness and unfairness of rent cap reductions.

I can think of quite a few cases that are currently in that category. I know of one such case,

although I will not name where it is. It is not even in my constituency, but slightly outside it. There is a terrible situation both for the landlord and the tenant, which has resulted directly from the reduction in rent caps. There is now a bitter dispute going on between the tenant and the landlord. The latter feels they are owed a lot of money going back several months. They are calculating the rent owed based on the original rent, whereas the tenant is saying, "All I can pay is the rent cap based on what I am getting in rent allowance and my ability to top that up. I can't pay the extra". Meanwhile, the landlord is claiming the tenant owes €5,000 or €6,000 while the tenant says it is about €2,000. I will not say there have been pitched battles on the doorstep, but something akin to that. It is a nasty situation and both parties are somewhat innocent in this. That is because they are both victims of a situation that is essentially being created by the rent cap.

There must be real sensitivity, flexibility and awareness that people are often in rent arrears through no fault of their own or in some cases as a direct result of Government policies in this respect. I do not have the figures, although the Minister of State probably does, but I have plenty of anecdotal evidence that rent arrears have risen dramatically since the recession kicked in and austerity was imposed. It is completely understandable why that would be the case. The dire economic situation in which we find ourselves results directly in significant rent arrears for many families. We should not deal harshly with them because of arrears that are out of their control and arise from an economic situation that is not of their making.

I appeal to the Government to examine the rent cap issue in terms of rent allowances. It should be more area specific in that regard, although they may be appropriate. When I raised the issue previously with the Minister, she said many people have managed to get their landlords to reduce the rent. It is clear that while that is possible in some areas, it is not so in other areas. Rents are rising in parts of Dublin, so landlords are asking why should they bother reducing the rent when they can get somebody else to rent it at a higher rate. Ultimately, it will cost the State money if people have to go through the emergency housing system. That situation has to be examined.

The answer to many of these problems is the provision of social housing. The differential rent scheme takes into account people's various incomes depending on whether they are working or have lost income. Nonetheless, it is worrying that the Government and local authorities seem unclear as to whether the significant cost of the property tax will be loaded on top of council rents, particularly where council rent arrears have also grown significantly in recent years. The idea that a significant increase in council rents will result from the imposition of the property tax could put many people in serious difficulty. I call on the Government not to do that and urge it to avoid putting even more families into a difficult situation.

As many housing organisations say, the ultimate solution to many of these problems is to provide a greater stock of social housing. That can be done either through an acceleration of the slow process of identifying properties in NAMA's control for social housing or through direct build, which is still required particularly in Dublin and some other urban centres. It is clear that in such centres we will soon have a housing shortage, notwithstanding the excess of housing in other parts of the country. The identification of social housing units by NAMA has been pitifully slow. It is difficult to get to the bottom of this, but I do not understand why so few houses are being identified by NAMA as suitable for social housing. I suspect it is happening because NAMA's mandate is to recover as much money as it possibly can. With rents beginning to rise in cities, NAMA probably figures it can get a higher return by renting those properties in the private market rather than giving them over to local authorities. It may even

be sitting on properties in the hope that property prices will bounce back in the near future, although that is a forlorn hope. NAMA may also think it will sell off a lot of the properties and can thus get a bigger cash return quickly from them. Whatever the reasons, however, if we continue along the current road we are unlikely to get a significant dividend in terms of social and affordable housing from the NAMA properties unless the Government takes serious action to transfer some of that housing over. While I will not rehearse at length the economic argument, it has been stated repeatedly in this House that it would make financial and economic sense for the State and the Government to provide more social housing directly, either through acquiring NAMA properties or through the direct building of social housing. Whatever the initial capital costs might be, the Government would make huge savings on rent allowance payments that are going to landlords at present and this measure would draw rental revenue back into the State. This would mean, for example, that were we to set out with a housing programme to house the 100,000 families who currently are on the housing list within a reasonable period of five years, such a scheme could have paid for itself by the end of that five-year period. Beyond that, such a plan would generate additional revenue for the State or for the local authorities. I do not understand the reason the Government will not do this and the only excuse provided by the Government is that it lacks the initial capital. However, the National Treasury Management Agency, NTMA, has money. What is that agency doing with its money? I attend the Joint Committee on Finance, Public Expenditure and reform-----

**Deputy Jan O'Sullivan:** That money cannot be spent on the balance sheet, in accordance with agreements.

**Deputy Richard Boyd Barrett:** Hold on a second. The NTMA is charged with investing the National Pensions Reserve Fund in a safe way to protect that money and get some return for the State. What could be safer and better for the economy than investing some of that money in a major direct-build social housing programme or refurbishment of NAMA, houses to make them suitable? This would put people back to work and would be guaranteed to achieve the return. This would be over the medium to long term but the National Pensions Reserve Fund is a medium to long-term fund and is not obliged to make an immediate return. Were the Government to invest now and build a particular number of houses for this number of council tenants, one could quantify exactly how much revenue it would get back. It is guaranteed and in the present situation, in which markets are all over the place and very few investments could be said to be safe, the provision of social housing is a safe investment. The Government would get the money back. While it would not get back massive profits, it would be a steady return that would wash its own face and, once the initial capital costs had been paid back, such a programme would derive additional revenue over the longer term for the State. I simply do not understand the reason the Government will not do this and I am sure the Labour Party-----

**Deputy Jan O'Sullivan:** Would that it were so simple.

**Deputy Richard Boyd Barrett:** I remind the Minister of State that in the 1950s, when Ireland was virtually a Third World country, 50% of the housing in the State was provided by the State.

**Deputy Jan O'Sullivan:** We were not borrowing €1 billion a month to finance the gap between revenue and expenditure.

**Acting Chairman (Deputy Joanna Tuffy):** I ask the Minister of State to allow the speaker to continue.

**Deputy Richard Boyd Barrett:** No, I do not mind a bit of engagement on this issue, because it must be debated.

**Deputy Jan O'Sullivan:** We are in a very different position in respect of the gap between expenditure and revenue.

**Deputy Richard Boyd Barrett:** That is not an excuse. I will not get into the debate on the debt but notwithstanding the rights and wrongs of how much Ireland is paying out, borrowing and all the rest, it still has investment funds, albeit perhaps not as much as one would wish. Nevertheless, such funds exist and the NTMA has money. As for going to the international markets to borrow money, I note that at present, Ireland is borrowing money to pay back the international markets. It is borrowing money from the markets to pay back to the markets, at interest. It is a win-win situation for them and a lose-lose situation for us.

**Deputy Jan O'Sullivan:** As the Deputy is aware, we are making progress.

**Deputy Richard Boyd Barrett:** However, notwithstanding that debate, we could go to financiers or even to the credit union movement, which has indicated it has a couple of billion quid it would like to invest. At present, the credit unions are obliged to invest this money out of the country because of various rules. The credit union movement has stated it would not mind investing in community or social projects. Why does the Government not talk to the credit union movement and agree to borrow that money from it? It would be at a low interest rate, which the credit unions are willing to accept because they simply wish to protect those monies and get some return on them. The Government could use it for a major direct-build social housing programme on which it would get a guaranteed return. It is a safe bet and there is no risk. Moreover, a desperate social need would be met and people would be put back to work to boot, thereby boosting tax revenues to the State. It is an absolute win-win situation. It is a no-brainer and frankly, even a capitalist could work that one out and probably would lend the State money for such a programme. However, the credit union movement is one organisation that has offered to so do. The point about this proposal and where it relates to all this stuff and the problems with which the Private Residential Tenancies Board, PRTB, and tenants must deal is-----

**Acting Chairman (Deputy Joanna Tuffy):** Deputy, your time is up. You may wish to wrap up.

**Deputy Richard Boyd Barrett:** I thought I could go on for as long as I wished.

**Deputy Jan O'Sullivan:** I am afraid not.

**Deputy Richard Boyd Barrett:** I wish to mention one measure to the Minister of State that the PRTB should be doing. It is a legal requirement that after January 2009, any dwelling that is rented should have an energy rating. However, this requirement is not being enforced. The State is training people in this area of energy rating, installation, retrofit and so on, but while 30 or 40 such individuals in my constituency will qualify in May 2013, there are no jobs for them because the requirement for energy ratings is not being enforced and, following on from that, a national installation programme is not being rolled out sufficiently rapidly. There would be an employment dividend in so doing, as well as a dividend for tenants, many of whom are living in substandard accommodation in which there is no proper insulation and where it is damp, cold and so on. The Government should examine this issue and should enforce what is the law. In addition, the Government would be obliged to control rents to ensure landlords did not pass on



the cost of such enforcement to the tenants. The way to do this would be to roll out the pay-as-you-save scheme on installation in order that there would be an incentive for landlords to retrofit and insulate their homes without incurring a long-term cost.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O’Sullivan):** First, I thank all the Deputies who spoke on the Bill. Even if one counts Deputy Finian McGrath only once, more than 30 Members did so. It was a highly informed debate, as Members obviously knew what they were talking about. Moreover, many highly constructive suggestions were made and I look forward to teasing out on Committee Stage many of the issues raised here. However, I will refer to some of the common themes because a number of themes were raised by a very large number of Members.

One pertained to the issue of delays within the PRTB as it is currently known before completion of this Bill. I acknowledge and it has been recognised that issues of delay exist. However, the number of cases has grown by 25% since 2008 and staff numbers have fallen. Moreover, as some Members noted, they will fall further in accordance with the Government’s employment control framework. Consequently, the Government understands the pressure under which the board is operating and, in this regard, I note it is entirely self-financing. One must also remember the PRTB has taken on the role of the courts in dealing with landlord-tenant disputes and, as such, it always must be subject to similar procedural restraints to ensure it adheres at all times to the principles of fair procedures and constitutional justice.

The PRTB itself is aware of issues of delay and has a range of modernisation initiatives that are ongoing at present, including, for example, shared services. The PRTB is working very hard on reducing delays and one element of its efforts is the implementation of its ICT plan, and progress certainly has been made in that regard. It is intended to leverage ICT to provide self-service options to clients and to bring about improved efficiencies. As many Deputies will be aware, landlords can now register their tenancies online and more than 40% of tenancies now are registered in this fashion. In addition, a three-year ICT programme has seen the development of a tenancy management system and the development of online registration. This also will be beneficial for the approved housing bodies when they come under the remit of the residential tenancies board, RTB, after the enactment of this legislation.

Deputy Clare Daly referred to an issue regarding re-registering and that also will be facilitated in the online system. This will bring about online dispute applications through the new tenancy management system which came on stream in mid-2012. It will considerably reduce processing times in 2013. The direct payment of rent supplement to landlords is a key component of the Government strategy to transfer responsibility for long-term rent supplement payments from the Department of Social Protection to local authorities, and that should also help to reduce disputes, in addition to a tenancy deposit protection scheme, which I will discuss momentarily.

The Private Residential Tenancies Board, PRTB, is committed to reducing delays across all areas of service delivery and I am confident it will be in a position to deliver an effective service to the new landlords and tenants coming within its remit following the enactment of the legislation. I hope the transfer of long-term rent supplement from the Department of Social Protection to my Department and local authorities will address some of the issues raised by Deputy Boyd Barrett. We are working on that.

There is no doubt that there is a considerable challenge for the PRTB and many of the mea-

asures in this Bill will be of assistance, particularly the issue of deposit protection. I intend to address that on Committee Stage, as it relates to a very large number of the cases brought to the PRTB now. The streamlining of mediation will also help, as although mediation is an easier option, it is not taken up by many people who have a dispute. We want to encourage people to take up the option of mediation. To respond to Deputy English's point, that is the reason we are eliminating the charge for mediation, which should encourage more people to use the process.

This is about balancing the rights of tenants and landlords, and many Deputies have referred to the big issues of deposit protection for tenants and payment of rent with regard to landlords. Nearly every Deputy referred to deposit protection, which concerns me greatly, and I identified it as a priority when I was appointed a Minister of State. It remains a priority and Deputies will be aware that it is also in the programme for Government. On foot of that, I asked the PRTB to commission research with economic consultants Indecon, and a final report on the topic was delivered last month. I have examined the document, which offers a range of ways in which we might implement deposit protection and fulfil the commitment in the programme for Government. I am considering the options to determine the best way to go about this.

Critical issues include whether a scheme should be custodial or insurance-based in nature and whether it should be operated by the PRTB or a third party. There is also the question of how it should interface with the current legal system and the PRTB. These are quite complex issues and in order to ensure we deliver deposit protection in the context of the current Bill, we must address these issues as quickly as possible. In order to inform wider debate and thinking on the topic, I have published the report on the Department's website so it is available to any Deputy who wishes to read it. I very much look forward to hearing the views on Committee and Report Stages. I wish to act on the establishment of a deposit protection scheme in the context of this Bill's passage through the Oireachtas.

The issue of rent supplement was raised by a number of Deputies and I am committed to rent supplement reform and the transfer of rent supplement from the Department of Social Protection to the local government system. We are working on that currently and hope to have a pilot of the new scheme under the housing assistance payment, HAP, a new rent assistance system that we intend to introduce. We hope that in the second half of 2013 there will be pilots to test how we can eventually transfer the long-term rent supplement system in its entirety to local authorities. Rent supplement was originally intended to be a short-term income support but it has evolved into a long-term housing support. Exchequer costs are estimated at €500 million, which is a considerable amount, and it is intended to introduce HAP, which will be paid directly to landlords with the Department of Social Protection maintaining a residual rent supplement system for certain households with short-term needs. Those short-term cases for rent supplement will stay with the Department of Social Protection but the long-term cases - most people on rent supplement - will make the transfer. We want to remove barriers to employment in the current system, which will be important in facilitating people trying to return to work. I am determined to drive that process as quickly as possible and I am working with the Minister for Social Protection, Deputy Burton, in that regard.

In discussing Government plans for the transfer of long-term rent supplement payments to local authorities I will refer to the contribution of Deputy O'Dea. He provided a "Walter Mitty" type of intervention in saying that he raised this issue frequently when he was a Minister but nothing was done. I do not know if that means Deputy O'Dea was not effective in the way he raised it or whether his colleagues did not listen to him. Nothing was done either way and we are hoping that we can take up the slack as quickly as possible. It is a priority for us.

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The issue of minimum standards in rented accommodation was raised by a number of Deputies, particularly Deputy Donohoe, as well as Deputy Ellis, who is in the Chamber, and Deputies McNamara, Crowe and Kenny. There is no doubt there has been a substantial improvement in the regulation of the rental sector in recent years but there are still difficulties with standards. Under the 2008 rented standards regulations, the outward appearance of a rented property, including the garden, is the responsibility of a landlord, and local authorities must continue to enforce standards in this regard. Deputy Donohoe praised the work recently carried out by Dublin City Council in his constituency, where people went from door to door in an intensive attempt to identify substandard rental accommodation. This work is the result of intensive inspection projects carried out by Dublin City Council and specifically funded by my Department. In 2010, €2.4 million was set aside for local authorities from the process of PRTB registration fees to carry out blitz inspections of key areas and categories of housing. In Dublin the North Circular Road area was highlighted.

In addition to the usual inspections of local authorities, these projects were known as intensive inspection projects, and they targeted particular categories of rented accommodation, such as older and dilapidated properties, properties which are the subject of rent supplement payments and large properties subdivided into multiple residential units. Dublin City Council did an intensive job in a particular area, with an additional six environmental health officers used on a contract basis. That was very successful, as described by Deputy Donohoe in his contribution. The work is planned to continue until March 2015 and I am glad it has been of benefit to residents.

On 1 February, the full effects of the housing standards for rented houses regulation will come into force for existing residential rented accommodation, meaning there must be separate sanitary facilities for tenants.

**Deputy Richard Boyd Barrett:** What about energy ratings?

**Deputy Jan O'Sullivan:** We can supply to the Deputy details of a number of areas in which private residences are supposed to meet standards. They are listed in regulations. As Deputy Boyd Barrett indicated, we must improve enforcement. The pilot scheme is a positive step and has been working well. We are encouraging local authorities to carry out their inspection responsibilities as well.

With regard to the ongoing changes, my Department placed advertisements in national newspapers in October outlining the new requirements of the measures being introduced for 1 February and we will continue to work with key stakeholders, such as Threshold, to spread awareness of and compliance with standards. I am satisfied that significant progress has already been made with regard to standards in the past few years. Standards in rented accommodation have never been higher but we must continue to improve them. The final implementation of the housing (standards for rented houses) regulations 2008 represents a significant step in that direction.

It is important to remember that we have minimum standards for rented accommodation to protect the most vulnerable in our society. Strong standards and robust enforcement, allied to an ever more professional rented sector, will contribute to the creation of sustainable communities and healthy, happy homes. We want to achieve these goals, with many representatives talking about other European countries which are more advanced than us in the regulation and organisation of the sector. I met a German Minister this morning, and Germany is an example

of a country with good protection for tenants and stability in the market. We want to develop the Irish system to ensure it provides protection for the owners of properties and tenants.

The goal of creating sustainable communities leads me to the issue of anti-social behaviour in private rented accommodation, which was raised by a number of Deputies, including the - unfortunately - relatively small number who availed of the invitation of the Private Residential Tenancies Board to visit its offices last week. Perhaps a further visit could be organised if other Deputies are interested in participating. As many Deputies noted, the experience of anti-social behaviour can be terrible for those affected. I am familiar with it in my constituency and it was described by very well by a number of Deputies. While action to deal with anti-social behaviour is primarily a matter for the Garda Síochána, in the case of private rented dwellings landlords are responsible for enforcing the obligations that apply to their tenants under the Residential Tenancies Act. The Act prohibits a tenant in a private residential tenancy from engaging in anti-social behaviour in or in the vicinity of a dwelling to which the Act applies and allows a landlord to terminate any tenancy where the tenant is engaging in or allowing others to engage in such behaviour, subject to a notice period of only seven days in the case of serious anti-social behaviour or 28 days in the case of less serious but persistent behaviour. As Deputy Nolan stated, relatively minor incidents of anti-social behaviour can become a major problem for tenants when they are persistent in nature. He and Deputy Buttimer made a good suggestion that the Department engage with the Department of Justice and Equality on this issue. I am very willing to engage with the Department to improve co-ordination on the issue of anti-social behaviour, a major problem that has been raised with me during this debate and elsewhere.

The Residential Tenancies Act also provides that a third party affected by anti-social behaviour may, subject to certain conditions, take a case to the Private Residential Tenancies Board against a landlord who has failed to enforce tenant obligations. As Deputy Buttimer noted, the effectiveness of these provisions was clearly demonstrated in a recent case taken in Cork against the landlord of two properties, the tenants of which were found to be engaging in anti-social behaviour. A group of 13 residents took a case to the Private Residential Tenancies Board and was awarded combined damages of almost €30,000 against the landlord for his failure to address the behaviour of his tenants. I commend the residents in Bishops court in Cork who took this action.

While keeping in mind that the punishment of anti-social behaviour must be a matter for the courts and Garda Síochána and any comprehensive solution to the problem must apply equally across all types of housing tenure, I will examine ways to further strengthen provisions regarding anti-social behaviour prior to Committee Stage. Several Deputies spoke of providing for anonymous or third party referrals of cases involving anti-social behaviour to the Private Residential Tenancies Board. While the attractiveness of this proposal is understandable given concerns about potential intimidation, it is problematic given that the right of persons to know their accuser and challenge his or her evidence is a basic principle of natural justice. However, we are considering the possibility of allowing a residents association to take an action.

Deputies Ellis, Crowe, McLellan and Finian McGrath expressed concerns that section 3 excludes tenants in receipt of care and support services from the application of the Residential Tenancy Act. As I noted, this exclusion arose from concerns in the sector that the delivery of care and support services could be affected by the application of the Act to tenants in receipt of such services. However, the early publication of the Bill has allowed me to further consult the approved housing body sector following publication and I have decided it will be possible to extend the remit of the Act to more of the approved housing body sector than originally

envisaged. The document on this issue produced by Focus Ireland and to which Deputy Ellis referred has informed my discussions with the approved housing body sector. I will amend the Bill on Committee Stage to provide that there will be no additional exemptions for approved housing body tenancies other than those already provided for in the 2004 Act. The result of this amendment will be to extend the rights under the Act to an even greater number of approved housing body tenancies.

A number of negative remarks were made about approved housing bodies. In my experience, these bodies have done very positive work. Many are entirely voluntary and are staffed by people who give freely of their time and effort without any financial reward. These organisations have a voluntary ethos at their heart. Deputy Daly noted the large number of these bodies. The Department has commenced a process of delisting inactive approved housing bodies. It has contacted the relevant bodies and is working on producing a more accurate register of active housing organisations. We are also encouraging some clustering of activities, for example, the sharing of management functions among smaller housing associations. In County Limerick, for example, a number of small housing associations based in villages are working together to utilise their combined strength. While regulation of the sector is important to provide reassurance to key stakeholders such as tenants, potential investors and the governing boards of voluntary housing associations, it is equally important that we recognise the work these organisations are doing on behalf of some of our most vulnerable citizens.

Deputies Ellis and Crowe raised the issue the application of the Residential Tenancies Act to the social housing sector. While the Bill does not address this issue, the application of the Act to the approved housing body sector inevitably raises a question as to how we will deal with long-term local authority tenants. I concur with Deputy Ellis that a strong, logical case has been made for the application of a consistent set of rules and obligations to landlords and tenants in all forms of rented tenure. As such, I understand the Deputy's call to extend the provisions of the Act to the local authority sector. However, this sector encompasses almost 100,000 tenancies and the extensive body of housing legislation covering it means extending the Act to local authority housing would be a highly complex task and one which we are not currently in a position to perform. Our focus is on the incremental extension of the Act to the approved housing body sector, while in parallel engaging in discussions as to how best to extend a shared set of principles to local authority tenancies.

