



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Céadaoin, 18 Meán Fómhair 2013

Wednesday, 18 September 2013

Chuaigh an Leas-Cheann Comhairle i gceannas ar 14.30 p.m.

Paidir.
Prayer.

Ceisteanna - Questions

Priority Questions

An Leas-Cheann Comhairle: Before we begin, the new speaking time clocks will be used for the first time today. They are intended to assist Deputies in keeping to the time limits set down in Standing Orders. The time indicated on the screen during Question Time will be the time allowed to the Minister for the initial reply, that is, two minutes, and the time for each supplementary question and reply, that is, one minute each. I ask Deputies to comply with the time limits as running over time reduces the time available for other Deputies.

Deputy Dinny McGinley: Is that the case for all questions?

An Leas-Cheann Comhairle: Yes.

Heritage Sites Issues

1. **Deputy Seán Ó Fearghaíl** asked the Minister for Arts, Heritage and the Gaeltacht his plans to ensure the former Houses of Parliament on College Green, Dublin 2, are continually available for arts and cultural events; if he has assessed the viability of these plans; and if he will make a statement on the matter. [38599/13]

Minister for Arts, Heritage and the Gaeltacht (Deputy Jimmy Deenihan): As I have outlined to the House on previous occasions, I have had engagement with Bank of Ireland about the possibility of making the former Houses of Parliament on College Green available for cultural usage. The building is an international landmark, a significant protected structure and has locational importance within the City of Dublin. It has a national resonance too. As

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the Deputy knows, it is my view that the shared potential of the Bank of Ireland building for specific cultural uses would present a key opportunity, both nationally and in the public realm of Dublin city, to create, with sufficient vision, a central cultural, civic and tourism hub of strategic importance and scale.

As I have said, engagement with the bank on this matter is ongoing, but we cannot set aside the fact that the building remains in the ownership of the bank and is the largest and busiest of all its branches. As such, the proposal to make the building available exclusively as a cultural venue would require the relocation of these services and, therefore, would have significant financial and strategic implications for the bank. In the present fiscal climate, it would be impossible for my Department to finance the purchase cost and required development and running costs to provide for the conversion of the whole building to a cultural venue. Ireland's rich culture and heritage remains a major driver of inward investment and tourism and I will, therefore, continue my dialogue with Bank of Ireland in the context of exploring all available options.

Deputy Seán Ó Feargháil: I thank the Minister for his response. It is good to be back and able to engage on these matters. I commend the Minister for what he has done to date in highlighting the importance of the College Green building and its historical, architectural and cultural significance. He has compared the area to Tiananmen Square. The idea that we could develop a plaza-like facility for the public and tourists at that location is highly commendable. However, the Minister appears to be backing off a little from that commitment. He is personally strong on it, but I am not convinced that the potential for achieving the objective is as strong as it appeared previously. I am particularly concerned that the CEO of Bank of Ireland, Mr. Richie Boucher, when speaking before the Oireachtas committee only last September, said, "We are not aware of any such request from Government," when he was asked by a Government backbencher about the position on the College Green building. Many very important issues must be considered regarding the Government's engagement with Mr. Boucher and Bank of Ireland, but this is an important issue, too, and we would expect him to know about it.

Deputy Jimmy Deenihan: I have had a number of meetings with Mr. Boucher. There have been a number of engagements and written correspondence, which is available through a freedom of information request. There has been serious dialogue and discussion which will continue.

Deputy Seán Ó Feargháil: I have no difficulty in accepting the Minister's assertions, but clearly this is not a priority for Mr. Boucher. If he forgot in September that he had had engagements with the Minister, he is not tuned into the importance of this project. I suggest the Minister needs to revert to Mr. Boucher and get him to correspond with the finance committee and tell it there has been contact between the Minister and Bank of Ireland and that this is a priority for him, and inject a little enthusiasm into his efforts in this regard.

Deputy Jimmy Deenihan: I hope I made a better or more significant impression on Mr. Boucher on those occasions, but that dialogue will continue between Bank of Ireland and my Department, and between me and Mr. Boucher into the future.