Many Deputies raised the issue of rent arrears and the difficulties experienced by landlords in cases where tenants do not pay their rent. I am very aware of the concerns of landlords about unpaid rent and the difficulty they experience in repossessing a rental property where the rent remains unpaid. In these difficult times, where many people are struggling to pay mortgages on buy-to-let properties, it is essential that we take action on this issue. We have made significant progress in dealing with the complex legal and policy issues arising on this topic. While I was not able to finalise this matter in time for the publication of the Bill, I look forward to introducing detailed amendments on the issue on Committee Stage. Again, it is important to strike a balance between the rights of landlords and tenants.

Many Deputies also raised the issue of enforcement. The Private Residential Tenancies Board enforces tenancies registration requirements in accordance with the provisions of the Act, specifically sections 144 and 145, which provide for the issuing of notices to landlords and-or occupiers of the dwellings in question and prosecution of offenders for non-compliance with the registration requirement. Under section 9 of the Act, a person guilty of an offence is liable on summary conviction to a fine or imprisonment for a term not exceeding six months or

both.

To respond to an issue raised by Deputy Michael McNamara, the Residential Tenancies Act 2004 makes provision for the exchange of information between the Private Residential Tenancies Board, Department of Social Protection, Revenue Commissioners and local authorities. Ongoing investment by the board in its information and communications technology systems has recently allowed for systematic comparisons to be made between the rent supplement database held by the Department of Social Protection and the tenancies register held by the PRTB. Arising from the comparison of this data, the Private Residential Tenancies Board recently secured criminal convictions against two landlords for failure to register their tenancies, resulting in fines totalling €24,000 and costs being awarded against the landlords in question. A further 22 prosecutions are pending and more than 43,000 landlords were contacted by the board last year regarding non-registration. The information technology link among various Departments and agencies is clearly bearing fruit. This extensive registration enforcement drive illustrates the commitment of the PRTB to addressing this issue. Nevertheless, Deputies are correct to highlight this matter and I expect the board to maintain a focus on registration compliance.

I wish to touch on the issue of homelessness, which was raised by Deputy Finian McGrath. I stress the Government's commitment to working on this matter. I identified the issue as a priority when I took on my role. We are reviewing the homeless strategy and implementing a housing-led approach. The work on the review is almost complete and I will issue a policy statement shortly. In 2012, investment of approximately €50 million was made by central and local government in the provision of homeless services.

A number of the other issues that were raised were not central to this Bill. For example, we are accelerating progress in regard to NAMA units. We are open to suggestions on other innovative solutions to the provision of housing. Despite Deputy Boyd Barrett's belief, we cannot spend large amounts of capital as we would like. While we want local authorities to provide more housing, we must use the methods that are currently at our disposal.

Some of the issues that have been raised, including that of rent supplement, are outside my remit. However, this has been an informative debate and the later Stages will present us with an opportunity to address them in more detail. Overall, we are trying to improve the regulatory system and make the situation better for the tenants and owners of private rental properties. I look forward to further engagement with Deputies on Committee Stage.

Question put and agreed to.

### **Residential Tenancies (Amendment) (No. 2) Bill 2012: Referral to Committee**

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Jan O'Sullivan):** I move:

That the Bill be referred to the Select Sub-Committee on Environment, Community and Local Government pursuant to Standing Order 82A(3)(a) and (6)(a).

Question put and agreed to.

### **Electoral (Amendment) (Dáil Constituencies) Bill 2012: Second Stage (Resumed)**

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

**Acting Chairman (Deputy Joanna Tuffy):** I call on Deputy Stanton to resume his speech. He has 18 minutes.

**Deputy David Stanton:** I will resume where I concluded last week. This Bill has to do with the number of Deputies and Dáil constituencies-----

*(Interruptions).*

**Deputy David Stanton:** I apologise, as my iPad seems to be causing a problem. In some areas, the Bill's proposed changes will result in large constituencies. The Minister of State, Deputy Ring, is in a large constituency. He travels its length and breadth late at night on roads that might not be the best. It would be demanding for anyone.

A number of other constituencies will become large. For example, travelling to every village and crossroads in Kerry will be demanding, given its peninsulas. Donegal is another such constituency. West Cork is remaining more or less the same, but it is a sprawling constituency. Tipperary will become a single, large constituency. My constituency of Cork East is already quite large. Travelling from one end of it to the other is virtually a day's work.

It might be time to take stock of this situation, with our sprawling constituencies and constituents' expectations and demands, almost unique to Ireland, that Deputies be available. That said, being available to meet constituents, listen to their issues and address their problems is a good aspect.

Ireland is one of only two countries that uses PR-STV. It leads to a great deal of competition in constituencies on local matters, resulting in local matters becoming important. Our colleagues in other jurisdictions are amazed by the amount of local work that Deputies are expected to do. In my constituency, people call to my office about potholes, briars, lighting, housing and footpaths. All of my colleagues are in the same boat. Strictly speaking, those issues are under the remit of councillors. However, there is a degree of competition. If the Minister of State and I were from the same constituency and I told someone who approached me that his or her issue was a council matter, he or she would go to the Minister of State instead. If he made representations and got the job done, he would get the votes, because I did nothing to help on the grounds that it was a council issue. Members are caught.

In considering this Bill we have an opportunity to review our electoral system. I welcome the fact that this will be done via the constitutional convention, the constitutional day and so forth, but I am concerned by the time that process will take. When a report is made on this issue, we will be facing into another election and the cycle could start again. I urge that this issue be examined carefully.

I am particularly taken by the New Zealand model. New Zealand has gone through a number of electoral reforms. It has a mixed member proportional representation system. Alongside single-seat constituencies, approximately one third of Members are elected from a party list

system. The result is smaller geographical constituencies, an absence of constituency rivalries between national elected politicians and a list system that preserves proportionality, in that all parties have seats in the Parliament depending on the proportion of votes they achieve. This system ticks many boxes and perhaps we should consider it. Voters would effectively have two votes. Thresholds determine the number of seats allocated to each party's list. Germany has a similar system. Maybe it is time that we started examining different systems.

I make these points in light of the expectation that we will move to 158 Deputies and to 40 constituencies that are geographically large. A constituency's size does not have much of an impact on the east coast, as the coast's population is increasing. On the west coast and in the part of the country from which I come, though, four or five Deputies are expected to travel the length and breadth of their respective sprawling constituencies.

I had a conversation with a gentleman at approximately 10 p.m. yesterday. He asked me why I was at my desk at that time. When I told him that I was working because, staying in Dublin overnight as I was, I might as well be working as watching television in a hotel, he replied that putting in such hours was bad for my health. It made me stop and ask myself about what Deputies were doing. Some of us work 18 hours per day. I was up at 6.30 a.m. today and attended my first meeting at 7.30 a.m. Many of us work this way. In some cases, we work seven days per week, as we are expected to attend functions on Saturdays and Sundays. We must stop and take stock of what we are doing. Given the system in which we work, are we providing the best possible service to our constituents?

People ask why this Chamber is often empty. The Seanad Chamber virtually saw a full attendance during the debates a couple of weeks ago. I am Chairman of the justice committee, which has launched six or seven reports in the past year. Due to scheduling and other demands, members are pulled away from important committee debates.

This Bill gives me the opportunity to put on record some ideas on how constituencies could be organised. The single-seat constituency with a mixed list system would result in smaller geographical areas and Members could remain tied to local issues to the current extent, as they would be alone in their constituencies. A recall system in respect of Deputies who decide not to work might be necessary, but the requisite threshold should be high. Other countries use such a system.

I welcome the programme for Government's promise of the establishment of an electoral commission. The Minister of State might outline the position and when the relevant legislation will be before the House. Such an electoral commission would be important, as we must begin examining turnouts and how registers are put together. A permanently established electoral commission would also deal with referenda and the attendant issues, for example, how they are run. An electoral commission could and should perform other functions. I urge the Government to ensure that the legislation be introduced and debated as soon as possible, as all of the issues that I have raised are linked to how we do our business.

*2 o'clock* Many speakers have referred to electoral registers and the mess they are in. The problems with them are well known. We must examine how the registers are compiled.

Electoral reform is being discussed in the context of major reforms at local government level, which are welcome. Local government reform is necessary as it has not been reformed for almost 100 years. The issue is being debated around the country. The abolition of town



councils has been proposed. I accept that I am straying somewhat from the issue but it is related in some respects. Traditional town councils and mayors ensured the town was represented, especially towns with mayors. Across Europe and the United States there are mayors in many towns, someone who can speak for the town. In Cobh last year, the *Titanic* centenary was celebrated and the mayor of the town council, Jim Quinlan, did amazing work for the year. He spoke for the town and represented it at many functions. He provided leadership. We must consider preserving that in some way in the new system. The argument has been made that many new towns have developed that do not have town councils but perhaps they should have some form of representative body. Perhaps we should expand boundaries a little more. I am concerned with how the reforms are developing. When the legislation is introduced, I would like to have a detailed examination of the proposals to see how they might work.

We have made some small changes to how we do business in the Dáil. I commend the Chief Whip on the introduction of Dáil reform and Members for agreeing to the proposals on which I have worked for some years. I would like to see more such changes in the future. There has been much talk about behaviour in the Chamber and the adversarial methodologies we use. We could examine that too.

In other countries when a Minister is appointed, if he or she is a member of parliament he or she resigns his or her seat. In effect, the parliament and executive are separate. That is the case in Sweden, France and Norway. We could examine such a system in the context of overall reform. It would allow a Minister to concentrate on his or her Ministry and not have to worry about the constituency or be obliged to attend Parliament. The Parliament would therefore be more independent of the Executive. One criticism is that the Executive controls the Parliament completely. That is still the case. We must reform our approach. One way to do that would be to remove the Executive from the Parliament and when Executive members come to Parliament they would be answerable to it and have to get legislation through it. It is something to consider in the context of a wider debate.

I am concerned about the size of many constituencies, especially in remote rural areas. Constituencies are getting bigger, which is putting considerable demands on Deputies to travel in order to represent the entire constituency. For the many reasons I have outlined, we must begin to consider a total and fundamental change. I urge that the electoral commission that was established would be introduced and also that the Constitutional Convention is asked to examine the issue sooner rather than later.

**Deputy Michael P. Kitt:** I wish to share five minutes of my time with Deputy Éamon Ó Cuív.

**Deputy Acting Chairman ( Joanna Tuffy):** Is that agreed? Agreed.

**Deputy Michael P. Kitt:** I am pleased to have an opportunity to contribute on the Bill. The main issue is to implement the recommendations of the Constituency Commission report 2012.

The Bill provides for a reduction in the number of Deputies from 166 to 158. The measure must be examined in the context of local government reform. The reduction in the number of Deputies is small but it is proposed to significantly reduce the overall number of councillors. Following such changes, we will have one of the highest ratios of population to public representatives in the western world. It could be as high as one councillor per 4,000 of population. One could ask whether that is a good idea to introduce such a change at the same time as we are

reducing the number of Deputies.

Many are concerned about the breach of county boundaries, which is most evident along the western seaboard. Many speakers have expressed delight at Leitrim being left as a single county. I agree with that. However, one must also examine the situation of Roscommon, which has had its county boundaries breached on a number of occasions. Every county in Connacht has been given a part of Roscommon at some stage.

**Deputy Anthony Lawlor:** That sends a message.

**Deputy Michael P. Kitt:** I recall when I was elected in 1975 for the first time that it was with the help of the people of south Roscommon. I was most grateful for their support. People to whom I have spoken in Roscommon reminded me that not only was south Roscommon included with Leitrim in the past, but it was also included with Longford, which necessitated the breach of a provincial boundary. That is not the way to go. Breaching a provincial boundary is worse than breaching a county boundary. It is not fair to make such changes. Neither is it fair when one considers the reduced representation from the combined loss of seats in constituencies covering Galway, Mayo and Roscommon.

In terms of local government representation, at one extreme, one has a large number of councillors per head of population in France. In this country, following the introduction of the new proposals we will probably have councillors representing a greater proportion of the population. We do not yet have the constituencies for local authorities. I accept there is talk of extra county councillors, but I will leave that to one side for the moment.

I am concerned at the increasingly reduced voter turnout at every election. I visited Belfast recently as a member of the Joint Committee on the Implementation of the Good Friday Agreement. We met in particular those from the Unionist tradition – people who feel they are abandoned and isolated and devoid of local representation. There are many reasons for that. One might be that we do not have enough people standing for election, but also people have difficulty in trying to get their message across.

I do not agree with the abolition of town councils. Deputy Stanton referred to the role of the mayor in his local area, which is also an important position. I accept that my party proposed a reduction in the number of vocational education committees and the Government proceeded with that. One could ask why counties are being amalgamated in that regard. Yesterday, we heard from Leader programmes from the west in particular and local partnerships in urban areas. They suggested that they might be losing out on funding. Such bodies deal with local people.

We set up a commission and we would all welcome amendments to it. I am not sure about the direction in which we are going. Previously, we tried to take a political approach involving Ministers setting political boundaries. The commission has come up with proposals. The decision to reduce the number of Deputies has led to a breach of boundaries. In the overall operation of democracy in this country I wonder whether we are going the right way because we do not have the same level of engagement with people as heretofore. I am concerned that if we continue in the same direction and reduce the number of councillors as well, people will feel more abandoned and isolated, which would not be good for democracy.

**Deputy Éamon Ó Cuív:** Tá áthas orm deis a bheith agam labhairt ar an mBille tábhachtach seo. Táim cinnte go nglacfar le moltaí an choimisiúin, mar níl aon rogha gan glacadh leo. Is

deis é seo le athbhreithniú a dhéanamh ar chéard atá ag tarlú agus ar pholasaithe an Rialtais agus an Oireachtais maidir le athnuachan a dhéanamh ar an gcóras polaitíochta. Ar ndóigh, caithfidh mid chuimhniú i gcónaí go bhfuil an córas atá againn leagtha síos sa mBunreacht.

Sula dtiocfaidh mé chuig ábhar an Bhille seo, ba mhaith liom a rá go bhfuil athrú amháin go mba mhaith liom a fheiceáil. Tá mé cinnte go dtiocfaidh an Teach Dála atá amach romham liom ar an cheist seo. An t-athrú sin ná, áit ar bith a bhfuil seirbhís farantóireachta laethúil ag dul chuig oileán, ba cheart go mbeadh an vóta ar an lá céanna ar na hoileáin agus atá sé ar an mhórtír. Beidh mise ag réiteach reachtaíochta le cur faoi bhráid na Dála ar an bhunús sin agus beidh mé ag moladh gur amhail a bheidh sé agus nach mbeidh eisceacht ar bith ach sa gcás nach bhfuil seirbhís laethúil farantóireachta chuig na hoileáin.

Níl aon chúis nach mbeadh an vóta ar na hoileáin ar an lá céanna. Tá deiseanna taistil go leor ann, idir báid, ingearáin agus eitleáin leis na boscaí vótála a thabhairt ar ais. Téann díospóireachtaí ar aghaidh go dtí lá deiridh an toghcháin anois. Bhíodh tráth ann nuair nach mbeadh aon díospóireacht nó aon phlé ar thoghchán lá roimh an toghchán. Tá deireadh le sin anois agus bíonn an plé ann go meánlae an lae sin. Cén fáth nach mbeadh an buntáiste céanna ag na hoileánaigh chun bheith páirteach sa toghchán agus atá ag chuile duine eile?

As I said in Irish, we can presume that this Bill will be passed without any amendment to the proposed constituencies. It would be wrong for us to interfere with the recommendations of an independent commission. Whether the terms of reference of that commission were right or wrong, they were approved by the Dáil and, therefore, it is not for us to change them now. I am sure the Minister of State, Deputy Michael Ring, might regret some of those terms of reference, particularly the reduction in the number of seats, which has effectively split Mayo for the first time.

**Deputy Michael Ring:** It is a disgrace.

**Deputy Éamon Ó Cuív:** It became an inevitability when the Government decided to reduce the number of seats from 166 to fewer than 160. There is great disappointment in south Mayo that it is not part of a wider Mayo constituency, although I believe the people are quite willing to recognise that geographically I live nearer to them than the Mayo Deputies, given that I live only five miles from the Mayo border-----

**Deputy Michael Ring:** The Deputy will not replace me, no matter how he tries.

**Deputy Éamon Ó Cuív:** I would not expect to, but I would be a good substitute. I am sure the Minister will tell them how much I did for him when I was Minister and that he will reciprocate at this time.

Mayo people are passionate about their county. For a county that has not enjoyed great success on the football pitch for many years, its people still dream anew every year that Mayo will bring Sam back to the county. In that regard, it is a great disappointment to them that the name of Mayo is not incorporated in the new Galway West constituency. They are very disappointed that the new constituency is not called Galway West-South Mayo. As it does not change the decisions of the commission in any way, since it is only a matter of naming constituencies, I will table an amendment in this regard on Committee Stage. I hope the Taoiseach, a proud Mayo man, the Minister of State, Deputy Ring, also a proud Mayo man, Deputy Michelle Mulherin, a proud Mayo woman, and Deputy O'Mahony, who despite having trained Galway to All-Ireland Championship success and living in County Roscommon played his football with Mayo and

represents that county in the Dáil, will fully understand the sensitivities in ensuring that Mayo is part of the name of this constituency. It is important that people identify with their constituencies, particularly in rural areas where names mean a great deal. I hope such an amendment will secure all-party agreement. I am sure the four Mayo Deputies will support such an amendment and if we get the Taoiseach's and Minister of State's support, it will be passed by the House. I will be seeking their support. I hope this will be seen to be above politics and the right thing to do for County Mayo. I will table the amendment and hope for the support of the Government Deputies.

I will take this opportunity to discuss the political system. I do not go along with the idea that Deputies are under-worked, our constituencies are too small or that the number of Deputies should continue to be reduced. Sometimes people make fallacious comparisons. There are over 600 Members of the House of Commons representing approximately 60 million people in Britain. People say this indicates one representative for every 100,000 people. Therefore, MPs in Britain are representing many more people proportionately to us. They forget, of course, that we have a proportional representation, PR, system. Under that system Deputies in a five seat constituency are each representing all the approximately 110,000 people in that constituency. Since I became a Member of this House that figure has increased from approximately 20,000 per Deputy, which means 100,000 in a five seat constituency, to nearly 30,000, which means almost 150,000 in the constituency. Deputies, therefore, are now representing many more people. When one takes the PR element into account one finds that, comparatively, we represent the same number of people as other representatives in other jurisdictions.

The Dublin constituencies are very small geographically. The effect of this is that there are absolutely enormous western constituencies. If Mayo had remained a five seat constituency, which was possible, it would have had to acquire a major slice of either Counties Sligo, Roscommon or Galway. In the existing constituency, it takes two hours of hard driving to drive from Moyne Bridge outside Headford, County Galway, on the Mayo border across to Blacksod in County Mayo. I am sure Deputy Ring could tell many horror stories about trying to stay awake when driving, trying to put in the hours and trying to be in two places on the same day across an enormous territory.

People often criticise what they call clientelist politics. I believe the stability of our democracy is based on the fact that people know their public representatives and that the representative is not a distant person they do not know and just a name on a ballot paper. In most cases, particularly outside urban areas, the vast majority of people have met and know their Deputy. People have wondered why the Irish people just got on with facing the difficulties in the economy and did not get destructive about it. I believe that is due to the closeness of the political system to the people. Consider the history of this country before 1922. There was a cycle of violence and disconnection with those who ruled us. As a result, people thought the Irish were an innately violent people. However, when we secured our own Government and structures and public representation that is close to the people we became a people who bought into our democracy. The stability of our democracy in the 20th century is unparalleled. I believe that relates to two things - ownership of houses, which appears to be becoming an unpopular concept, and the closeness of the political system to the people. We should be slow, therefore, to move away from that connection.

I wish well all those who seek big constitutional change. However, they must never forget in the course of that debate that the people have twice in the past shown themselves to be slow to make changes in the system they like. Under our written Constitution, the people are the final

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arbiters. Politicians can propose but only the people, voting in a referendum, can dispose of any change. All those people with the big ideas should remember that they must take account of what the people in this country quite correctly want.

With regard to our work, it is time, on all sides of the House, that we stopped running down the job of Teachta Dála and that we explained to the public that if backbench Members carried out their constituency role and their legislative and representative roles in the House correctly, played a full part in committees, do everything else expected of public representatives such as attending public events and so on and took an interest in other issues outside their own narrow brief, their role would be important but it would take more than all the hours available in a day. The notion that people want better services with less resources in the context of staff and other supports to provide them is counterproductive and is not rational and, therefore, we must educate the public about all the roles we play. For example, the Minister of State has a great deal of experience of opposition and he will be well aware of the volume of work dealing with legislation, including doing the detailed homework needed to table effective amendments.

At the beginning of every session of this Dáil, statements are scheduled to fill the time and this has not changed under the new Government. I acknowledge there are forces outside the control of the Government, based on years of habit within the public service system, which result in most legislation being brought into the House during the final three weeks of each session. We must together develop a system that spreads legislation out more evenly and does away with the guillotine. Many times, difficulties have arisen with legislation that was passed in a hurry and not teased out properly in the House. We all have a role to play in this regard. As Opposition Members, we can make a big contribution at select committee meetings by going through every line of legislation while Government backbenchers could do more to tease out legislation as well. It is also important that co-operation is given by Ministers such as that I have received from my opposite number, the Minister for Agriculture, Food and the Marine while discussing the Animal Health and Welfare Bill 2012. He has been accommodating in allowing his officials to meet us on a continual basis to brief us and so on and he has accepted many amendments. Where he did not accept them, he brought forward his own, which reflected with the basic thesis behind ours. That is the way legislation should be processed and we should make it our earnest commitment that we will not, except in extreme emergencies, guillotine legislation and we will work through Committee and Report Stages. If a guillotine has to be used, it should apply to Second Stage and not on the stages that decide the wording of the law and the effect it will have on people to avoid unintended consequences.

Le críoch, cuirfidh mé síos leasú ag Céim an Choiste agus beidh mé ag brath ar an Aire Stáit le tacaíocht a thabhairt dó.

Debate adjourned.

### **Topical Issue Matters**

**Acting Chairman (Deputy Joanna Tuffy):** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Derek Keating - the need to review sentencing in view of the case earlier this week of the man who pleaded guilty to rape; (2) Deputies Stephen S. Don-

nelly and Arthur Spring - the need to address the parameters of the Central Bank of Ireland's code of conduct on mortgage arrears; (3) Deputy Gerald Nash - the need to count periods spent on carer's allowance towards meeting the eligibility criteria for the Momentum scheme; (4) Deputy Aodhán Ó Ríordáin - the matter of appointing three permanent members of the Judiciary to the Court of Criminal Appeal to allow for consistency in sentencing laws; (5) Deputy Patrick O'Donovan - the introduction of a healthy eating flag scheme for schools, as part of a national campaign to address childhood obesity; (6) Deputy Patrick Nulty - the decision of the Health Service Executive to recruit 1,000 nursing graduates on lower terms of employment than existing staff; (7) Deputy Ann Phelan - the need to revisit the case of the murder of Father Niall Molloy; (8) Deputy Joan Collins - the withdrawal by the HSE of funding in respect of childminder advisers; (9) Deputy Thomas Broughan - the need to revise the decision to introduce parking charges in Howth Harbour, County Dublin; (10) Deputy Maureen O'Sullivan - the need to discuss the progress of the final report of the interdepartmental committee on Magdalene Laundries; (11) Deputy Denis Naughten - the up-to-date position on tests into the source of equine contamination in processed beef; (12) Deputy Richard Boyd Barrett - the withdrawal by the HSE of funding in respect of childminder advisers; (13) Deputy Clare Daly - the withdrawal by the HSE of funding in respect of childminder advisers; (14) Deputy Mick Wallace - the need to introduce sentencing guidelines for judges in cases of rape and sexual assault; (15) Deputy Dara Calleary - the impact of the cuts in the household benefits allowances on older people; and (16) Deputy Catherine Murphy - the delays in completing school accommodation works at St. Anne's national school, Ardclough, County Kildare.

The matters raised by Deputies Gerald Nash, Dara Calleary, Patrick O'Donovan and Thomas Broughan have been selected for discussion

### **Electoral (Amendment) (Dáil Constituencies) Bill 2012: Second Stage (Resumed)**

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

**Deputy Derek Nolan:** I wish to share time with Deputies Paul Connaughton and Anthony Lawlor.

I am glad to have an opportunity to contribute to the debate. As practitioners of politics, we are most interested in many ways in the dynamics of constituencies, the number of seats and so on. I represent Galway West and there was a great deal of concern that the constituency could change dramatically, especially given Oranmore to the east of Galway has become a large suburb of the city and it has been integrated into the economic corridor between Claregalway and the city. I am glad this area, which was considered to be under threat of transfer to Galway East, has remained as part of the city constituency because it is an important contiguous area, which shares a strong dynamic with the eastern side of the city.

Galway West has been a five-seat constituency for a number of years. It has always returned a diverse representation of political parties, with Fianna Fáil, Fine Gael, and Labour Party seats and a Progressive Democrats seat, which was unusual for the west. That diversity will continue as it remains a five-seater. It is a large constituency and I was surprised that part of south Mayo was transferred in. Nobody was expecting that, as it seemed more appropriate to transfer the Headford area in Galway East into the constituency but the Constituency Commis-

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sion in its wisdom decided otherwise. I am glad I will be taking over from the careful hands of the Minister of State, Deputy Ring, who looked after this part of Mayo well. I know the area well because I have spent a great deal of time in Ballinrobe, Shrulce and on the lake near Cong. The people of south Mayo were particularly surprised by the change but I will do try to represent them as best I can. I agree with Deputy Ó Cuív that an amendment to the title of the constituency to include Mayo would be appropriate. The Minister must recognise that this is a significant area with a significant population and they deserve to be recognised as being in the constituency, if only to focus the minds of those who will represent them in the future that this is an important area.

This is one element of political reform. While reducing the number of Members from 166 to 158 may be seen as a significant reform, I do not see it as an end in itself. We must examine many other issues. A number of previous speakers referred to the importance of Deputies being in touch with their communities and the important relationship between Deputies and their constituencies, particularly in rural areas but let us never forget that the best turnout achieved in an election is approximately 70%. This means approximately 30% of the population does not vote and we are falling down in this regard. We are not engaging with those people because they feel the electoral system does not matter to them, is not relevant to them or fails to deliver for them.

I recently had the opportunity to speak to a colleague who lives in Australia, which has adopted compulsory voting. It is considered a controversial topic. However, this measure means that everybody has a stake in the electoral system and must think about it. In other words, being a citizen not only vests rights in a person, it also carries responsibilities, one of which is to participate in the electoral system. By doing so, people have a stake and there is a consequence to their vote. The thought process even of being involved makes them consider where they are in life and where the country is. If we are to embrace electoral reform, our thinking must extend much further than costs and numbers to considering participation and getting citizens involved. Much of what has happened in our country, which is the reason there is such demand for reform, is people became detached from politics. They were in tune with the economy rather than the system of governance and where we were going as a country, whether the model in place was correct and whether it was serving them. There was no link between the phenomenon of skyrocketing property prices and the inability of people to buy a home and the fact that the political system and the Government were responsible for that.

The legislation is one step on the road but I am not sure whether it is a particularly good step. It will happen but the discussion on politics, the electoral system and engaging citizens needs to go much further.

**Deputy Paul J. Connaughton:** I am grateful for the opportunity to contribute to the debate. It is important to declare that I am one of the Members most affected by the redrawing of the constituency boundaries. As Deputy Nolan suggested, I do not believe we can look on this as reform. It is a cost-cutting exercise. It is not real reform of how we do our business in this Chamber or outside. It should not be sold as reform. It is simply a way of reducing the cost of running the Oireachtas, not reform of how it works.

I am disappointed that the current review has recommended a reduction of the number of Deputies by only eight. A much deeper reform will be needed in the coming years. We are a small workforce. The country's governing bodies will need to be as lean as possible. The reduction of the number of Deputies by eight does not go far enough.

The commission report states that one of the tasks facing it was to avoid, as far as possible, breaches of county boundaries. In Galway East, it has not achieved that goal. A huge area of east Galway has been removed for electoral purposes and placed with Roscommon. The social and cultural ties needed to ensure a cohesive constituency are now not present. People in Dunmore north, Caltra or Kilmore will not be aware of the major political issues of the day in Roscommon and will continue to identify with east Galway, adding to confusion.

Only nine out of the 33 electoral divisions now moved in with County Roscommon were ever previously part of the Roscommon-East Galway constituency. The newly created Roscommon-East Galway constituency has ensured that a huge portion of east Galway will be cut off from what has always been its natural place in east Galway. For example, placing Castleblakeney or Clontuskert with areas such as Ballyfarnon or Ballaghaderreen simply makes no sense. A number of towns, such as Dunmore, Clonburn, Kilcurran and my own home town of Mountbellew, have also been carved up by the review. Someone will have to explain to me how it makes sense to halve villages the size of these. More than 20,000 voters have been moved into a constituency with which they have little natural affinity. There is a very real threat that, after the next election, those 20,000 people will be left without a representative from this area, as its three current Deputies are from Boyle, Castlerea and Drum, in south Roscommon. A portion of east Galway now finds itself at the very limit of the constituency and out on a limb. Places like Clonfert, Eyrecourt, Kiltormer and Garrafrauns, as their communities are now split between two constituencies, will have two sets of representatives, reducing their capacity to be heard as they lobby for local services. It appears that a wish to reunite Leitrim for electoral purposes has resulted in the carving up of Galway East. While there are politicians in the newly created Roscommon-East Galway who will welcome this move, few householders in Galway East will want to be joined, in political terms, with Roscommon.

Real reform of the political system is what is needed to create a much leaner system of government suited to the needs of Ireland in the current financial climate. The reduction by eight TDs is a small step in the right direction but the cuts and, most important, the reform must go much deeper if real reform is to be achieved. Government at every level needs to be examined, from the number of Deputies to the cost of each sitting. The role of the Seanad is currently under review. This examination must extend to every level of Government, national and local, to ensure this nation of just 4.5 million people is governed in the leanest way possible and to ensure the viability of the nation's finances in the future.

The issue of gender equality in the Oireachtas deserves consideration. There are measures that can and should be taken to ensure greater gender equality in the Dáil, but gender quotas are not the way forward. Jobs should be awarded on merit and that should apply across the board. Women should be encouraged to enter politics by ensuring that the proper supports are available and that barriers to women entering the political arena are removed. The imposition of gender quotas will not further the cause of women entering politics. It will simply improve the optics by having a greater number of women candidates. The real test will be the number of women elected. Thus, the imposition of gender quotas will only serve to undermine much of the progress that has been made on this issue.

This is a small step in the right direction. Huge work remains to be done to ensure that Ireland has the type and extent of government that befits a nation of 4.5 million people while ensuring that those people are listened to by their public representatives and given a legislature and legislation that reflects Ireland in the 21st century.



**Deputy Anthony Lawlor:** I, too, am pleased to speak on the Electoral (Amendment) (Dáil Constituencies) Bill 2012. I wonder, however, if the Bill is premature. One of the key elements of the recently established Constitutional Convention is to look at the electoral system and possibly change the way we vote and elect our TDs. We are probably premature in looking at this issue. As a result, counties will be split all over the place. The Constitution stipulates that each constituency must have at least three and no more than five Deputies. This put constraints on what the Constituency Commission could do. As a result, we have a hotchpotch of constituency boundary changes made to soup up the population and meet a Government target of reducing the number of Deputies from 166 to 158.

Is this simply cosmetic? In other countries with similar populations to our own, such as Denmark, Sweden and Finland, Members of Parliament represent roughly the same number of constituents as we do. People compare Ireland to the United Kingdom, our neighbour across the water, where there is one Member of Parliament for every 100,000 people. We see what is happening in the United Kingdom at present, where they do not know whether they want to be in or out of Europe. Our people are properly represented, with one Deputy for every 30,000 people.

I would have preferred to delay the Bill until the Constitutional Convention had made its recommendations. We could then have kept the identity of each individual county, which is most important. We would not, then, have had the hotchpotch that is Roscommon. Over the years, Roscommon has been in Mayo, Galway, Leitrim and Longford. All those counties rejected Roscommon and threw it out again. Maybe Roscommon could be set out with an identity of its own, following the report of the Constitutional Convention.

**Deputy Paul J. Connaughton:** That is not the official Government line.

**Deputy Anthony Lawlor:** Almost 50% of the submissions to the Constituency Commission came from the Swords area. As a result, Swords has been realigned as a single entity. Deputy Connaughton spoke about towns in Galway East being split. If all those towns had made submissions to the Constituency Commission, would they have been split? I do not think they would.

We talk about Oireachtas reform. Our Friday sittings are very disappointing. They are a waste of time. If we are to be here on Fridays, let us be here for something meaningful. Let us listen to debates and actually vote on them.

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

**Deputy Anthony Lawlor:** It is a totally cosmetic exercise. I hope to have a Bill of my own debated at a Friday sitting but I would like it to be voted on following a meaningful discussion on it. If we are to have Friday sessions, they should be meaningful.

When I canvassed during the general election campaign, people I met on their doorsteps said they wanted me to be elected so that I could represent them in Dáil Éireann. When I was elected, the same people came to me to get their street lights fixed or potholes filled. There is a contradiction between what the people want at election time and what they want afterwards.

**Deputy Finian McGrath:** It is the Charlie O'Connor syndrome.

**Deputy Paul J. Connaughton:** Or the Finian McGrath syndrome.

**Deputy Fergus O'Dowd:** Look what happened to poor Charlie.

**Deputy Anthony Lawlor:** Deputy Connaughton stole my thunder with regard to quotas. I am a sheep farmer and I know all about quotas which were held back in the late 1990s and early 2000s when a quota determined how much money a farmer got.

The other night, I watched a satirical television programme from the 1980s called "Yes, Minister". The Minister, Jim Hacker, was trying to promote a woman within the civil service. There was a fight about quotas within the civil service. When he had secured the decision that the woman would be promoted, she decided she would not take the promotion but would go to work in the private sector. He said he had worked hard for her promotion, but her reason for refusing it was that she wanted to succeed on merit. My mother fought for many years to get into Dáil Éireann and she spent a short time here. She would not like to see women as token representatives in this arena. She would like to see women here purely on merit, standing here as equals with men and not as token gestures. I find it difficult to believe we should demean women by classifying them as a quota group. We should not demean women by placing them in a quota category.

While I welcome parts of the Bill, we should have waited until the constitutional convention to get a clear recommendation from it on the number of Deputies per constituency. We could have had Roscommon on its own with one or two Deputies instead of being cast aside. In Kildare, there are people in Monasterevin and the south of the county who have no affiliation with Laois whatsoever. If I talk to someone about football, Kildare and Laois are like Manchester United and Manchester City, we hate one another in that neck of the woods. It would be much better that we would be split in two and with the county clearly identified so people would know they were voting for a Kildare person. I know people who have moved to Laois and who have transferred their votes to Kildare so they can vote there.

I welcome parts of the Bill, although it does not go far enough. I hope the Minister takes on board some of my suggestions.

**Deputy Michael Colreavy:** During the last general election campaign, I promised the electorate of Sligo-North Leitrim that it would be a priority for me to restore County Leitrim as a single political unit. In my maiden speech, I described the damage done to the county and its people by dividing the county in two. The generally easy going people of Leitrim felt a great deal of hopelessness, neglect and annoyance by having the county split in two. I am delighted the commission allowed me to achieve one of my priorities.

**Deputy Anthony Lawlor:** Was that a gerrymander?

**Deputy Finian McGrath:** The Deputy ended the partition of Leitrim.

**Deputy Michael Colreavy:** I am delighted on behalf of the people of Leitrim that the county has once again been restored and that Leitrim has been reunited for electoral purposes.

The wrong has been righted for Leitrim but that wrong has now been visited on other counties. It is wrong that any county should be divided for electoral purposes. East Galway was mentioned and I fully empathise with the people there. We love the people of west Cavan and south Donegal, except when we meet them on the football field, and we love to see them doing well in football if we are not doing well. I have no doubt, however, that the new constituency that takes in Sligo, Leitrim, south Donegal and west Cavan will need a lot of new official docu-

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mentation because that is a very long constituency name - Sligo-Leitrim-West Cavan-South Donegal.

**Deputy Fergus O'Dowd:** We will just call it Leitrim.

**Deputy Michael Colreavy:** Whoever is elected to represent the constituency will do his or her utmost to represent the people of west Cavan and south Donegal as well as the people of Sligo and Leitrim but people in those parts of the new constituency will feel the same wrong has been done to them as was done to Leitrim and they will be right. They will suffer the same disadvantage that people in Leitrim suffered when the county was divided.

The report on which the Bill is based recommended there be a reduction from 166 seats to 158 seats. The perceived wisdom is that this is a good thing; reducing is the same as reforming. I argue, however, that this is not the case. Since the last census, the population of Ireland has increased steadily, with a rise of 8.2% over the five years from 2006 to 2011. The report of the commission was based on the population census of 2011 so it does not reflect the current reality.

This is the first time a commission had a predetermined outcome where it would reduce the number of Deputies. Simply reducing the number of Deputies does not constitute political reform and it will not lead to any significant savings. Reducing the number of Deputies, however, weakens democratic representation. There are many ways to streamline and create better ways of working in the Oireachtas without reducing democratic representation.

It makes no sense that local authority administrative areas are different from Dáil constituency boundaries. I cannot think of any other business or industry where there would be a mismatch between the building blocks like that between democracy at local authority level and the Dáil constituencies. It does not work for the management of county councils or the Deputies who represent the areas. It leads to inevitable duplication, inefficiency and gaps in service planning, delivery and evaluation. It does not make sense. Research by political scientists indicates there are real problems for the people involved in the counties where boundaries are breached for electoral purposes. There is an alienation among voters that leads to low turn-out in elections.

Additionally, five constituencies are now in breach of the Constitution. Article 16.2.3° states the total number of Members of Dáil Éireann shall not be fixed at less than one Member for each 30,000 of the population or at more than one Member for each 20,000 of the population. Cavan-Monaghan, Donegal, Dublin North-West, Galway West and Mayo each have more than 30,000 per Deputy. Something must be done to address that.

Sinn Féin would like a review of the terms of reference of the commission. It should be possible to have set electoral areas but a flexible number of representatives, particularly if we are open to the notion of five, six, seven or even eight seat constituencies. As far as possible, we should fix electoral areas along county boundaries. It is farcical if before every election that there are people who do not know if the county will be split or not. There is a way to achieve this if we have the will to do it.

**Deputy Brendan Griffin:** I wish to share time with Deputy Deering and I think Deputy John Paul Phelan might be-----

**An Ceann Comhairle:** I can only deal with who is here at present.

**Deputy Brendan Griffin:** I will share time with Deputy Deering. I welcome the opportunity to speak on this important matter. It was interesting to hear the contributions of some of the previous speakers on this matter.

Obviously, the constituency boundary review is necessary because of changes and movements in population, and I acknowledge the work that has been done in putting the review in place. Certainly, a review is not easy to do. There are so many permutations and possibilities that it is difficult to settle on one final outcome and I acknowledge the work that went into it. It is far from perfect. Members described how they see many failings in it but one will never satisfy everyone.

While I welcome the reduction in numbers from 166 to 158, this is far short of the reform that we really need in this country. My view is that being in a situation that has the IMF here in the country, and in which we are borrowing from the ECB and the EU to run the country on a day-to-day basis, means our political system has failed. It is quite simple - the political system in the State has failed. If it had not, we would not have the IMF here lending money to the country and helping us to run our affairs. That political failure is something we need to address because, quite simply, the system we have at present has not worked. We need to put in place proper reform. The reform must start here and it must trickle the whole way down to local government.

The electoral system in this country, the PR-STV system with multi-seat constituencies, is one area that we need to look at. Recently, I introduced a Bill here, the Thirty-Second Amendment of the Constitution (Dáil Éireann) Bill 2012, which proposes that we would set the number of TDs in Dáil Éireann at 101, including the chairman, to be elected from 100 single-seat constituencies throughout the country. We would maintain the transferable-vote system. As such, it would be an alternative vote, AV, system electing one per constituency. That is one of the fundamental shifts we need in terms of having a properly functioning Parliament where the Members can focus more on legislation, national issues and policy areas.

What we have at present is a system which at its heart has competition. Whereas competition is very healthy in most cases, our multi-seat constituency competition flies in the face of taking a more pro-active parliamentary approach to our work, and we really need to look at that. It was mentioned here earlier by Deputy Lawlor that, even though we are parliamentarians and legislators, if someone comes to us to have a pothole filled or a drain cleared, one cannot say no. One cannot even delegate because it might give the impression that one does not want to get one's hands dirty with that sort of work. That is the danger a public representative fears. That is a big problem. If one does not do it, they merely go to the next TD who will do it. That is a problem and it is not right. In a single-seat scenario, however, constituents would go to the appropriate person to do the job, who, in that particular example, would be the local county councillor or even the local authority staff. That system would work so much better because it would free-up time for the national parliamentarians to look at the issues of the day, to look at policy areas and to devise policy on creating jobs and what the country needs, allowing local county councillors to do what is more appropriate to their job. That is something we really need to look at.

In my case, in Kerry, the review will bring about reunification of the county. Previously, for many decades, there was a north-south split. We also had a ludicrous situation where a little bit of west Limerick was thrown in with north Kerry. Many in that part of Limerick were not happy with that arrangement and now they have gone back in with Limerick county. There are

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positives with Kerry being a single constituency in that for years politics in Kerry was too local. Fellows were looking after their own patch and not looking at the greater good of the county. A positive from this will be that the larger area, the county as a whole, will be focused on.

One of the difficulties will be that Kerry is a very large county. Geographically, it has three peninsulas, mountains and vast areas of difficult terrain for us to drive through and get about in. If, for example, one must attend a meeting in Tarbert which is right up in the north of the county and after that one needs to go down to Ballinskelligs which is down in the very south-western part of the county, one could be travelling for two and a half hours. One could reach on the outskirts of Dublin as quickly as one would get down to Ballinskelligs. Personally, I am quite fortunate in that Castlemain, my home base, is located in a central part of the county. If I go west I am on the Dingle Peninsula and if I go south, I am on the Iveragh Peninsula. I am not too far from anywhere. For other Deputies, however, it could present a major difficulty in terms of travel times and the logistics of getting around. No doubt that is a major issue. In my proposal, there would be 100 constituencies and no constituency would be too big geographically. It would be a step in the right direction that there would not be Deputies spending three or four hours driving around in their constituency, merely getting from A to B and home again.

We need to get serious about reform. As I stated, the system clearly has not worked. Let us not deny that. We are only fooling ourselves if we think it has. No country that must bring in the IMF has a properly functioning parliament. The political system here has failed and we need to fix it, and we need to get serious about fixing it. Reducing the numbers from 166 to 158 without putting in proper structural reforms will not fix the problem.

Those are my proposals. I am sure every other Member in this House has ideas on reform and what would work, but we need to get serious about having a debate on this. We are not really debating political reform here in the Dáil Chamber. It is all well and good for issues to be discussed at the Constitutional Convention, but this is the Dáil. This is the Chamber to which Members from all over the country are elected to represent their people and this is where we should be discussing this, and it has not happened. It is disheartening and disillusioning that two years in we still have not discussed that fundamental issue.

I hope there will be an opportunity to discuss my Bill on a Friday. In that regard, I would like to see a continuation of the situation that pertained last week where two Bills were taken on such a day. There is room for that to be done. At least, it would give back bench and Opposition Deputies a greater chance to have their Bills considered. I cannot see why we would not do that, and vote on them on the day as well. That way there would be a little more participation and debate on the Bill.

**Deputy Finian McGrath:** Revolution on the way.

**Deputy Brendan Griffin:** I would like to see that happening. I thank the Ceann Comhairle for the opportunity to speak on this. We owe it to the people we represent and to the future generations of this country to fix our problems. The country was born out of revolution and over the decades had many high and many low times, but this is probably the lowest time the country has ever had. If that is not a call for reform, what are we waiting for? How bad does it need to get before we step back and look at how we got here? We are only fooling ourselves and it will be to the detriment of our children and grandchildren if we do not fix this.

*3 o'clock* **Deputy Pat Deering:** I am delighted to get the opportunity to speak on the Bill. I

agree with the previous speaker that the Bill represents a missed opportunity for overall reform. We have seen some reform with the abolition of State cars for some Ministers, the proposed reduction in the number of Deputies and the change to ministerial pensions in the future. However, overall reform should have been within the Dáil itself.

I wish to concentrate on an area mentioned by previous speakers, the breach of county boundaries. In his contribution, Deputy Colreavy said he campaigned at the last general election to have County Leitrim reunited in one constituency, and I compliment him on his success in that regard. In Carlow I campaigned on a similar strategy to reunite County Carlow in one constituency. It is the second smallest county in the country with a population of 55,000 people. Unfortunately 5,000 of those people live in the constituency of Wicklow-East Carlow as it is now called. Those people feel alienated because they cannot participate in their own county. Deputy Ó Cuív mentioned how passionate the Mayo people and Galway people were. The people of Carlow are as proud and passionate about the county jersey as those of any other county and deserve to be part of the one county.

The counties of Carlow and Kilkenny are in the southern area from a HSE point of view and are in the same VEC area. However, at the same time the people of east Carlow have to be part of a constituency that is in the Dublin area from a HSE point of view and in the midland area from a VEC point of view, and they feel totally alienated in that regard. When people are alienated they opt out of the political system, which is very dangerous. It is important to involve people as much as possible in the political system because if we do not, we create a vacuum, which is very dangerous. In the last general election we had one of the highest turnouts for some time. The voter turnout in the Carlow-Kilkenny constituency was 70.7% and the turnout in Wicklow-East Carlow was 74.8%. However, the voter turnout in Wicklow, excluding east Carlow was 75%. The voter turnout in east Carlow, which is now alienated, was only 63.8%, a damning statistic in itself. People who are alienated do not want to involve themselves in the political system. If that dangerous situation is not addressed, that figure will continue to drop. Some 9% of the population are left out and not consulted on all matters.

We are continually compared with the UK where the Members of Parliament, once they are elected, are probably not seen for the following three, four or five years. In Ireland the Deputy or Senator is very much on the ground with his or her constituents, which is very important. If a Deputy or Senator loses touch with his or her constituents, it would be very regressive, and it is important we ensure that does not happen.

County boundaries should be maintained, if at all possible. Deputy Griffin mentioned the Bill he recently introduced whereby the county boundary would not be breached and there would be a number of constituencies. That is an important step and should be considered. The present constituency boundary review is based on figures alone, but as we know there are lies, damned lies and statistics. Nothing else was taken into consideration, including the geographic location and county boundaries. At the end of the day one cannot even appeal what the commission has decided. It is important that we have an independent review commission, but every aspect of the county and constituency should be taken into consideration.

The former American politician, Tip O'Neill, said that all politics is local. There is nothing wrong with Deputies being asked to fill a pothole or fix a light. I accept their primary role is to legislate and that is what they are elected to do. If we lose track of what is happening on the ground, we will leave a dangerous vacuum in society which will not be addressed in the political system. I have concerns that a number of county boundaries are being breached. We

have heard a great deal about County Leitrim in the past. Apparently on this occasion, because there were so many submissions from that area of the country, they eventually got what they wanted, and fair play to them. In County Carlow, 700 or 800 people signed a petition seeking to be reunited with the rest of County Carlow, but unfortunately their views were not heard on this occasion. Do they need to put in 5,000 submissions on the next occasion in order to get what they want? Is it he who shouts the loudest gets the most? We are creating a dangerous situation in that regard.

Overall we are moving in a certain direction, reducing the number of Deputies. There will be considerable reform at local level. Democracy will be on a smaller scale in the future, which is of some concern. I know we need to scale back somewhat, but we cannot do away with democracy at all costs just because it is the popular thing to say or do. We need democracy and it is a cost that is worth bearing. I hope the Minister will take on board some of my views, particularly those on county boundaries. Even though on this occasion the people of Carlow will still feel very disappointed, perhaps on future occasions their voices may be heard.

**Deputy Finian McGrath:** I welcome the opportunity to speak on the Electoral (Amendment)(Dáil Constituencies) Bill 2012. I know it is trendy and popular to have a go at Deputies, or to suggest reducing the number of Members of the Dáil or closing down the Seanad. However, I wish to point out the dangers of this type of cynicism as a potential threat to real democracy, creating a disconnect from the citizens of the State. I want to build a real republic that is inclusive and democratic. I want reform, inclusion and more democracy, not less. The Bill before us will give us less, which is my major concern. It is not reform, as some Deputies have said, but a cost-cutting exercise. I commend the Deputies on the far side of the House, particularly the newer ones, on some of their bright new ideas and their urgent call for change and reform.

One good aspect of the Bill is the name of the new constituency of Dublin Bay North. It is a good name because of the great amenity that is Dublin Bay. At this point I pay tribute to the late great Sean Dublin Bay Loftus, who represented my constituency in the past. I am sure he would be delighted to see the new constituency named Dublin Bay North. However, that is also a wake-up call for all of us to ensure we protect this beautiful amenity which spreads right across our city and which belongs not only to the people of Dublin Bay North but also to the people of Dublin and the people of Ireland.

The Bill proposes to implement the recommendations of the 2012 Constituency Commission report, which means in reality reducing the number of Deputies from 166 to 158, reducing the number of Dáil constituencies from 43 to 40 and redrawing many constituency boundaries. That is the essence of the legislation. At this point I wish to welcome those from Howth, Donaghmede, Clonshaugh, Darndale, Baldoyle, Sutton and the residents of Priory Hall into the new Dublin Bay North constituency. I give a commitment that I will do my best to represent the interests of these people, particularly those in the newer areas. However, I will also continue look after the people of Marino, Clontarf, Donnycarney, Artane and Beaumont.

**Deputy Brendan Griffin:** The Deputy should not forget anybody.

**Deputy Finian McGrath:** I hope I did not leave out any area, having said that. I heard some excellent contributions from Government Deputies. It is very important that we listen to the views of newer Members of the Dáil because they were elected on a mandate of change and reform. Following the disastrous consequences of what happened to the country, people told us

on the doorsteps that they wanted ideas on reform and wanted change, which is important in this debate. During the general election campaign I had a leaflet on Dáil reform and I got a mandate from the people of the constituency of Dublin North-Central, now called Dublin Bay North, to introduce such reform. Among the proposals I put on the table was the creation of real democracy with accountability at every level, transformation of the Seanad, within 12 months, into a genuine forum for civil society or abolition of it and the introduction of a system of vouched expenses for politicians. I welcome those proposals recently adopted.

We also need to make Parliament and this House work. We should cease use of the guillotine system to pass legislation not properly scrutinised, give Dáil committees the power to examine proposals on spending and to hold real inquiries by giving them the power to compel witnesses and documents and make senior public servants responsible for their decisions and actions. We need to bring real transparency to the funding of political parties and compel parties to publish annual accounts. We need to register and control lobbyists, to protect whistleblowers and to ensure all appointments to State and public bodies and the Judiciary are open to public competition and Dáil scrutiny. We also need to ban any individual from being a director of more than three major companies or public bodies. There should also be an urgent review of company law to ensure white collar criminals are brought to justice. We also need to revert to use of the provisions in the original freedom of information legislation. They are the proposals which I put on the table during the last general election in respect of which I received the mandate of people in my constituency. We need to make progress on reform. There is no limit to what can be achieved by a community working together. There is no limit to what can be achieved by a Dáil that is in touch with people and does what it was elected to do.

On the legislation, the reduction in the number of Deputies to 158 is a cost saving measure. There is a need to review the representative role of Deputies, their legislative work and the formation of the Government. Other issues of concern are the breaching of county boundaries, equality of representation, female candidacy and local election areas. I accept that reducing the number of Deputies is a commitment of the programme for Government, the objective of which is to reduce the cost and size of government. Savings in this regard are predicted to be in the region €2.2 million, an amount I question. This could also result in cost savings in running elections with fewer constituencies and seats. While I support the need for reform the Minister, whom I welcome to the House, must ensure there is not less democracy. We already have a problem with that in this State and need to do something about it.

On the quotas issue, while I believe in equality for all sectors of society, I have a major concern around this issue. We must ensure that a person gets a job or is elected based on his or her ability and not because a particular amount of seats are reserved for that purpose.

**Deputy Phil Hogan:** How many candidates will run in the Deputy's constituency?

**Deputy Finian McGrath:** That is always the subject of debate in my constituency. The Minister would know many of them very well. It is important a consultative process is established. I am concerned when I hear people worrying about consulting citizens and reacting to polls.

Local election areas may need to be revised once the Dáil constituencies have been changed. The Minister in response to a parliamentary question said that any change required to local election boundaries on foot of changes to Dáil constituencies would be in place before the 2014 elections, which I welcome. Significant reform of local government has been promised by the



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current Government. While I believe there is strong support for reform, we need to ensure that in doing so we do not shaft councillors. I was previously a councillor on Dublin City Council, which experience I found enriching and helpful when I was elected to the Dáil. It is important we remain conscious of the good work being done by councillors.

Another important issue in the context of Dáil reform is that of democracy. I do not go along with the modern view that Deputies who help their constituents on particular issues are out of touch or not doing the job for which they were elected. In my view, while I am a legislator, I am also a messenger of the people to the Dáil. We should make no apologies for prioritising the interests of our constituents as part of our job. It is an important part of our work. Many of the people who come to the clinics of all Members are people experiencing real problems and no person outside of politics should say that we should not try to help them, be it in getting a medical card or making representations on their behalf to the HSE or on a housing or anti-social matter. I make no apology for helping such people as part of my work in representing them. The cynicism of some people towards politicians galls me. What these people are doing is in fact having a go at democracy. Some 30% to 35% of people in this State do not vote, which concerns me. I believe this is the result of some of the damage done to the political system. Those who do not vote are often people on the margins or people who, despite having a great deal, do not bother. Given there are a number of countries around the world where people do not have the right to vote, they need to cop-on. It is their democratic right, if they do not like a particular Deputy or councillor, to vote against them and ensure they do not get elected. That is how politics and democracy works.

On Dublin bay north, I note there are 146,512 registered voters in that constituency. This means there are 29,302 per representative as it is a five-seat constituency. I am concerned about the physical size of this constituency. I have worked for many years in a three-seat constituency. I have been able to get to know my constituents and service the constituency adequately. I understand the point that personal contact with constituents could become an issue in a large constituency. It is important, in the context of this legislation, that representatives are allowed to continue their close relationships with constituents. I do not go along with the spin that representatives in the UK, Scotland or other European countries and the USA spend only one day a week in their clinics. I disagree with that. How can one help one's constituents in that way?

It galls me when I hear some commentators say that politicians who do large amounts of constituency work are ignoring the real issues in the country. As far as I am concerned, the real issues in this country are those of concern to people on the ground. They are the people I want to represent. I will do my best in this House to represent unemployed people and small businesses in Donaghmede, Howth, Sutton or Darndale and make no apologies for doing so.

This legislation provides for 11 five-seat constituencies, 16 four-seat constituencies and 13 three-seat constituencies. The legislation also contains further details on these issues. On Dublin bay north, it is important that as public representatives we ensure the different sections of society throughout that constituency are properly represented. I referred earlier to the late Sean Dublin Bay Loftus. I will, as he did, work hard to protect Dublin bay. Thousands of people use that bay every day. I will be a watchdog for Dublin bay. I will also be the watchdog for the small businesses in Darndale, Coolock, Donaghmede and Howth and for the fishermen and fishing industry in Howth. Perhaps the Minister would address the issue of parking facilities in Howth with Fingal County Council. I was in Howth last Sunday, where there is car park next to where the boats come in, which is used by people visiting the area and going to have lunch in the local pubs and restaurants. The proposed introduction of parking charges in Howth by

Fingal County Council has the local businesses, restaurants, shops, supermarkets and so on up in arms.

**Deputy Phil Hogan:** That is devolution of responsibility. That is what local government is all about.

**Deputy Finian McGrath:** Along with some of the Minister's colleagues, I will be speaking at a public meeting on Monday night. I hope the Minister, Deputy Bruton, turns up. I will be there representing the people of Howth on the issue. It is very important that we deal with these matters.

I welcome the debate on the Bill. However, I will be voting against it as it is not about real reform, democracy, accountability or, above all, the best interests of Irish citizens. It is certainly not about the most disadvantaged in society.

**Deputy Phil Hogan:** It is about boundaries for the next election.

**Deputy Finian McGrath:** If Deputies are removed, democracy will be damaged, as will inclusion and the vulnerable people in Irish society. I know it is very trendy and I accept it is very popular to be against Members of the Oireachtas and want to close the Seanad. I would reform the Seanad and keep it going. I must say some of its Members did not help their case by not opening up the House last week, but that is another debate. We need more democracy, accountability and reform. The Bill does not step up to the mark and I will challenge people on this issue. I will continue to represent the people of my new constituency of Dublin bay north and the people there will have my total support. I will do my best in the interests of democracy and in the interests of reform, change and accountability.

**Deputy John Paul Phelan:** I thought Deputy McGrath was a Deputy for Dublin North Central.

**Deputy Phil Hogan:** He is for the moment.

**Deputy John Paul Phelan:** I did not realise the constituency boundaries had already been changed. I am pleased he is eagerly adapting to his new surroundings and that he will be a watchdog for the devil and all on the north side of the city. I know he will put his best efforts into it.

**Deputy Finian McGrath:** I have a dodgy seat now.

**Deputy John Paul Phelan:** I welcome the fact, which was obvious before the boundary commission produced its report, that the constituencies in the south east would not be greatly affected by any changes because they are already at the upper population limits. I was interested to hear Deputy McGrath state his constituency has 146,000 registered voters, which makes it by far the biggest in the country. I thought there would be 146,000 people, seeing as the Constitution refers to population and not registered voters.

**Deputy Finian McGrath:** I thank the Deputy for the point of information.

**Deputy John Paul Phelan:** I wish him the best in trying to garner as much support as possible.

I agree with Deputy McGrath with regard to large constituencies. As somebody who, along

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with the Minister, represents the second largest constituency under the current regime, and which will probably remain the second or third largest after Donegal and Kerry when the new boundaries are introduced, I know there is a big difference between representing urban and rural five-seat constituencies. The distance from the bridge in Waterford to the town of Tullow is significant. It is my honour and privilege to represent the people of Carlow and Kilkenny and I will endeavour to keep it for the foreseeable future.

I echo what Deputy Griffin stated with regard to the number of Deputies. There is a strong argument to be made for further reform of our electoral system and a move towards single seat constituencies with a transferable vote and a further reduction in the number of Deputies. I would not regard this as an erosion of democracy. Deputy McGrath outlined issues relating to parking in his constituency, which should rightfully be performed by local government. The Minister has made very positive steps and I fully support his announcements on reforming local government to give genuinely more power to local elected representatives to influence these decisions. I do not regard the reduction in the number of Deputies as an erosion. I do not believe Oireachtas Members should spend as much time as they do on local government matters, which should be the preserve of members of local authorities. Unfortunately, our local authority system, which has developed since the late 1800, has seen many of the powers of local government vested in the management. The fact the Minister is in the process of giving back some of these powers to elected councillors is to be very much welcomed.

Perhaps in his comments the Minister might refer to some of the earlier remarks by previous speakers who spoke about the need for mayors to be retained in large towns throughout the country. It was my understanding that under the Department's new proposals on local government reform larger towns will keep their mayors. It is important the new municipal areas would have a mayor. The Minister is absolutely correct in his decision to abolish town councils. At present, a number of countries have five, six, seven, eight, nine or ten local authorities and more in some instances. Streamlining the number of local authorities is to be very welcomed. In some local authorities, one requires 50 or 60 votes to be elected and this is not a fair reflection on democracy, particularly when one considers that in parts of Dublin election quotas are 3,000 or 4,000 votes. The Minister's moves to bring a more uniform approach throughout the country in this regard are to be welcomed. I have some reservations about the fact that the terms of reference for the local boundary commission would see some very large electoral areas created in counties throughout the country, with some counties having two or three electoral areas, which would be difficult to cover for councillors who will still be in a part-time role.

I echo the calls and statements of other Deputies on the fact that throughout the country the electoral register is not kept up to date in the manner in which it used to be under the old system. Rate collectors kept electoral registers very much in order and I do not see them kept as efficiently at present. This leads to a situation whereby when elections are held, the turnout in some constituencies is considerably higher than stated because the electoral register is not in order. People who have been dead for many years are still on the electoral registers as are people who have left and moved from one constituency to another. It gives rise to a misleading figure.

With regard to future boundary changes to Dáil constituencies, I urge the Minister to match local authority electoral areas and Dáil constituencies. Deputy McGrath mentioned his Dublin bay north constituency, which sees the crossing of a local authority boundary between the City of Dublin and Fingal. There is a need to try to match these boundaries as much as possible.

I fully agree with the reforms on the vouched system of expenses for Members of the

Oireachtas as announced in the budget and these are very much to be welcomed. I have supported a fully vouched system for a long time. The Minister's efforts to include more women in politics are appropriate. Our political system is particularly biased against younger women who have families. The Minister made necessary changes in this regard. Regarding the activities of the Oireachtas itself, I welcome the fact that included on the A-list for Government legislation this term is a Bill that will give extra investigative powers to Oireachtas committees.

There is a need, from time to time, to allow a freer system of voting in the Oireachtas so that Members would not always be bound by party Whips on issues. In many parliaments around the world, not least at Westminster, a much freer system of allowing parliamentarians to vote currently exists, albeit excluding money Bills and the formation of a government.

**Deputy Maureen O'Sullivan:** I wish to make a couple of points concerning this Bill. I will start by looking back at the 14 election campaigns in which I was involved with the late Tony Gregory in Dublin Central. I was thinking of the various changes in that constituency at different times. The East Wall area where I live, which to me is very much Dublin Central, was out of the constituency at one stage, whereas areas such as Ballyfermot and Inchicore were included. On another occasion, we had the Fairview and Marino areas in Dublin Central, which are now in Deputy Finian McGrath's constituency.

The Bill before us proposes changes to Dublin Central, so I wish to examine how and why this is so. Another electoral commission is suggesting radical changes to Dublin Central, both in the area and number of seats. The Bill is supposed to be part of the agenda for political reform but there are more matters to examine in terms of political reform, particularly the work of the House and how we can make it more relevant and efficient. It must also be more representative of the Ireland we live in, including community issues.

The first step was to examine the work of Deputies to see exactly what we do and are supposed to be doing. Reform of the Oireachtas, including the work of Deputies, should have determined the number of Deputies required. While I may be somewhat cynical, I am just wondering about a pre-election promise to reduce the number of Deputies without examining what is needed. Real research into political reform should have happened first, including the work of Deputies. That might have indicated that we need even fewer Deputies than the proposed reduction of eight seats. It might also have considered other aspects because I am not too sure if the needs of constituencies were taken into account. It seems that a situation demanded by the Government drove the process, rather than the reform process, including Deputies' work, leading to the solution. It is like putting the cart before the horse, so that the evidence will fit the required result. Some €2.2 million is being saved by reducing Dáil membership but that sum could have been saved in other ways. We could have examined expenses and allowances, including those for leaders and political parties. We could also have examined pensions, which should have been addressed first, rather than what is happening with this legislation.

The Constitution requires that constituency boundaries should be revised every 12 years, but does that mean that it has to bring about such a massive change as proposed by this Bill? We will lose eight Deputies and there are changes to approximately ten constituencies. This cannot be just a box-ticking exercise concerning the programme for Government, without due regard for what is really needed for political reform. It has been suggested that reducing the number of Deputies will mean more focus on their national legislative role. However, that presupposes that other work is being done concerning the role of local authorities, officials and councillors in local government. That should have occurred first before considering the Dáil.

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What is happening will not bring that about in a significant way. Certain rural Deputies will now have to move through a wider area, including more counties. I am thinking of those in Kerry, Donegal, Mayo, Galway, Leitrim, Roscommon and Sligo. An important factor is the ability of Deputies to be in touch with their constituents. Despite social media and e-mail, constituents like to have personal contact with their local representatives, whether at meetings or clinics. While Deputies will face such difficulties in some rural areas, I do not face that physical geographical challenge in Dublin Central. In fact, the constituency is so reduced that it certainly makes canvassing and leafleting much more manageable. However, I have lost major areas and communities that I still represent. I do not have any new areas, but I am thinking of those areas that have been lost to Dublin West and Dublin North West. I do not envy the political aspirants there, or the Deputies in my own or other areas who are now taking this on. While there may be an existing constituency, Deputies obviously want to be re-elected so they will have extra work in order to make an impact in their new areas.

The proposed changes will mean marginalising certain sections of Dublin Central. The number of seats is being reduced to three, yet the two local authority wards have five and six councillors each. There is a suggestion that might be increased, but there is something awry if at the same time we are reducing the number of Deputies. These changes are going against population growth trends in Dublin Central. The readjustments are more reflective of the electoral register than the population.

Residential vacancy rates in Dublin central are very high. At the last census, it was over 25% in many parts. These empty residencies, many in relatively new buildings, will be re-occupied so there will be changes. We also have an extremely high turnover in private rented accommodation in Dublin Central, so people are constantly moving off the electoral register. Equally, however, people are coming onto the register, sometimes in higher numbers than those leaving. There is a real danger that we will have disproportionate under-representation in the Dublin Central constituency, yet we will have to wait a decade or so before that can be redressed.

There are significant numbers of foreign national residents in Dublin Central. While a number of them are on the electoral register for local elections, many are not. They have issues and difficulties and are in touch with me and other Deputies. Sometimes those numbers are not taken into account. If the proposed changes for Dublin Central go ahead, there could even be a constitutional challenge, if required, to ensure fair representation.

There seems to be a contradiction about whether smaller or larger constituencies will favour more representation by women. My views on this matter are known; I am not in favour of quotas because I think women are quite capable of being elected on their own behalf. Obviously, I would like to see more women in the Dáil but, equally, I would like to see more representation for other groups. There is a certain age cohort that is not represented in the House and other groups are not represented either.

I cannot finish my contribution without mentioning that I represent the Independent seat that was held for 27 years by, Tony Gregory, the longest serving Independent Deputy. Regardless of how people may feel about the late Mr. Gregory's politics or policies, I do not think there is any doubt about his integrity and the principled approach he took, based on fairness and social justice. What is happening in Dublin Central could be interpreted as a cute piece of social engineering to enable the sustainability of two other constituencies that do not have an Independent representation, at the potential cost of the longest held Independent seat in our history.

I am one of the Independent representatives on the Constitutional Convention, which is another example of putting the cart before the horse. That is another issue the convention could have taken on.

**Minister for the Environment, Community and Local Government (Deputy Phil Hogan):** I wish to thank the Deputies who have made contributions on Second Stage. Based on those contributions, I think there is a general understanding of the need to respect the independence of the Constituency Commission and accept its recommendations.

Deputies Stanley, Ellis, Ó Caoláin and Colreavy suggested that five of the new constituencies specified are unconstitutional. This is not the case. The Deputies have not correctly interpreted the provisions of the Constitution. The requirement is for the total number of Members of Dáil Éireann to be no less than one Member for each 30,000 of the population, and no more than one Member for each 20,000. That is a national figure. No specific constituency limit is set. The constituency requirement is for the same ratio of representation in constituencies as far as practical. It is not correct, therefore, to say that five of the constituencies specified in the Bill would be in breach of the Constitution. Many Deputies have raised concerns that relate to political reform in a wider and more general sense. I assure all Members of the Government's continuing commitment to implementation of its programme for political reform. While it is far from complete, much has been achieved in two years and the people of Ireland can look forward to further achievement in this regard over the next three years. As I stated in my opening speech on 20 November 2012, the Bill continues a long established practice of implementing the recommendations of independent constituency commissions in full. This Bill will bring Dáil constituencies into line with the population as ascertained in Census 2011 and in accordance with the constitutional imperatives and other legal requirements. All Members can recognise that it might have been possible for the commission to suggest solutions other than those recommended in the report and I appreciate fully the concerns that arise from some recommendations. However, were Members legislating for the maximum number of Deputies permissible under the Constitution, which would be 229 Members, there undoubtedly still would be some who would not be satisfied with some element or other of Dáil constituency arrangements. Lest Members are worried on that point, I assure them the Government is not going in that direction.

Some Deputies drew my attention to particular Dáil constituencies and made their pitches for the areas they represent, particularly in those areas in which there will be constituency changes. However, as I have stated previously, these are the swings and roundabouts of a constituency revision in the context of an independent commission. All I can do is ensure that the best arrangements, as far as practicable, will have regard to the Constitution and the statutory requirements. I again thank the Acting Chairman and Members for their input into this debate and I look forward to further consideration on Committee Stage of the specific conditions of the Bill.

Question put and agreed to.

#### **Electoral (Amendment) (Dáil Constituencies) Bill 2012 [Seanad]: Referral to Select Committee**

**Minister for the Environment, Community and Local Government (Deputy Phil Ho-**

**gan):** I move:

That the Bill be referred to the Select Sub-Committee on the Environment, Community and Local Government pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

## **Topical Issue Debate**

### **Education and Training**

**Deputy Gerald Nash:** Like most Members, I welcomed the announcement last December of the new Momentum programme, which will provide 6,500 new education and training places for jobseekers. These places are correctly and specifically targeted at the long-term unemployed. Projects will be in the expanding employment areas of ICT, digital media, health care and social services, the green economy, food processing and sales and marketing. Moreover, I am pleased that a substantial number of these opportunities will be provided in my constituency of Louth. Importantly, these programmes are designed to match the needs of employers and provide those who have been out of work for a long time with a golden opportunity to optimise their chances of getting back into the workplace. As the Minister of State is aware, applicants must have been signing on for 12 months or longer and to be seeking employment actively. I have examined the eligibility criteria laid down by the Department because I recently was made aware of a case in which a man, whose mother passed away recently, was told he was ineligible to apply for a place on the Momentum programme because he had only been signing on for six months. Prior to that, he has spent two years acting as a carer to his mother and was recognised by the State by way of a carer's payment.

To date, all other labour activation schemes have allowed applicants to count time spent as a carer in lieu of time signing on in respect of the consideration for training. The Momentum programme is the first to break with this precedent. This appears to have been a policy decision taken within the Department that creates a highly dangerous and divisive principle. While there is much discussion and debate on the significant State support provided for carers, people do not appear to be overly concerned about what happens to carers when they are about to get back to the workforce when their caring duties come to an end, often in sad circumstances. No State jobs or training programme should be allowed to discriminate against a citizen who, through his or her family obligations and love for his or her family members, was obliged to take time out of the workforce to care for an unwell relative. It appears to be inherently unfair that someone should be penalised for leaving the workforce to care for a loved one and then be forced to sit on the live register for 12 months before being allowed access to the Momentum programme. I am anxious to establish whether the Minister for Social Protection will take steps to reverse this divisive and arguably discriminatory policy decision and bring the Momentum programme into line with other labour market activation schemes, which allow time spent in receipt of carer's allowance to count in respect of access to the suite of labour market activation and training measures provided by the Government.

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** In reply to Deputy Nash, an undertaking was given in the programme for Government to introduce a more focused approach to how the State engages with and supports the unemployed to get back into the workforce. Pathways to Work, the Government's policy statement on labour market activation, sets out how the Government intends to do this and is a key element of the Government's strategy to get Ireland working again. The Pathways to Work policy statement has five strands, namely, more regular and ongoing engagement with people who are unemployed, greater targeting of activation places and opportunities, incentivising the take-up of opportunities, incentivising employers to provide more jobs for people who are unemployed and reforming institutions to deliver better services to people who are unemployed. Implementation of these five strands will ensure that people who are unemployed will be given the opportunity to acquire suitable skills or qualifications or both. The second strand commits to greater targeting of activation places and opportunities. Given limited public resources, it is essential that activation measures are targeted. The long-term unemployed in particular must be a focus for interventions.

The Momentum initiative, to which the Deputy referred, provides free education and training projects for 6,500 long-term unemployed jobseekers. The programmes will include on-the-job training in the form of work experience modules, as well as the development of the workplace skills required to obtain and retain employment. The initiative is administered by FÁS and funded by the Department of Education and Skills through the European Social Fund-supported labour market education and training fund, LMETF. In line with the commitments given in the Pathways to Work policy statement, eligibility for the Momentum initiative is targeted at the long-term unemployed and a participant must meet the following criteria, namely, be unemployed and on the live register for 12 months, that is, 312 days, or longer and be in receipt of jobseeker's allowance or benefit from the Department of Social Protection or credited contributions for 12 months or longer and be actively seeking work. However, a person who was unemployed for 12 months in the previous 18 months may be considered eligible for the initiative. Therefore, a person who was engaged in temporary or seasonal work or who was temporarily in receipt of a carer's payment, but was otherwise on the live register during that 18-month period, may qualify. This may satisfy some of the Deputy's concerns. Periods spent on other activation schemes, such as, for example, the back to education allowance, community employment schemes or Tús may count towards meeting the eligibility requirements for the Momentum programme, provided the person has completed the scheme or programme and is on the live register.

Access to Momentum courses is strictly through referral from the Department. Case officers must determine suitability and agree the most suitable course for a person to progress him or her on his or her pathway to employment. While in general, receipt of a carer's allowance does not satisfy the criteria for this initiative, there is a wide range of other activation supports available to those in receipt of carer's payment. It should also be noted that the Momentum initiative only represents a small percentage of the more than 450,000 State-funded places provided in further education, higher education and training. These include 75,000 FÁS training places in 2012, 180,000 further education places and 162,000 full-time higher education places provided through universities and institutes of technology. In addition, the State provides more than 40,000 training places, including 8,000 for the unemployed, in partnership with private employers, as well as more than 6,000 Springboard places in 2012, comprising free part-time higher education, with additional places to be announced for this year.



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In line with Pathways to Work commitments, the long-term unemployed are a particular focus for interventions and the Momentum initiative is, therefore, exclusively targeted at this cohort.

**Deputy Gerald Nash:** I am not necessarily consoled by the Minister of State's comments on the treatment of those who have had caring duties for a considerable period and who find they are not treated the same as other people who are technically long-term unemployed, at least in the context of the Momentum scheme. The scheme creates a gilt-edged opportunity for many long-term unemployed people to access the labour market and get genuine opportunities for jobs. It is important that we target such an approach.

The Minister of State is correct that it is only appropriate that the long-term unemployed are specifically targeted, which is the focus of Pathways to Work. Nevertheless, there is an imbalance, and I wish to point out the dangerous precedent inherent in this policy decision to exclude some people who have been in receipt of carer's allowance for a long period and not consider them as essentially being on the live register for 12 months. I accept there are complexities and I fear hundreds of people may be in the circumstances I describe. It is a point of principle from which we cannot move, and we should not put such a line in the sand with regard to treating carers differently to other social welfare recipients. The Government should be conscious of that.

We are all conscious that there are approximately 450,000 State-funded training places, with specific targeting of those who are long-term unemployed. We must examine the definition of "long-term unemployed" in the context of this programme and we should recognise the function which carers play in society. When that function comes to an end, often in tragic and difficult circumstances, carers should be fast-tracked into training schemes if they wish to partake, and they should be fast-tracked into employment to ensure we recognise the role played by carers in society. When caring duties end, these people should have optimum opportunities to train and access gainful employment. That is important, particularly for carers who may find it difficult to adapt when the caring role concludes and especially if those people have been out of the direct labour force for some time.

**Deputy John Perry:** I assure Deputy Nash that I will bring his concerns to the Minister for Social Protection, Deputy Burton, as he has raised important points. Some flexibility already exists within the initiative whereby a person who was temporarily in receipt of a carer's payment but was otherwise on the live register during the previous 18 months may be considered for the Momentum initiative, and there is a certain discretion in that respect. The focus of the initiative must remain the long-term unemployed, regardless of the cost of extension to other groups. The initiative is specifically targeted at the long-term unemployed as committed in the Pathways to Work programme. Extension of the initiative to those who are not long-term unemployed would be counter to the objectives of the programme.

A carer's allowance is payable to customers who are caring for a person on a full-time basis: carers cannot be employed or self-employed outside the home for more than 15 hours per week. However, recipients of a carer's payment may participate in a range of part-time training or education programmes, provided it does not conflict with their commitment to their caring duties. For carers who wish to retrain in anticipation of seeking employment when their caring duties cease, there is a range of training and education places and supports available. The Department of Education and Skills provides 75,000 training places through FÁS, with delivery during the day, evening, on-line and blended in a fashion that combines on-line learning and workshops. Part-time courses are also available through the vocational education committees under the

back to education initiative. Some of these courses would be available to carers while others are accessible for people previously engaged in caring. Carers are also eligible for grant-aided accredited training through the Department's technical employment support grant fund.

### **Social Welfare Rates**

**Deputy Dara Calleary:** I thank the Ceann Comhairle for allowing me to raise this issue, about which we have all probably received representations since Christmas and particularly in the past week, as correspondence has arrived from Eircom and Electric Ireland in particular relating to another of the bombshells from the Minister for Social Protection, Deputy Burton. It was sneakily announced in the budget but it is only having an impact on people now.

With the telephone allowance, there has been a 63% reduction in the contribution, meaning a figure that was €25.78 has been reduced to €9.50. For many older people this was a complete subsidy on line rental. The younger generation is moving away from landlines but that is not happening for the older generation. They need landlines for the traditional use of the phone and in many cases to allow use of monitored alarms and personal security. For many, this cut is forcing a reassessment of the need to have a landline and maintain security. The Minister of State knows there has been a surge of burglaries and robberies in my part of the country over the past three months, and this is replicated across the country. There is genuine fear and concern among people, and this cut will be felt by older people in particular.

There has been a complete change in the manner in which the electricity allowance works. It used to be a unit-based allowance that was directly related to usage but it is now an automatic payment of €35 per month. Such a payment is substantial but at this time of year - from January to March or winter in general - people and especially older people use much electricity for heat, light and a range of activities. I object to the manner in which the allowance is being changed from unit-based to a cash basis.

Was any consideration given to staging the change, allowing the biggest impact of the change to happen at a time when people could adjust electricity usage? We have just come through some cold days and one can imagine how bills will be increasing. The change comes at a time when electricity prices have increased by 15%, which is substantial, and this has come about because of oil price spikes. These increases are passed to the customer and we all see them in our bills, although it affects older people in particular. For some time the household benefits package has been a very important support for people over 70, providing security and assistance for necessary costs which rise as one gets older.

What consideration was given to staggering the introduction of the new system? Will the Minister, Deputy Burton, review the change and perhaps look to introduce most of the impact in April, particularly with regard to the electricity allowance? There are a number of issues that must be clarified. Many people may not have used all the units in their allowance, depending on the time of year, and they could carry forward those units. The Minister has indicated that negotiations were under way with Electric Ireland in that regard so is there an update?

How will the social welfare benefits package be affected with regard to Eircom? The company has advised that there will be further cuts in addition to those notified by the Minister because it is precluded from offering discounts to people by the telecoms regulator. Will there be further cuts to the telephone allowance? What advice is the Government giving to people

and what communication has been issued to people about the cuts? The Minister is well able to talk and use volume when she wants to but is she bringing the power of her office to the negotiation with the various providers of energy and communications products to try to come up with better or more competitive packages for older people, reflecting their usage and need for these products?

*4 o'clock* **Deputy John Perry:** I thank Deputy Calleary for raising this important issue, which I am taking on behalf of the Minister for Social Protection, Deputy Joan Burton. Any reduction in social welfare payments or benefits is difficult for those affected. The overall concern of the Government in budget 2013 was to protect the primary weekly social welfare rates. To allow us to protect the core payments people receive, including pensions, disability allowance and carer's allowance, the Department had to examine carefully other additional payments such as the household benefits package. This package comprises the electricity and gas allowance, telephone allowance and free television licence. The package is primarily available to older people, those with disabilities and carers.

Following budget 2013, the structure of the electricity and gas allowance has changed and is now aligned with the best average market rate currently available from energy suppliers for an unchanged 150 units per month. For customers who receive a bill, this amount will appear as a cash credit of €35 on their bill. Other customers will continue to receive a cash allowance.

Between 2005 and 2011 the number of people in receipt of the electricity and gas allowance increased by 20% to reach 405,000. The cost of the electricity and gas allowances has risen from €110 million in 2005 to an estimated outturn of €201 million in 2012, an increase of 83% in seven years. In the current economic climate these increases are unsustainable. The change to the electricity and gas elements of the household benefits package will bring significant savings, with estimated expenditure in 2013 of €176 million, while aiming to encourage customers to achieve better savings through greater mobility.

The affordable energy strategy drew attention to the fact that customers in receipt of household benefits were much less likely than other customers to switch energy supplier to obtain better value. Only 16% of social welfare customers have switched companies compared to 42% nationally. The Commission for Energy Regulation, CER, following discussions with officials from the Department, has been liaising with the National Consumer Agency with a view to ensuring that information is available for our customers to help with switching companies. In August 2011, the CER published a paper which set out a framework for accreditation for price comparison websites, CER/11/144, following which a website, *www.bonkers.ie*, a good name, was accredited. The website presents comparison data which can greatly assist those wishing to switch companies and achieve the best value.

The number of people in receipt of the telephone allowance has also increased significantly in recent years in line with increases in customers receiving qualifying payments, as well as the increases in those aged over 70 years. Demographics are such that this number will continue rising. In 2005, some 311,000 customers were in receipt of telephone allowance. This figure had increased to 397,000 in 2012, a rise of 28% over seven years. The allocation for the telephone allowance scheme has been reduced by €61 million in 2013. As a result, the monthly allowance has been reduced from €22.60 to €9.50. This is a cost saving measure.

In recent years, the nature of the telephone market has been transformed, with deregulation, mobile services and bundled services, including television, broadband and telephone. A wide

variety of deals is available, for example, it is possible to purchase a standard pay-as-you-go brand name mobile telephone for as little as €19.99 in large retailers.

The Department is keenly aware of the impacts on customers. In this regard, it should be noted that Ireland's older population has the lowest rate of consistent poverty and, as a group compared to the rest of the population, is least likely to be at risk of poverty. This points to the adequacy and importance of the State pension. Between 2004 and 2010, consistent poverty for people aged over 65 years fell from 3.3% to 0.9% and the at risk of poverty rate for people in this age group fell from 27.1% to 9.6%. In addition, the fuel allowance scheme was protected in budget 2013 and recipients will continue to receive this payment of €20 per week as part of their weekly social welfare payment for the duration of the fuel season, which runs until April 2013.

If a customer of the Department is experiencing difficulty, an exceptional needs payment may be made to help meet an essential, once off cost which an applicant is unable to meet out of his or her own resources. There is no automatic entitlement to this payment. Each application is determined by a community welfare officer based on the particular circumstances of the case.

**Deputy Dara Calleary:** The Minister of State is a businessman. If 405,000 customers were to contact him tomorrow seeking a deal, he would fall over himself to give them a discount. Some 405,000 people are in receipt of the energy allowance, with a further 397,000 in receipt of the telephone allowance. The Minister of State referred to the increase in the costs of these schemes, which is also a reflection of a substantial increase in profits for energy companies and those of the telecommunications companies that are well run. Surely it is within the capacity of the Department of Social Protection to seek a deal on behalf of almost 500,000 people.

As the Minister of State is aware, older people do not like change. Whereas he and I may change providers regularly, our older peers have more loyalty to their providers and will not change. Surely, given the numbers who receive these allowances, the Department should be able to negotiate better deals and improve its understanding of usage.

While I concur that demographics will dictate that the costs of these schemes will increase, choices were available to the Government. If it had taxed those earning higher incomes, specifically those with salaries of more than €100,000, those on the lowest incomes, including pensioners, would not have to take cuts in the household benefits package. While I am aware this matter does not come within the Minister of State's brief, I ask that the Minister revert to me on the position regarding discussions with Eircom and Electric Ireland on unused units and the social benefits package. I will resist the temptation to comment on the Minister for Social Protection, Deputy Burton, and *bonkers.ie*.

**Acting Chairman (Deputy Bernard J. Durkan):** We will not go there.

**Deputy John Perry:** I will raise with the Minister the Deputy's point on carrying over units. On the issue of doing a deal, I am certain the Minister is very conscious of the need to obtain best value for money. The previous Administration worked with the providers of electricity, telephone services and so forth. Many people switch providers.

**Deputy Dara Calleary:** Older people do not switch.

**Deputy John Perry:** I disagree. There is no better example of a population that obtains value for money than the older generation. They did not get carried away in the silly season and have always kept their feet on the ground. While the Deputy makes a good point, the Minister

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is conscious of the position of those who are in need. An allowance is available in cases of inability to pay. The Minister is doing everything possible to retain the benefits provided to the elderly and needy to whom we owe a duty. I will raise the Deputy's concerns directly with the Minister.

### **Childhood Obesity**

**Deputy Patrick O'Donovan:** I thank the Ceann Comhairle for selecting this issue. This is not the first time I have raised obesity and related issues in the House, nor will it be the last. My reason for doing so is to try to increase awareness of the complexity of the issue of childhood obesity and ensure it continues to appear on the radar of the Departments of Health and Education and Skills, as well as other Departments that have an input in this area, which is the most important public health issue the country will face for a generation.

Deputies will be aware of the various diseases and illnesses which occur as a direct consequence of obesity, notably hypertension, diabetes, heart disease, stroke and obesity related cancers. If we fail to intervene with the younger generation, intervention at a later date will be much more difficult. I contrast the lack of action being taken on obesity with the action taken elsewhere in the education system, namely, the green flag initiative.

Childhood obesity is largely linked to behaviour and the earlier one intervenes to change behaviour, the better. Some form of rewards mechanism should be introduced and what better rewards mechanism is there than a whole school or whole community approach to address the problem of obesity. The Department of Education and Skills may well argue that such an initiative, the active school flag initiative, is already in place and while this is a good scheme, its primary focus is on persuading children to become more active. I am seeking a more holistic approach to addressing the obesity problem, one which encompasses the healthy eating policies in place in many schools, the social, personal and health education, SPHE, programme in place in all schools and the curriculum content of science and other subjects. Such an approach is needed to ensure children are encouraged to have healthy eating as one of their goals and objectives.

Schools cannot act as nannies and the Departments of Health and Education and Skills cannot take responsibility for what individuals consume. However, we have a responsibility to make people aware of what they are consuming and how it affects their lives. When we undertake a public awareness campaign, we also have an obligation to show all of the community the merits.

Environmental benefits accrued through the national reduction in litter are due in no small way to the green flag initiative. Schools across the country have green committees that are led by pupils and engaged with by teachers, parents, school management and the wider community. As public representatives, we have all been invited to celebrations at which local personalities and sports people to whom children look up have hoisted green flags. The flag has an obvious benefit.

The Department of Health, the Department of Finance or someone else can tell people that the best way to tackle obesity is to put an extra 10 cent on a bottle of Coca-Cola. While such an increase may be part of the solution down the road, tackling our eating behaviours and levels of activity and exercise through public pronouncements by schools - it could also be through

workplaces - is essential. We will lose a generation. In 1990, one in ten Irish men was classified as obese. Today, the figure is one in four. Will be it one in two or even worse in 20 years time?

Under a US initiative, the First Lady, Ms Michelle Obama, moved away from the food pyramid that is outlined in every classroom in this country to a food plate, a simple schematic that shows people how to lay out a plate. This is not just an issue of food intake. Rather, it is an issue of sending people of all socioeconomic backgrounds and income levels a simple message about the associated health dangers.

**Minister of State at the Department of Education and Skills (Deputy Sean Sherlock):**

I thank the Deputy for raising this issue. From the preventative point of view, I wholeheartedly agree with his sentiments regarding the importance of raising awareness. If we can take preventative measures and utilise early intervention measures to tackle childhood obesity, it will have a positive effect downstream for the citizens themselves as well as for the Exchequer in terms of medical interventions and so forth.

The Department is committed to promoting healthy lifestyle choices among children and young people. This is reflected in the curriculum for primary and post-primary schools. The successful active school flag, ASF, programme also provides evidence to the effect that schools are keenly interested in ensuring that their students have positive attitudes to physical activities. However and as the Deputy articulated, there is only so much that schools can do. There is an onus on parents and the community to ensure that children are as active as possible outside of school.

The Department recognises the importance of cultivating healthy attitudes in children. This is reflected in the primary school curriculum for science, physical education and social, personal and health education, SPHE. Pupils are enabled to develop an understanding of food and nutrition, including the importance of food for energy and growth and the importance of a balanced and healthy diet along with being physically active.

In post-primary schools, the SPHE syllabus contains modules on healthy eating, and physical education promotes activity. The popular optional subject, home economics, also has a role to play. On 4 October 2012, my colleague, the Minister for Education and Skills, Deputy Quinn, published a framework for the junior cycle. One of the principles of the framework is well-being. This principle will be underpinned by key statements of learning that require students to understand the importance of food and diet in making healthy lifestyle choices, to be confident and competent participants in physical activity, to be motivated to be physically active and to take action to safeguard and promote their well-being and that of others. A new short course in SPHE is being designed for 100 hours, some 30 hours longer than the current programme.

The Department seeks to recognise schools that strive to achieve a physically educated and active school community by awarding them the ASF. More than 1,000 primary and post-primary schools have registered for an ASF. To date, 156 flags have been awarded with the number expected to rise significantly during the coming year. Through the ASF process, schools have developed many innovative and exciting ways of encouraging their school communities to become more active.

In cultivating healthy eating attitudes in children, the 2009 life skills survey of primary and post-primary schools showed that 87% of the primary schools and 32% of the post-primary

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schools that took part in the survey operated a healthy eating policy. The life skills survey was repeated in 2012. It is hoped that the percentage of schools, particularly at post-primary level, with a healthy eating policy will have improved. The results will be published later this year.

The Department of Health and my Department collaborate and co-operate on a number of relevant areas, including healthy eating. The Department of Health has involved this Department and others in developing Healthy Ireland, a report that is to be published shortly. My Department is also a member of the Department of Health's special group on obesity, which is meeting today.

**Deputy Patrick O'Donovan:** I thank the Minister of State for his reply. I welcome the fact that so many schools are in the pipeline for ASF awards, but it is not just a question of activity levels. It is also a question of what we ingest. For example, while I was teaching, a colleague told me of how he found a packet of digestive biscuits and butter when the lunch box of a child in his classroom was opened. When he met the child's mother subsequently, it was through no fault of her own that she pointed out that she had not given her child chocolate digestives.

There is a significant awareness problem. There is also a generational problem. RTE's "The John Murray Show" and others are doing fantastic work, but this is January. Not too many people discuss "Operation Transformation" in June or July. The issue falls off the list of national priorities until we start discussing it again after Christmas. As I stated at the weekend, people will rush out to buy bicycles, runners and so on and will tear around the country for a couple of weeks before reverting to their old habits in February.

We need to change people's behaviour. We can only do so by making the appropriate intervention at a young age. In every house that is home to a child whose primary school is actively engaged with the green flag initiative, parents will have drummed into them the message of recycling, separating waste, composting, energy efficiency, water usage and a clatter of other issues. The same needs to apply in this case. We must make a more concerted intervention. It is already being done in schools, as the Minister of State outlined, but we need to pull it all together. We need to encourage people to recognise that what they are ingesting, combined with their physical output, will have a significant effect.

This problem costs the Exchequer €4 billion per year in the form of the HSE's budget for obesity related illnesses. The situation will only worsen at a time when we cannot even afford basic services. This intervention might cost a few euro, but whatever we can draw out of it and whatever behaviours we can change will bear fruit.

**Deputy Sean Sherlock:** I do not disagree with anything the Deputy has stated. He is spot on in trying to raise levels of consciousness around this issue. The Department of Education and Skills is part of the Department of Health's special group on obesity.

Deputy O'Donovan illustrated an example of a child with digestives. The child did not pack the lunch box and neither did the teacher. It was the parent. Schools act *in loco parentis* and by their very nature will do so much. I refer, for example, to the activity around the active school flag for which 1,000 primary and post-primary schools have registered. A total of 156 flags have been awarded which shows that there is a rising consciousness on the issue. If the green flag initiative is anything to go by then I have no doubt that this will be just as successful in terms of raising awareness. However, there is a role for parents as well, and for community and teacher involvement.

Technology is one way of raising that kind of awareness. Deputy O'Donovan referred to the post-Christmas rush to purchase new gear and to get exercise. We all have post-Christmas guilt. I down-loaded two applications, apps, one called "Run Keeper" and the other "Map my Fitness". Such apps will help to modify people's behaviour.

I accept the Deputy's point but I firmly believe there is a stronger role for parents, and we speak a little to common sense. I am happy to talk to the Deputy again on the matter to see whether we can progress the issue in the wider context of reducing the level of obesity. There must be a role for the Parliament through the committee system or intra-parliamentary group to examine the issue. That could be one way of seeking to tackle the issue.

### **Harbour Parking Charges**

**Deputy Thomas P. Broughan:** It is good to see Deputy Durkan in the Chair.

Residents and local business people in Howth were shocked before Christmas to learn of plans by the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, to introduce car parking charges in Howth Harbour. Howth is one of the six national fishery harbours around the coastline and is also a most popular marine leisure and tourism resource for Dubliners and people of the entire north Leinster region. Local residents and business people, therefore, rightly fear that the introduction of car parking charges by the Minister could have a devastating effect on the vital marine and leisure tourism industries and the local economy in general.

I previously estimated that approximately 100,000 people come to Howth each year to walk the famous Howth tramline walkway alone. These walkers, and other tens of thousands of annual visitors, walk the pathways of the East and West Mountains or come into the harbour itself to walk. Many visit local restaurants or use the marine tourism and leisure facilities, including the world famous Howth Yacht Club and other boating and fishing services.

Local residents, of which I am one, and business people generally welcome the visitors as they are the lifeblood of the local Howth economy. Many residents have fought hard to protect the unique green and marine environment of Howth for residents and visitors alike. Given the ongoing economic difficulties, there are fears that the introduction of parking charges in Howth Harbour will deter many people from travelling to Howth especially if bringing equipment or gear for outdoor or leisure activities and must use their car. Residents and business people have rightly asked whether a full cost-benefit analysis has been carried out on the project and if the Minister has contacted other public stakeholders such as Fingal County Council or Irish Rail.

Mr. Paul Brady, president of Howth Sutton Baldoyle Chamber of Commerce reminded me that the introduction of paid parking has resulted in business closures at Dún Laoghaire Harbour. In response to my parliamentary question the Minister stated that the proposed charges are being introduced in the context of "traffic and parking management enhancements". He also stated that he is "convinced that the revenues generated by the introduction of such charges will provide the funds to develop [the harbour]".

There is no firm commitment in that regard. Restaurants, fish processors and fishmongers on the West Pier also rightly fear that once parking charges have been introduced they will be exponentially increased on an annual basis. The Minister also referred in his reply to health



and safety fears for emergency vehicles on the West Pier. The local businesses regard that as a complete red herring because the problems could easily be dealt with through the use of designated spaces, for example. I have asked the Minister to undertake a full public consultation on the proposal, and to permit local residents and businesses to express their clear opposition to the proposed charges, which they have asked him to withdraw. This is important given that there appears to have been no consultation by the Minister with the local community or other public stakeholders.

I am sure, for example, that members of Fingal County Council and local councillors in the Howth-Malahide ward would be bitterly opposed to any measure which would increase the density of parking and traffic on the tight narrow streets of Howth and move traffic out of the harbour area. Local community leaders and groups including the Howth Sutton Community Council led by Ms Stephanie Davies, Mr. Charles Sargent, Mr. Des Gilroy and Mr. Raymond Sexton have been in touch on the proposed parking charges and have confirmed that there was no communication or consultation with the community council on the matter. Howth Sutton Community Council is an umbrella group for community, residents and business organisations across the Howth Sutton Peninsula and it has currently 40 member organisations, including the chamber of commerce led by president Mr. Paul Brady, Howth Yacht Club led by Mr. Pat Murphy, Howth Comhair Iascaire Teoranta, the fisheries co-operative, led by Captain Brian Doyle, all the churches, drug awareness groups, Beann Eadair GAA, Howth Celtic football club, Howth Golf Club, the Heritage Society, the tidy towns organisation, credit unions. Fingal County Council and An Garda Síochána are also represented. Given the range of community interests represented, it is astonishing that the Minister or the Department did not consult or communicate with this important body.

I thank the Minister of State, Deputy McGinley, for coming to respond to the debate. I am informed that there has been no local consultation and that the proposal is universally believed to be crazy. It would be bad for tourism in Howth and would deter valued visitors to the unique Howth Peninsula. It would be disastrous for the local economy. I urge the Minister to forget the proposal and to talk to the people of Howth.

**Minister of State at the Department of Arts, Heritage and the Gaeltacht(Deputy Dinny McGinley):** I thank Deputy Broughan for raising the matter. The Minister, Deputy Coveney, conveys his regret at being unable to attend the House personally today, but he has a number of important issues to which he must attend.

Howth is one of six fishery harbour centres operated by the State, each of whose primary purpose is to provide facilities and services for the fishing industry and fisheries-related activities. The introduction of parking charges at Howth fishery harbour centre was originally examined some years ago in the context of a proposed Howth traffic and parking management plan, in conjunction with Fingal County Council. The project did not subsequently proceed. However, it is generally acknowledged that traffic and parking management within the fishery harbour centre itself needs to be addressed, particularly in the light of concerns raised about safety and emergency access by the Coast Guard, the lifeboat service, and An Garda Síochána. The introduction of pay parking is one of a number of measures being introduced to address those concerns.

Howth fishery harbour centre is first and foremost a working fishery harbour. As such, full access is required for commercial traffic servicing the fishing side and the various ancillary enterprises, with appropriate parking arrangements. Other harbour users such as the yacht club

and other social users also require reasonable access to parking facilities. A significant number of parking spaces in the fishery harbour is currently being taken up by commuters using the DART service during the working week, when the DART station car park is full. It is essential that the needs of all users are accommodated in a safe and secure facility.

There has been significant capital investment in the fishery harbour centres in recent years. In parallel with fishing-related enhancements, there have been a number of developments at the fishery harbours that underpin their expanding use for leisure and marine tourism, as well as other maritime enterprises. Howth, in particular, has a long tradition in these areas as well as in commercial fishing.

As a consequence of the additional investment, the State is necessarily fully committed to maximising the return on its investment. Furthermore, the Department of Agriculture, Food and the Marine is required to ensure that the fishery harbour centres are run on a financially sound basis. It is in those contexts that it is proposed to make a charge for the use of parking facilities provided within Howth fishery harbour centre, in the same way that a charge is made for using any of its other facilities. All income generated by the fishery harbour centres goes back into a ring-fenced fishery harbour centres fund that is used exclusively for the operating, management and development costs of the fishery harbours. At this point I will explain the background to the funding mechanism involved in the day to day management of the six fishery harbour centres for the information of the House.

The Fishery Harbour Centres Act 1968, as amended, sets out the mechanism to be employed in funding the day to day operational costs of the six fishery harbour centres. All income received at each of the six fishery harbour centres is effectively lodged to what is known as the fishery harbour centres fund. All of the day-to-day running costs of each fishery harbour centre are financed from the fishery harbour centres fund and it is the only source of income available to fund the day to day operation and management of the fishery harbour centres. This expenditure includes, for example, harbour master and staff salaries, electricity and fuel costs, harbour cleaning, maintenance and so forth, without which the fishery harbour centres could not function and certainly could not provide a service to their customers, the harbour users and the visiting public. It is important to reiterate that all income lodged to the fishery harbour centres fund is invested directly back into the fishery harbour centres and is used for no other purpose.

The rates and charges order is the legal instrument that enables charges to be levied that provide the income necessary for the provision of the various services at the fishery harbours. It is important that the rates and charges are set at a level sufficient to provide adequately for the costs involved. At the same time, it is necessary to balance the need to finance the management of the harbours with the needs of the various harbour customers. The current rates and charges order, S.I. 214/2012, provides for a charge for parking but no set charge has yet been fixed for Howth. Given that there are approximately 500 parking spaces within the fishery harbour centre boundaries at present, it is clear that a significant source of revenue exists. It is illogical that harbour users would expect to continue to use such a facility free of charge given that the State is required to maintain that facility, and when only some users, that is other users of the harbour who are paying into the fishery harbour centres fund, are effectively paying for it. The Department is currently drafting a scheme for the new parking regime that will seek to be fair to all of the users of the harbour while at the same time ensuring that everybody pays their fair share. No details on timing or the level of charges have been determined at this stage.

The new parking arrangements will include pay and display parking for visitors and a per-

mit management system for the harbour's business users. Regular harbour users will have noticed that all currently available parking spaces have been identified and marked recently. No additional spaces over and above those already available have been created, although it is expected that the addition of marked parking bays in some areas, where no spaces were marked up to now and parking was somewhat *ad hoc*, may lead to a small increase in the overall numbers of spaces available. The proposed new pay and display system will require the deployment of a number of pay machines at appropriate intervals around the harbour. The specification for those machines will of course address the potential environmental and visual impacts of the machines and of any associated directional signage. The Department has asked the planning department of Fingal County Council for guidance on its requirements in that regard and will be pleased to take account of any requirements and recommendations it may have.

**Deputy Thomas P. Broughan:** I remember showing the Minister, Deputy Simon Coveney's father, the late Hugh Coveney, around the port. I did so alone because the Fine Gael representative did not turn up. He spoke about the uniqueness of the peninsula and the fact that such a beautiful place was adjacent to a huge population of possible visitors. Fifteen or 16 years later that has not changed. I have not had the pleasure of meeting the Minister, Deputy Simon Coveney, in Howth but I hope that is something that might be remedied. The Minister of State at the Department of Jobs, Enterprise and Innovation, Deputy John Perry, was with our chamber of commerce some months ago. However, I hope the Minister, Deputy Coveney, will visit.

It is extraordinary that the Minister has not consulted the key stakeholders - I hope the Minister of State, Deputy McGinley, will convey that to him - particularly the Howth Sutton Community Council, which has existed for many decades, the chamber of commerce, which has a similarly lengthy history, and the world famous Howth Yacht Club. I ask him to have a full and detailed consultation on this matter. Bodies representing a gamut of commercial, sporting, cultural and marine organisations and businesses are bitterly opposed to the proposal.

The Minister referred to Fingal County Council. The county council scrapped this proposal following public uproar about a decade ago. It simply decided not to proceed with it due to the nature of the town, given the narrow streets of Howth, and because it would be disastrous for commercial business. The Minister did not respond to the point I made about Dún Laoghaire harbour. Our chamber of commerce believes Dún Laoghaire was seriously damaged by the introduction of charges in the harbour area.

Finally, we must have far more detailed information from the Minister as to what is being brought forward. He should talk to people. After doing so, he will, in justice, simply abandon this proposal, due to the uniqueness of Howth Port. There is a great port in the Minister's constituency of Donegal which I was pleased to visit on a number of occasions when I was spokesman on the marine for the Labour Party. Howth is geographically even more unique given that it is so close to 1.5 million people and is used by hundreds of thousands of them annually. I ask that the Minister, Deputy Coveney, take this on board, visit us in Howth and, hopefully, we will resolve this matter.

**Deputy Dinny McGinley:** I assure the Deputy that his comments will be conveyed to the Minister. No details on timing or the level of charges have been determined at this stage. I am sure the consultations proposed by the Deputy will be sympathetically considered by the Minister. I will tell him about the proposal and it is on the record of the House.

I agree that Howth is probably one of the iconic areas of this country. I recall as a young

schoolboy reading about Fionn MacCumhaill looking out to the sea from Binn Éadair on a fine summer's evening. I do not know whether it was at Niamh Cinn Óir or not, but it is in Irish folklore and mythology. Like any other fishing port, there is something magical about Howth. However, there must be some regulation of traffic there. If this is implemented all funds collected will go into a central fund for the maintenance of these fishery harbours, and Howth will get its share as well. Hopefully, it will lead to the improvement of traffic regulation there. The Deputy's comments will be brought to the Minister's attention.

## **Ceisteanna - Questions**

### **Priority Questions**

#### **Action Plan for Jobs**

1. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation his assessment of the impact to date of the Action Plan on Jobs; and if he will make a statement on the matter. [3563/13]

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** Action Plan for Jobs is designed to deliver measures right across Government to protect existing jobs and support the creation of new ones. It is a key instrument in our objective to transform the economy from one that became over-dependent on property, construction and debt to one focused on enterprise, innovation and exports. Because it involves a very large number of actions across different spheres, the impact of Action Plan for Jobs has to be assessed both in respect of the successful delivery of individual measures and in the broader context of its impact on enterprise and jobs.

The 2012 plan successfully delivered more than 90% of measures on time. They included many important reforms designed to enhance competitiveness, improve access to finance, support enterprise and develop employment in sectors of opportunity. In many cases, the full impact of these changes will take time to evolve. However, significant objectives have been realised, including new supports for first-time exporters and women in business, new sources of credit, reductions in PRSI and so on.

In respect of the economic impact of the plan, there are a number of encouraging indicators of strong performance in our export-oriented sector. Despite a difficult domestic and external economic environment, 2012 saw significant net job creation by Enterprise Ireland and IDA-supported companies, building on the positive results of 2011 and following successive years of significant net job losses. The value of exports of goods and services increased by just over 6% year on year in the first three quarters of 2012. The most recent quarterly national household

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survey figures published by the CSO for the third quarter of 2012 show there was a net increase of almost 12,000 in private sector employment, driven by the export-oriented sectors. Ireland also improved its ranking by two places in the World Economic Forum's global competitiveness index, and by four places in the IMD's World Competitiveness Yearbook.

While these are positive signs, with growth forecast downgrades in many of our key trading partners and continuing fiscal and banking consolidation, many challenges lie ahead. However, the Government is determined to deepen the thrust of reform in the 2013 action plan for jobs, which I will bring to Government for approval shortly, prior to its publication.

**Deputy Dara Calleary:** I wish the Minister and his two Ministers of State every success over the next six months during the Presidency. The Department has ambitious targets and a significant work programme. On behalf of everyone, I wish them well.

I tabled a parliamentary question to every Minister earlier this month to ascertain what they had delivered under Action Plan for Jobs and, more important, how many jobs were created and their job creation targets. The only impact worth measuring in such a plan is job creation. It is a bit like the Andrex puppy of action plans. It is nice and fluffy and the replies I received had little to do with what it is about. Every Department replied with vague aspirations and achievements but none outlined job creation targets and, therefore, I had nothing against which to measure their performance. I have a sense that it has been left to the Minister co-ordinate the entire plan, even though the Taoiseach every so often wakes up and convenes a special meeting. Every Department throws in the kitchen sink in the context of aspirations. How many Departments have specific job targets? Will the Minister give an assistant secretary in the Department responsibility to ensure the implementation of the action plan and to work with the Taoiseach's Department to ensure no Minister can hide behind these vague aspirations?

Last April, the Minister forecast that the numbers at work would increase by 67,000 between 2011 and 2015, yet in the medium-term financial statement published in November, he lowered that forecast to 18,000. That is the ultimate measure of Action Plan for Jobs. Our export sector is flying and we owe a huge debt to the IDA and Enterprise Ireland which are doing a superb job, but the difficulty is in the domestic economy in which we are not experiencing any improvement. What resources is the Minister putting in to ensure Departments deliver?

**Deputy Richard Bruton:** I thank the Deputy for his good wishes in respect of the Presidency. It is an ambitious programme. Yesterday, the Minister of State, Deputy Sherlock, and I attended a number of committee meetings and the size of the operation is formidable.

I assure him that Action Plan for Jobs has initiated a change in the way Departments work and this can be seen throughout Departments. The Department of Justice and Equality has introduced reforms to the visa system for investors, while the Department of Health has established a health innovation hub. Irish companies were never previously allowed to test their products in real life scenarios in our hospitals. The Minister for Finance also announced an SME strategy in the Budget Statement and the Minister for Education and Skills has doubled the ICT skills output. We also have the national broadband plan. They do not have specific job targets but they are crucial in creating the transition we need to make. It is a little naive to talk about setting job creation targets for individual Departments because it does not work as simply as that.

I also assure the Deputy that an effective implementation policy is run from the Taoiseach's

Department. Two Forfás officials have been assigned to support his Department in that work and, therefore, it is centrally monitored. It is my strong belief that rather than a line Department seeking to monitor other Departments, it is much more effective to have his Department overseeing this.

**Deputy Dara Calleary:** The Minister is in charge of the line Department for job creation and, therefore, one would assume the Department would be in a position to crack the whip. The Minister for Finance's reply to my parliamentary question about his Department's job creation targets and implementation plan was that it was a matter for the Minister for Jobs, Enterprise and Innovation. He was not overly worried about it.

I refer to an issue we discussed previously, which is the visa arrangements for employees in high technology companies. The Minister was pursuing this with the Department of Justice and Equality. Can he update the House in this regard? This might alleviate the skills shortage, which could lead to job creation.

**Deputy Richard Bruton:** I assure the Deputy this will be included in the 2013 programme. We have been working on reform of the work permits system. We will have legislation in the new term and we plan to make it much more accessible in order that where there are skills shortages, there will be a speedy and easy response and people will have certainty in respect of how the system works. I am confident that I will fulfil the Deputy's expectations.

I did not see the reply to the parliamentary question to the Minister for Finance but each of his budgets has progressively improved the start-up and research and development incentives in the tax code, the tax breaks for companies in the early years of operation and so on. There has been a consistent programme of reducing VAT and PRSI and, clearly, he is very much engaged in making the changes necessary to facilitate job creation. That is central to what he seeks to achieve.

## **Job Creation**

2. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation in view of the fact that jobs are the number one priority for the Government, if he will identify the target for job creation for this year; and the target unemployment rate and the additional resources committed to promote and retain jobs. [3566/13]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock):** Job creation is a key priority for the Government. Action Plan for Jobs has set the objective of supporting the creation of 100,000 jobs by 2016 and making Ireland the best small country in which to do business. The 2013 action plan for jobs will set out detailed targets for important measures of economic transition and for the delivery of policy actions to support employment, enterprise, innovation and exports. It will include indicators such as job creation in agency supported enterprises, the number of high potential start-ups to be supported in 2013, the target for new foreign direct investment projects and the number of significant investments by Enterprise Ireland-assisted firms in a range of areas, which are critical to company growth and job creation.

Considerable resources are being committed to the task. Our Department's Exchequer capital allocation for 2013, including carryover of unspent moneys from 2012, amounts to €483

million gross. At a time of severe restraint in capital resources, this demonstrates the Government's commitment to enterprise development and jobs.

We have also developed innovative instruments to leverage up the impact of this capital expenditure to support job creation through our Department and its agencies. These include the provision of €175 million in Exchequer funding through the seed and venture capital scheme. This funding has a target to leverage €525 million in line with past experience. An additional Exchequer allocation of €25 million is being provided under the development capital scheme in 2013, targeted at mid-sized indigenous firms. The Government committed €50 million to the scheme in 2012 and this funding will leverage up to €225 million. The Department will also continue to roll out and monitor the €90 million microfinance fund and the €450 million credit guarantee scheme, which again leverage smaller Exchequer outlays.

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

In a similar vein, the National Pensions Reserve Fund, NPRF has developed a range of support funds for the SME sector to provide equity, credit and recovery investment. The NPRF will invest between €350 million and €500 million with a view to creating a total funding pool of at least €850 million for investment in SMEs. In addition, a new package of tax measures to support SMEs was outlined by the Minister for Finance in budget 2013. It is important, however, to recognise that the economic transition is not solely about the volume of Exchequer resources aimed at the enterprise sector. Equally important in the 2013 action plan for jobs will be the reforms which we are continuing to implement on an ongoing basis to enhance our competitiveness, improve the environment for business, support enterprises, and progress sectoral strategies. The 2013 plan will be published in the coming weeks, following approval by Government.

**Deputy Peadar Tóibín:** I asked what were the Minister's targets for job creation and the unemployment rate this year. Despite the wonderful amount of information the Minister of State gave the House, neither of those two questions were addressed.

The Government objective was not to create 100,000 jobs by 2016. It was to create 100,000 additional jobs by 2016. At present, 335,000 people are unemployed, of whom 60% have been unemployed for 12 months or more. Since the Government came to power there have been 20,000 net job losses. The Government already faces an uphill battle if it is to create 120,000 jobs by 2016.

The IDA and Enterprise Ireland did good work last year. Sinn Féin welcomes every single job created by a Government initiative. Let us look, however, at the size of the problem. One job was created for every 34 people unemployed. The Government has solved 3% of the unemployment situation in the last year. According to the Nevin Institute, to achieve net job increases the economy must grow by 2% or more. I see no forecast of a 2% increase in growth.

Every business in the State operates its business by identifying targets for growth, turnover and profit. Why will the Government not do the same?

**Deputy Sean Sherlock:** As the Minister has said, the Government must create a set of conditions that facilitate growth in employment rates. I am not aware of any Government having set an employment rate target. I am not aware of a precedent for that.

The Deputy referred to the National Pensions Reserve Fund, NPRF. It will be used to

support the SME sector and provide equity, credit and recovery investment. The NPRF will provide up to €850 million on a commercial basis with a view to leveraging private sector funding into the Irish investment market. The Government is creating conditions such as a 25% increase in the threshold for VAT cash receipts basis accounting to improve cash flow for SMEs. It is doubling the amount of expenditure that qualifies for the research and development tax credit for SMEs so that we can support more innovation by businesses. That will have a positive impact on foreign direct investment. It is extending the foreign earnings deduction scheme to support exporting companies to develop a presence in new key markets.

The economic transition is not solely about the volume of Exchequer resources aimed at the enterprise sector. We must give equal importance to the reforms that will result from instigating a range of measures to enhance our competitiveness, improve the environment for business and create the jobs that are so necessary.

There are IDA and Enterprise Ireland targets. Because of the constraints of time here in the House I would be happy to talk to the Deputy about those targets. He is welcome to come to the Department for a briefing any time.

**Deputy Peadar Tóibín:** I do not say there have not been positive actions by the Government, but they are not proportionate to the size of the problem. The Government has created one job for every 34 people unemployed.

The Minister of State speaks about competitiveness. There are major infrastructural gaps that necessitate investment. Such investment plans would increase the growth rate above 2% and would create the necessary proportionate level of growth to decrease unemployment significantly.

On 29 September 2011, a new strategic investment fund was announced with some fanfare. The legislation to establish that fund will not be published this term and the heads of the Bill have not been agreed. Given the immediate importance of the problem, is this not a shocking length of time to wait for legislation to create an average initiative such as this?

**Deputy Sean Sherlock:** Deputy Tóibín says we are not allocating sufficient resources. The seed and venture capital scheme has €175 million of Exchequer funding. The NPRF will spend approximately €850 million, which will be available for investment in the Irish SME sector. The IDA has an allocation of €86 million for 2013. Its targets are set out in its Horizon 2020 programme. We have allocated €120 million to Enterprise Ireland. It has clear targets to support high potential start-ups. There are innovation programmes, new technology centres and spending on technology transfer within our universities. There is €69.5 million for enterprise supports. There are Graduates for International Growth, additional Lean programmes and engagement with 300 first time exporting companies. Local enterprise offices have been established at local level.

If Deputy Tóibín wishes to critique the Government's allocation of resources on each of those specific processes I would like to give more time to hammer it out with him and see where Sinn Féin thinks we should allocate more resources and taxpayers' money in creating jobs.

## **Employment Rights**



3. **Deputy Joe Higgins** asked the Minister for Jobs, Enterprise and Innovation noting the circumstances around the recent occupation of HMV stores and the current occupation of the Old Darnley Lodge Hotel, Athboy County Meath, if he will support the introduction of legislation that will support jobs being maintained, including through public ownership of enterprises which close preemptorily, give workers and the State sight of the company accounts and prioritise the settlement of outstanding pay and redundancy payments due to workers in such enterprises and prevent employers injuncting workers occupying the place of work in pursuit of their rights. [3562/13]

4. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation if he has any plans to change either consumer or employment legislation in the view of recent events at a company (details supplied); and if he will make a statement on the matter. [3564/13]

**(Deputy Richard Bruton):** I propose to take Questions Nos. 3 and 4 together.

The recent closures of HMV and the Old Darnley Lodge are very regrettable. My thoughts are with those directly affected, the workers and their families and the wider local communities. Their concerns about the future of their jobs and the payment of money owed to them by their employers are of paramount importance.

There is a body of legislation to protect workers in such situations such as the Payment of Wages Act 1991, Redundancy Payments Act 1967 – 2007, Protection of Employment Act 1977 and the Minimum Notice and Terms of Employment Act.

When I became aware of the evolving situation in both companies, I asked the National Employment Rights Authority, NERA, to contact the workers involved in the sit-ins, and to mobilise NERA resources to answer workers' queries on their employment rights.

In the case of HMV, my Department established a direct line of contact with the receiver from the outset and I was assured that communicating with staff would be a priority. I understand that, over the weekend, the HMV receiver secured the agreement of staff to discontinue their sit-in in return for his commitment to arrange for payment of wages this week. The HMV receiver has indicated he is making every effort to find a buyer for the Irish operation. I understand that the receiver has issued employees with letters notifying them that they are on temporary lay-off, pending an outcome to his efforts to secure a buyer.

In relation to the Old Darnley Lodge, my Department, through NERA, is offering employees ongoing information support in relation to the processing of any outstanding entitlements, including redundancy entitlements.

On the general legislative front, employees left without pay and redundancy payments by an insolvent employer are protected in legislation and are entitled to receive outstanding payments from the Social Insurance Fund, which is administered by the Department of Social Protection. NERA can assist workers to establish the position regarding their rights.

On the issue of preventing employers from injuncting workers occupying the place of work, it should be noted that the Industrial Relations Act 1990, subject to certain prescribed conditions being met, contains a number of provisions affording immunity to persons who organise or engage in trade disputes from civil liability. The Act also places restrictions on the right of employers to obtain injunctions in certain dispute situations. However, the Act does not place restrictions on the seeking of injunctions in cases of unlawful action, for example trespass, sit-

in, occupations, damage to property, or actions resulting in or likely to result in personal injury or death. Where an injunction along the lines mentioned by the Deputy is sought, it is a matter for a court to decide, based on the circumstances of the case, whether or not such an injunction is warranted.

As regards the suggestion that pay and redundancy should be prioritised, I point out that in instances where a company is being wound up, employees, in relation to pay etcetera, are preferential creditors under the Companies Acts. Initial priority in terms of disbursement of assets belongs to super preferential creditors, that is the Revenue Commissioners on behalf of taxpayers in respect of any PRSI deductions made by the employer. The liquidator's costs are next in priority. The employees, the Revenue Commissioners and the rating authority rank next in priority. Holders of fixed charges and mortgages are outside the liquidation process and can enforce their security in accordance with the terms of the deed of charge or mortgage.

*5 o'clock* The proposal on public ownership of enterprises which close peremptorily is not a viable option. The reality is that the economy has gone through a profound crisis as a result of policies which allowed the economy to become dependent on property, construction and debt. The economy must now make a transition to one that is sustainable, built on enterprise, innovation and exports. While the Government actively promotes policies designed to assist enterprises at risk of losing jobs, it is not viable for Government to take responsibility for running businesses which cease to be viable. In addition, there are EU rules regarding operating aid to be considered.

As far as the sale of gift vouchers is concerned, consumer protection law prohibits traders from engaging in unfair or misleading commercial practices. Aside from general advice regarding gift vouchers, the National Consumer Agency issued a public statement in the run up to Christmas urging consumers to use gift vouchers as quickly as possible. Consumers who have used payment cards to purchase vouchers from retailers who cease trading have been advised to contact their card issuer. The agency's full advice and public statements in relation to the purchase of gift vouchers can be obtained from its website.

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

The Deputy has asked whether I plan to change consumer legislation in view of recent events. In these situations, customers holding unredeemed gift vouchers are effectively creditors of the retailer. The priority of creditors is determined in accordance with section 284 of the Companies Act 1963. Any measure which would require that unredeemed vouchers should always be honoured would mean that holders of such vouchers would rank in priority over the interests of all creditors, including the interests of employees, the taxpayers and other ordinary creditors. I do not consider that such a measure would be appropriate or justified.

On the question of giving workers and the State sight of company accounts, under the Companies Acts, limited companies are required to file annual accounts with the Companies Registration Office. That office strictly enforces this requirement and in general all filed accounts are available to the public from the CRO. In addition, mortgages and debentures over a company's assets must be registered in the CRO, providing further information on a company's level of indebtedness

In summary, I am satisfied that the current body of employment rights and industrial relations legislation, backed up by the information and enforcement activities of NERA and the

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redress available to workers through the State's workplace relations bodies, provides robust protection for employees, even in these very difficult circumstances. I am similarly satisfied with the protection provided by consumer protection legislation, backed up by the services of the National Consumer Agency. Accordingly, I do not intend to amend the relevant legislation as suggested by the Deputies.

**Deputy Joe Higgins:** After the peremptory closure of HMV Ireland, with more than 300 job losses, the workers correctly occupied some stores in Limerick, Cork and Dublin, demanding their rights in terms of pay, holiday pay, redundancy and the guarantee of social welfare entitlements. The Minister put his faith in the receiver to give these workers justice. Is the Minister not aware that the receiver, Deloitte, put these workers under disgraceful pressure last weekend, blackmailing them that the pay for the entire 300 workers would be withdrawn if they did not hand over the premises to the receiver forthwith without any guarantee on redundancy payments?

Even worse, the owners of the Old Darnley Lodge Hotel, Athboy, County Meath, told 15 full-time and 30 part-time workers on 16 January that the hotel would close in one hour. The owners have since absconded without any contact with the staff at all. This is a year after similar behaviour by the employers in La Senza lingerie chain. Is it not a sorry judgment on this Government's record on workers' rights that in the Ireland of 2013, employers can treat workers in this high-handed, cavalier and disgraceful fashion?

I ask the Minister to put in place new strategies. He says it is not viable to consider public ownership for major enterprises like this but it is viable to throw hundreds of workers on to the dole. These companies should be forced to open their books so workers can understand exactly where the €15 million HMV brought in last month went and can ask why it should not go to them.

The occupation is the most effective weapon for workers facing this disgraceful action but the law the Minister just mentioned allows the employers who have closed these businesses and treated their employees disgracefully to injunct them. Surely the power should be given to workers to injunct the bosses who have gone off with their wages and entitlements?

**Deputy Richard Bruton:** Clearly the best outcome in all of these situations is to find a buyer and maintain and support jobs in the business, or as many of those jobs as is possible. That must be a factor in dealing with such situations. The legislation exists to allow receivers or examiners to seek new buyers and to find a way of making a settlement with creditors in cases of examinership and to find a way for those parts of a business that can be saved to remain viable. Clearly, that is an element of that and those in charge of a company need access to the resources of the company to seek that outcome.

The Deputy suggests the State should intervene to keep these companies going but the sad truth is that 300,000 jobs have been lost across many sectors in the four years before we entered government. The chances of the State being able to intervene in so many businesses that were getting into difficulty would not be viable. We must find sectors that are sustainable in the long term. Sectors like construction became too big, as did some parts of the retail sector, and we cannot continue to support them. Under pressure of reduced resources, we must find the sectors that will give us sustainable employment. That must be our strategy.

Strong labour laws exist to protect people. The workers of other companies that closed in

such circumstances, like La Senza, have been paid by the insolvency fund so the system has protected and paid workers in those situations.

**Deputy Dara Calleary:** This is the second January in a row where workers have been forced to occupy premises. In this case, the workers involved heard about their fate on the media, which is completely unacceptable. I am not sure about the Minister's faith in the receiver when it was the National Consumer Agency that found that HMV Ireland was a separate operation from HMV UK. We did not know that until the NCA pointed it out. There are serious gaps in this area.

The company advised investors before Christmas that there was significant doubt about its ability to continue as a going concern. Surely it is within our capacity to amend the law that where a company issues such a warning, it is not allowed to trade in vouchers or accept money for future purchases when it knows it cannot honour them. That is how we could intervene there.

There are European regulations on gift vouchers that do not seem to apply here. Why if I got a voucher issued by HMV UK can I redeem it, but I cannot redeem the voucher issued by HMV in Grafton Street? The National Consumer Agency did not do enough in December to highlight this. A large retail company issued a warning; the National Consumer Agency should have acted on that straight away and warned consumers about it. There should be provision in law that if a company issues a public warning that its retail operations are restricted, it cannot trade in vouchers.

**Deputy Richard Bruton:** I agree with the Deputy that there have been many cases where workers have been treated poorly by employers and I am not exonerating them in any way but the question was should we change the law in this area. In many cases, NERA ensures that employers respect the existing law. Employers often fail to do so and that is why we immediately called in NERA.

The Deputy raised the situation with vouchers. If a company issues gift vouchers it knows it cannot honour, it is a serious matter under company law. Such instances would be reported to a receiver and, in turn, would have to be investigated with potential action being taken. Companies cannot act in a misleading way when conducting business.

The wider issue of precedence for gift vouchers over other creditors in the event of a company getting into difficulty raises the issue of the order for creditors. We just spoke of the need for workers to have preference in response to their commitments to a company. Gift voucher holders fall into the category of unsecured creditors and come lower down the order. Changing the order of preference would raise considerable issues.

**Deputy Joe Higgins:** Does the Minister not agree his austerity policy of slashing wages and increasing taxes for workers is hitting the retail trade and is a contributory factor to the crisis in the sector? The Minister says it is not viable for State intervention to save significant numbers of jobs but in the past period, the State allowed Waterford Glass and Irish Glass Bottle to close. These were two instances where not only could significant numbers of jobs have been saved but other strategic interests could have been accrued.

Finally, I put it to the Minister that the legislation about which he boasts is feeble in the extreme as long as workers, some of whom might have decades of service, can be told at an hour's notice or less that their jobs are gone, the company is gone, they will not get redundancy

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payments and they can be left chasing their wages. What will the Minister do so that in the next period this type of disgraceful behaviour towards workers by employers cannot be repeated?

**Deputy Dara Calleary:** On the role of the company during the Christmas period, does the Minister intend to ask the receiver to pursue the issue that the company continued to trade knowing it may not have been able to honour the purchases?

**Deputy Richard Bruton:** I would hotly dispute the contention that policies being pursued by the Government are undermining retail business. The truth is that the Government has made a number of interventions to improve the environment for business in the retail sector, whether it be in terms of access to credit or their cost structure. The Minister of State, Deputy Perry, is conducting an audit of the licences with a view to simplifying licensing in respect of the retail sector. There is much work to make it easier to do business and to create employment.

Of course, restructuring of businesses is what we need to encourage. For example, as part of the Companies Bill 2012 coming before the Dáil shortly, I am ensuring that examinerships can be taken in the Circuit Court, which has a regional presence, and it will be easier for companies that are in difficulty to get the protection of the courts to allow a work-out with their creditors. That is a practical way of making it easier to see companies restructured.

Clearly, the law is there to protect workers. I set out the different Acts. Workers have rights. NERA is there to help them enforce those rights. We have sophisticated and proven institutions, such as the Labour Relation Commission, to deal with disputes and to help workers and employers reach solutions in difficult situations. There is the long stop of an insolvency payment system to meet persons' obligations in respect of their rights should their jobs be lost and the employer be proven insolvent. We have a range of measures seeking to protect workers in these situations.

These are very difficult situations but we seek, as we did in this instance, to intervene to support workers in those to ensure that they-----

**Deputy Joe Higgins:** What will the Minister do about the Old Darnley Lodge Hotel?

**Deputy Richard Bruton:** In the same way, we have made the services of NERA available to the workers so that it will support workers in that situation. Obviously, the same applies in terms of recourse to the insolvency legislation to protect the workers in respect of payments if the company is insolvent. Of course, the company, in the first instance, has its responsibilities and the State will not step in unless the company is not seen to honour its responsibilities.

## **Enterprise Support Services**

5. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation the steps he has taken to support business at risk from closure. [3567/13]

**Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy John Perry):** The entire focus of Action Plan for Jobs 2012 has been on measures to protect existing jobs and support the creation of new jobs. It addresses issues of competitiveness, access to finance, support of enterprise and sectoral strategies.

The enterprise support agencies of the Department, Enterprise Ireland, IDA Ireland and the

county enterprise boards, are all alert to the need for business to anticipate difficulties and have developed various programmes for process improvement, innovation, mentoring and capability development to assist companies in making necessary transformations. For this reason, the enterprise development agencies, Enterprise Ireland, IDA Ireland and Shannon Development operate an early warning system which has been in place for over ten years. When triggered, this mechanism brings the full capacity of the agency concerned to bear on whatever situation has arisen within the client company.

A number of new measures of particular assistance to businesses under pressure have included the introduction of the microfinance loan fund and the credit guarantee scheme, reform of wage setting mechanisms, allowing easier access to examinership to which the Minister, Deputy Bruton, alluded, reducing employers' PRSI and the introduction of a low rate of VAT for certain sectors. We have also introduced a first-time exporters division within Enterprise Ireland, which is designed to assist companies consider developing an export market.

Additionally, under Action Plan for Jobs, my Department and small business representative organisations developed a guide, entitled *Managing Out of the Crisis*, which sets out warning signs to encourage small businesses to ask for help and outlines services available to help them through difficulties. This guide is available on my Department's website and those of the small business organisations. Other services of the Department, such as the Labour Relations Commission, regularly assist companies in difficulty which seek to negotiate cost reductions or changes in work practises as part of restructuring.

The 2013 action plan for jobs is currently being prepared. The 2013 plan will build on the progress made last year and will set out a number of new initiatives to support job creation. It will be published by the Minister, Deputy Bruton, in the coming weeks.

**Deputy Peadar Tóibín:** Last week, HMV and the Old Darnley Lodge in Athboy closed. I went out to the Old Darnley Lodge in Athboy and sat in with the workers while they were involved in their sit-in on Thursday and Friday last. I spoke at length to the workers in that situation. They are devastated at what has happened. Holiday pay is owed. Some staff have wages still outstanding and they are not confident about what will happen on redundancy. The management have gone to ground and, disgracefully, have not been in contact with the workers. As we speak, the staff in Athboy are still sitting in.

The Minister mentioned insolvency a while ago. I understand that the company has not paid rent in two years. It has not paid rates. It has not paid water rates. That would indicate that solvency is definitely not involved.

Athboy is a town like many others in middle Ireland that has lost a serious number of jobs over recent years with little or no Government response. It seems that if the Old Darnley Lodge was the Old Darnley bank, the Government would be in like Flynn trying to resolve the situation.

Last year, I introduced legislation that would have expedited the process of where workers find themselves now and have their full rights vindicated. It would also have ensured that one would not need to wait for liquidation to ensure that redundancy was paid and that redundancy would be paid once the company was seen to be insolvent. The Minister and the Government refused that legislation and, as a result, the workers are in that position of sitting in today. If they are sitting in today in search of their rights, how can the Minister of State say that he is

protecting their rights?

**Deputy John Perry:** That is quite a different question from the question Deputy Tóibín asked. On enterprise and business, as the Minister, Deputy Bruton, correctly stated, it is difficult to get into private enterprise. There are the protections of PRSI and the workers will get the benefits. I took a Topical Issue debate on this last week. They will get the statutory redundancy from the State. It is regrettable that they must sit in. Obviously, this company has closed and the owners are not contactable. It is difficult to legislate for that situation. We all know the difficulty in both examples to which the Deputy alluded, HMV and the hotel trader. Both are difficult areas. They are changing trades.

The Government has created substantial jobs in the area of innovation and enterprise, with the enterprise offices, the innovation hub and the pharmaceutical end. Clearly, there is the legacy of the previous Government with the amount of retailing space. Equally, the number of hotels that were developed caused serious difficulties.

It is regrettable that workers are sitting in currently but no doubt they will get their statutory entitlement from their PRSI contributions. It is regrettable that they must go that avenue.

**Deputy Peadar Tóibín:** It is obvious that HMV's product offering is meeting technological changes which is making the company less competitive, but it must be remembered that HMV is still operating in England. It is believed that upward-only rent has had an effect on its ability to trade. It is interesting that another trader, Mr. John Corcoran, was forced to close a couple of weeks ago because of upward-only rents and after a long campaign and fight. Indeed, the Labour Party held a press conference in his store which launched its campaign for resolving upward-only rents. When the party went into Government, it stated the matter would need a constitutional amendment. Retail business and my party have seen legal advice stating the opposite. If the Minister states it needs a constitutional amendment, why does the Government not put a constitutional amendment to the people? If the Minister of State believes we should eliminate upward-only rents, why does the Government not change the Constitution? We hear today there may be a need for a constitutional amendment with regard to EU patents, etc. That would represent a prime opportunity for the Government to include a constitutional amendment on upward-only rents to ensure that this extremely anti-competitive cost is reduced. It must be remembered that rents on Grafton Street are among the most expensive in the world and every other street in Ireland is a function of that. It would be a massive boost for the competitiveness of retail businesses if the Government lived up to its pre-general election promises on this.

**Deputy John Perry:** HMV is in examinership in the UK and I understand there is a take-over bid in the UK for it. It is in receivership here, which is the difference. I hope a buyer will be found to salvage some of the business. The advice of the Attorney General on upward-only rents is quite clear.

**Deputy Peadar Tóibín:** Why not have a referendum?

**Deputy John Perry:** The advice was given by the Attorney General.

**Deputy Dara Calleary:** That advice changed.

**Deputy John Perry:** As the Deputy will know from his own constituency, rents have reduced regardless of the existence of upward-only rent reviews. As I have often said, there is 13,000 sq. ft. of retail area per head of population, compared with 1,000 sq. ft. in the UK, which

is part of the legacy of the previous Government. The point is that rents-----

**Deputy Peadar Tóibín:** It is a serious question.

**An Leas-Cheann Comhairle:** Allow the Minister of State to finish.

**Deputy Peadar Tóibín:** If the Government believes a constitutional referendum is necessary and that upward-only rents are wrong, why does it not hold a referendum?

**Deputy John Perry:** That is only one aspect of the problem. The Deputy must remember that-----

**Deputy Peadar Tóibín:** Then it should just focus on the one aspect at the moment.

**An Leas-Cheann Comhairle:** The Minister of State without interruption.

**Deputy John Perry:** It is about confidence and credit in the economy.

**Deputy Peadar Tóibín:** The Minister of State should focus on the one aspect about which I am asking.

**Deputy John Perry:** In the doom and gloom Sinn Féin is professing, it never recognises the opportunities. I visit companies throughout the country where jobs are being created.

**Deputy Peadar Tóibín:** Honestly-----

**Deputy John Perry:** Deputy Tóibín is coming in here with the same pessimistic outlook all the time.

**Deputy Peadar Tóibín:** It is only a question.

**Deputy John Perry:** There is opportunity in the retail trade and some businesses are very successful at the moment - they are not all closing.

**Deputy Peadar Tóibín:** Nobody is saying that.

**Deputy John Perry:** The Deputy needs to look at the positivity in the market as well as the opportunities and challenges in the economy. I was in the RDS-----

**Deputy Peadar Tóibín:** The question is not on the RDS.

**Deputy John Perry:** I was at the National Crafts and Design Fair in the RDS. Did Deputy Tóibín attend the National Crafts and Design Fair this week?

**Deputy Peadar Tóibín:** The question I am asking-----

**An Leas-Cheann Comhairle:** Minister-----

**Deputy John Perry:** Jobs are being created at the National Crafts and Design Fair in the RDS and there are great opportunities in the retail sector.

**Deputy Peadar Tóibín:** If the Government is in favour of the abolition of upward-only rents and there needs to be a constitutional referendum-----

**An Leas-Cheann Comhairle:** We need to move on to other questions.



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**Deputy John Perry:** We have debated-----

**Deputy Peadar Tóibín:** -----why would it not have a constitutional referendum?

**Deputy John Perry:** It is not necessary.

**An Leas-Cheann Comhairle:** Minister-----

**Deputy John Perry:** It is not the issue that is closing down businesses at the moment.

## Other Questions

### Action Plan for Jobs

6. **Deputy Mick Wallace** asked the Minister for Jobs, Enterprise and Innovation the publication date for the Action Plan for Jobs 2013; if all actions set out in the Action Plan for Jobs 2012 will be achieved before work on the 2013 plan commences; and if he will make a statement on the matter. [3307/13]

**Deputy Richard Bruton:** Work on the Action Plan for Jobs 2013 has already been under way for several months. The Government recently held a special Cabinet meeting on jobs, as we did last year, to ensure that every opportunity has been taken across Government to support this central priority of Government. I am currently finalising the 2013 plan on behalf of the Government. The action plan will be published in the coming weeks and will once again include a range of actions to be delivered across Government that will improve the operating environment for business, improve Ireland's competitiveness and support job creation. This plan is a key instrument in our objective to transform the economy from one that became over dependent on property, construction and debt to one focused on enterprise, innovation and exports.

A final quarterly report on the implementation of the 2012 plan will be published very shortly. I anticipate that, in keeping with the high level of implementation reported for the first three quarters of 2012, the final progress report will indicate an implementation rate of close to 95% for all actions which were due to have been delivered last year. Any actions which were not fully implemented in 2012 will, for the most part, be included in the 2013 programme for completion. Often, this was due to slower than anticipated delivery of new legislation. A very small number of actions which were not possible to implement due, for example, to budgetary constraints, will be replaced with other deliverables in 2013.

Key objectives have been realised under the action plan for jobs in 2012, including implementation of measures to improve competitiveness, access to finance, support to enterprise and the development of sectoral strategies to protect and create employment. In 2012 there was also significant net job creation by Enterprise Ireland and IDA Ireland-supported companies, building on the positive results of 2011 and following successive years of significant net job losses.

**Deputy Mick Wallace:** The Minister outlined many of the initiatives designed to create a better climate, yet the Nevin Institute estimated that the budget for 2013 will cost between 25,000 and 35,000 jobs, reduce GDP by 2.1% and lower private consumption. Its report stated:

Budget 2013 resulted in continued cuts in the public capital programme. This is likely to result in job losses in the short term, and in the long term severely reduce the ability of the economy to grow, sustain the level of national debt, and take advantage of any upswing in the world economy. There is a compelling case not only to accelerate investment in priority infrastructure areas but to bring forward plans to reform banking and to establish a Strategic Investment Bank as mentioned in the Programme for Government.

The Minister mentioned that access to finance has improved in 2012. From my experience with the banks and from that of many businesspeople I know, it appears that any effort banks are making to meet targets set by the Government mostly seem to be geared towards readjustment and refinancing of existing packages rather than new finance. A strategic investment bank, which the Government promised, would be a wonderful idea, given that it would have complete control over it. Even if the banks claim to be doing something, experience has taught us to take much of what they claim with a considerable amount of salt.

**Deputy Richard Bruton:** I believe the point the Deputy is making is that if we did not have to engage in fiscal consolidation, money would not be taken out of the economy. Equally we inherited an economy in which government spending was running ahead of revenue by 40% to 45%, which nobody would argue is sustainable. It is not possible to sustain expansionary fiscal policy on the basis of such high levels of borrowings. We certainly cannot do so when the only source of borrowing we effectively have is the troika. We do not have the option of fiscal expansion in that context. The issue of stimulating investment relates to the instruments the Government has been addressing. The strategic investment fund is crucial and the Minister of State, Deputy Sherlock, just outlined some of the ways that is being leveraged up through the NPRF. Overall, those funds represent approximately €2.5 billion of new non-bank sources of finance being made available to SMEs in the various formats that have evolved. That is part of the strategic investment fund. That is what the Government is doing to make it easier to access finance. The Deputy is right in saying the banks have not fixed this problem. There is a long way to go before we have banks fit for purpose in the context of funding SMEs and considerably more work needs to be done in that area.

**Deputy Mick Wallace:** There is talk of downsizing the public sector by a further 6% through renegotiating the Croke Park agreement. Through my business I have a number of units in the city centre. Every time a public sector job goes, there is less money in the pockets of people passing the doors of retail units. The biggest problem today in the retail sector is a lack of sufficient money in the pockets of the people who walk the streets. Every cent the Government takes has a counterproductive effect. As with other countries, this State borrowed so much for the banking sector. I made the point yesterday that the Americans borrowed \$700 billion to invest into the banks on the basis that it would go towards helping people with mortgage difficulty and repossessions. Less than 1% of it went towards that - \$4 billion out of €700 billion. We have had the same problem here with loans of more than €60 billion gone to banks. There is a good argument that giving money to the people who will spend it because they have no choice makes the economy healthier in the long term.

**Deputy Richard Bruton:** The difficulty is the State cannot use taxpayers' money to prop up consumption that is falling or to prop up spending in areas that are declining. There has been

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a huge shock in this economy with many jobs lost in the construction sector, which has had a huge impact. When it is on its knees financially, the State is not in a position to substitute for that spending in the economy. Therefore we need to try to use the money we have and spend it smartly. We are trying to leverage up assets in the pensions reserve fund to fund the start-up of new companies in the export and enterprise sectors. That is the strategy. It is the only viable route we can go. We cannot bring back those jobs lost in sectors which grew too large or were unsustainable for different reasons. We must create sustainable jobs. This is what the resources of the State are being used for.

**Deputy Mick Wallace:** What about nurses and other people on low wages, all of which is spent on meeting their cost of living? Reducing the wages of nurses by 20% is not economically sound.

**Deputy Richard Bruton:** We have to reduce spending by approximately €3 billion next year. We must at the same time try to maintain services in the health sector. A reduction in the cost of the public pay bill is clearly an element in our being able to maintain public services, including health and social welfare services and social welfare payments. There is a balance to be struck between the different ways in which one continues to deliver service. If one can reduce the pay bill and still deliver a quality service that must be done. Restructuring and redesign of ways of working forms part of getting ourselves out of our current difficulties.

### **Action Plan for Jobs**

7. **Deputy Niall Collins** asked the Minister for Jobs, Enterprise and Innovation the way specific measures taken by him under the Action Plan for Jobs have benefitted those in the 18 to 24 age group; and if he will make a statement on the matter. [3316/13]

13. **Deputy Barry Cowen** asked the Minister for Jobs, Enterprise and Innovation the way the specific measures taken by him under the Action Plan on Jobs have benefitted the long term unemployed; and if he will make a statement on the matter. [3318/13]

**(Deputy Sean Sherlock):** I propose to take Questions Nos. 7 and 13 together.

The rise in youth unemployment as a result of the global economic downturn is a challenge for most EU countries. The average EU unemployment rate for those under 25 years of age in the labour force is 23.7%. In Ireland, the youth unemployment rate is 30%, while the long-term unemployment rate is 8.9%.

The aim of the Action Plan for Jobs is to create a supportive environment for enterprise to create and sustain jobs. All of the measures in the action plan are designed to promote employment opportunities in different ways and many young people and long term unemployed people will benefit from the implementation of these measures. Many of the sectors we have focused on supporting under the action plan, such as digital gaming, ICT and tourism, offer opportunities particularly suited to younger workers. Labour market activation programmes administered by other Departments, such as JobBridge, Springboard and Tús also aim to increase youth employment.

The Department of Jobs, Enterprise and Innovation has worked with business representative bodies to highlight the range of supports available to companies who recruit people from the

Live Register. These include Revenue's job assist scheme and the employer's PRSI exemption scheme operated by the Department of Social Protection. The Department of Social Protection also operates the back to work enterprise allowance for long-term unemployed people wishing to set up their own business. Measures to support micro-finance and mentoring are particularly important to people who have been out of the labour market for some time or to young entrepreneurs who do not yet have a track record.

As part of a suite of measures aimed at improving access to credit for SMEs and entrepreneurs under the Action Plan for Jobs, we have established the Microfinance Fund targeted at entrepreneurs, start-ups and existing microenterprises employing not more than ten people. The County and City Enterprise Boards provide a range of services, including training and mentoring, to people wishing to set up their own business, including those on the live register. Enterprise Ireland also has a range of funding supports available for entrepreneurial activity. For example, the agency launched New Frontiers, Ireland's largest entrepreneur development programme in February 2012. It supported 60 companies through the Competitive Start Fund last year and also introduced a new Competitive Start Fund for female entrepreneurs.

Through the new Momentum initiative, the €20 million labour market education and training fund operated by the Department of Education and Skills will assist 6,500 long term unemployed jobseekers to gain skills and to access work in sectors of the economy where there are job opportunities. This initiative includes specific provision for those under 25 years of age. The Government as a whole will continue to do all it can to facilitate the return to work of those who have lost their jobs or to get their first job. In addition to the Action Plan for Jobs, the Government's Pathways to Work strategy is focused on assisting the long-term unemployed to move into employment through more regular engagement, upskilling and training.

The Minister, Deputy Bruton, is currently preparing the 2013 Action Plan for Jobs on behalf of the Government and in that context, we will be exploring further measures which can be taken to transform our economy and support job creation to support these groups of unemployed people.

**Deputy Dara Calleary:** I thank the Minister of State for his reply. The difficulty is that we are fighting a major fire with a water pistol. I welcome all of the worthy initiatives referred to the Minister of State. I would also welcome if the Minister of State could - I accept he might have this information with him now - update me on the microfinance fund, the pricing of which we are receiving some negative feed on. I would like to know what the uptake is on it.

The Minister and his Ministers of State could use the opportunity of the Presidency to address this European-wide problem. Surely the entire resources of Europe could be used to ensure a consistent Europe-wide effort in addressing unemployment among those aged under 25 years. Our only direct solution appears to be dependence on emigration. That is what is happening.

The Minister of State referred to activation places. An analysis of the CSO figures for December indicates just over 5,000 additional activation places were created in 2012. There will be only 2,000 additional CE places this year. CE schemes provide people with a wonderful opportunity to obtain a skill and gain experience. The Minister of State also referred to gaming. Despite that this Government and the previous Government invested a great deal of resources in the gaming sector, I met a graduate this week who, having obtained a degree in that area, cannot get a job because he does not have work experience. Despite the introduction of all of

these initiatives our long term unemployment situation worsened during 2012 and our youth unemployment situation has fallen, but only because of emigration.

**Deputy Sean Sherlock:** I acknowledge everything that the Deputy said. There is no getting away from the fact that the rate of youth unemployment is extremely high, including across all of Europe. A strong attempt is being made during Ireland's Presidency of the EU Council to give effect to the youth guarantee and to ensure that we create the climate across Europe, in a way that will benefit Ireland, to ensure a return of people to work.

The Momentum scheme was launched before Christmas last under the auspices of the Department of Education and Skills. There will be specific projects available under that programme to assist those aged under 25 years in a return to employment through training to work opportunities and a graduate activation programme.

**An Leas-Cheann Comhairle:** Thank you, Minister.

**Deputy Sean Sherlock:** Am I out of time?

**An Leas-Cheann Comhairle:** Yes, unfortunately. There are only four minutes allowed for supplementary questions. I understand Deputy Tóibín also wishes to ask a question.

**Deputy Dara Calleary:** There is something else we can do. This became apparent over Christmas. The difficulties being experienced by people who sign off to take a temporary or three-day week job over Christmas and the nightmare it is for them to sign on again needs to be addressed. Surely the Department of Jobs, Enterprise and Innovation could bring its will to bear on the Department of Social Protection to introduce some flexibility in the jobseeker's scheme so that a person who takes up temporary employment does not lose all his or her benefits or is not left waiting for months for reinstatement of their entitlements when that employment finishes and they have to sign-on again. Surely a measure could be introduced to assist people who are willing to take up temporary work opportunities. The Department of Social Protection should make special provision for people who cannot continue in such employment, for whatever reason, so as to ensure they are not out of pocket.

**Deputy Sean Sherlock:** Again, I acknowledge the points made. The Deputy must also acknowledge the deep structural changes that gave rise to this unemployment crisis which, as stated by the Minister, Deputy Bruton, in a reply to an earlier question, was our dependence on construction, in which sector many of the skills were employed. A sudden downturn which results in one having to make a correction of the order of €38 plus billion over a five or six year period requires one to find new ways to create labour market activation measures. We believe we are succeeding. For instance, many jobs have been created through the JobBridge scheme.

I heartily acknowledge that there is a crisis in the area of youth unemployment.

There is also an emigration crisis but we are trying to restructure the education programme between post primary and tertiary education in a way that ensures all of the eggs do not go into the construction-related activity basket. We are staging up investment in science, technology, engineering and maths to create the skillsets for the new types of companies being spun out of campuses such as in the Nimbus Centre at Cork Institute of Technology. This week I attended the Irish Technology Leadership Group event in Cork, and quite a number of campus companies are being created by people in the age bracket we are discussing. A genuine attempt is being made to create. I also believe the Irish Presidency is striving to ensure the concept of the

youth guarantee is embedded into political thinking on a pan-European basis so it is seen as a European crisis and not only an Irish crisis.

**Deputy Peadar Tóibín:** We in the Chamber have not got our heads around how serious is the issue of emigration. We seldom debate the issue in depth. In the past four years, six out of ten jobs among those between the ages of 15 and 24 have been wiped out. A total of 70,000 people in the demographic have emigrated since the Government took office, with 134,000 people in the same demographic emigrating in the past four years. The total population of the demographic is 630,000 people. This emigration has had a shocking effect on the areas which have been depopulated. We have deleted in large part one of the most energetic sections of our society. This has had a proportionately much bigger effect on unemployment levels than anything the Government has done. We need a singular debate on the issue of emigration.

This goes back to what Deputy Wallace stated, and the IMF has also said it. The critical point of fiscal drag is a negative multiplier whereby every euro taken out of the economy reduces the economy by more than a euro. I believe wholeheartedly we are at this stage or have gone past it. We speak about ensuring the books balance, but the books are balanced not only by cutting but also by growing. If the Government grows the economy it will not have to cut the wages of low-income individuals as much and ensure we do not forcibly exile such a large and significant part of our society.

**Deputy Sean Sherlock:** To repeat the point, we all agree the problem of emigration is scarring the social fabric. However, I do not agree with the rhetoric that it is all negative.

**Deputy Peadar Tóibín:** On balance it is negative.

**Deputy Sean Sherlock:** A hell of a lot of initiatives are taking place in our third level institutions, and out there is a boundless creativity which does not work its way into the discourse in a House such as this. One has only to go to these institutions and meet these people. I take issue with the point made by Deputy Tóibín on this.

**Deputy Peadar Tóibín:** On balance it is negative.

**Deputy Sean Sherlock:** I repeat the point that if all one's eggs are put into the construction basket and a downturn in the sector occurs, it will give rise to emigration to new areas where there are opportunities such as western Australia, Canada and North America. This is exactly what we are seeing happen. From a sectoral point of view we are seeing this trend. We want to reverse this by creating the programmes we have to allow people with this skillset to retrain and move into other sectors. We are doing this and by degrees we are slowly succeeding in this vein.

*Written Answers follow Adjournment.*

The Dáil adjourned at 5.45 p.m. until 2 p.m. on Tuesday, 29 January 2013.