Údarás na Gaeltachta

2. D'fhiafraigh **Deputy Aengus Ó Snodaigh** den an Aire Ealaíon, Oidhreachta agus Gaeltachta an ndéanfaidh sé ráiteas maidir leis an gcóras ceapacháin a bhí ann do bhord nua Údarás

na Gaeltachta, agus conas a chinntigh an tAire go gceapfaí baill a mbeadh taithí agus saineolas cuí acu chuig an mbord; an ndéanfaidh sé ráiteas maidir le tuairiscí sna nuachtáin go raibh gearrliosta ann de dhaoine oiriúnacha don Bhord a dhréachtaigh an Roinn Ealaíon, Oidhreacht agus Gaeltachta agus maidir leis an gcúis nár ghlac an tAire le hainm ar bith ina measc, agus an ndéanfaidh sé ráiteas maidir leis an tábhacht atá leis an eolas iomlán faoin gCóras Ceapacháin a chur os comhair an phobail, i bhfiainaise tuairiscí á rá nár tugadh na cáipéisí seo ar lámh do Nuacht RTÉ/TG4 nuair a iarradh taifid a bhain leis an gcóras ceapacháin faoin Acht um Shaoráil Faisnéise i Nollaig 2012. [38598/13]

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley): I bhfógra poiblí a rinne an tSeirbhís um Cheapacháin Phoiblí ar son mo Roinne i mí Iúil 2012, lorgaíodh léirithe spéise ó dhaoine a raibh suim acu i gceapachán chuig bord Údarás na Gaeltachta ach na cáilíochtaí cuí agus an taithí chuí a bheith acu. Tugadh le fios san fhógra go bhféadfaí daoine a cheapadh taobh amuigh den phróiseas sin. Fuarthas 68 ráiteas spéise de bharr an fhógra, chomh maith le dhá cheann eile a tháinig chuig mo Roinnse ó fhoinsí eile. Anuas air sin, chuir oifigigh mo Roinne liosta i dtoll a chéile de 34 dhaoine a d'fhéadfadh a bheith cáilithe le ceapadh chuig bord an údaráis. Tar éis dom na cúinsí uile a mheas, roghnaigh mé triúr comhalta do bhord Údarás na Gaeltachta nach raibh tar éis iarratas a dhéanamh trí léiriú spéise chuig an tSeirbhís um Cheapacháin Phoiblí nó nach raibh ar an liosta a d'ullmhaigh oifigigh mo Roinne.

Tuairiscíodh ar “Nuacht TG4” ar 28 Meitheamh 2013 go raibh an liosta a d'ullmhaigh oifigigh de chuid mo Roinne i measc thaifid bhreise a aimsíodh le linn próiseas achomhairc a rinneadh faoi na hAchtanna um Shaoráil Faisnéise 1997 agus 2003. Is tuairisc mhíchruinn a bhí sa tuairisc áirithe sin. Bhí sé curtha in iúl do “Nuacht TG4” ar 7 Eanáir 2013, sa chéad fhreagra ó mo Roinn ar iarratas faoi na hAchtanna um Shaoráil Faisnéise, go raibh liosta curtha le chéile ag foireann mo Roinne de dhaoine a d'fhéadfadh a bheith cáilithe le ceapadh ar bhord Údarás na Gaeltachta. Rinneadh an t-eolas sin a athdheimhniú arís i bhfreagra mo Roinne ar achomharc “Nuacht TG4” ar 6 Feabhra 2013. Ba é an cinneadh a rinne oifigigh mo Roinne i dtaca leis an iarratas agus an achomharc ó “Nuacht TG4” - i gcomhréir le forálacha na hAchtanna um Shaoráil Faisnéise - gan an liosta seo a scaoileadh mar gheall ar an eolas pearsanta a bhí ann. Tuigtear dom go bhfuil i gceist ag an gCoimisinéir Faisnéise cinneadh críochnúil a fhoilsiú ar an ábhar seo ar ball.

Deputy Aengus Ó Snodaigh: Is trua liom an freagra atá tugtha ag an Aire Stáit. Measaim gur léir ón fhadhb atá tagtha chun cinn anois go raibh an ceart againn nuair a chuir muid i gcoinne an phróisis seo. Nuair a bhí Bille na Gaeltachta á phlé againn anseo, dúirt muid nár cheart fáil réidh le toghcháin Údarás na Gaeltachta, ach achtaíodh an Bille sin. Is ait an rud é go raibh ar an Aire Stáit dul lasmuigh den dá liosta - an liosta dóibh siúd a léirigh spéis i bheith mar bhaill den údarás agus an liosta a chuir an Roinn le chéile. Glacaim leis gur fhoilsigh na hoifigigh liosta de 34 duine a bheadh ar fáil, tar éis dóibh treabhadh tríd na n-ainmneacha éagsúla. Níor roghnaigh an tAire Stáit aon duine ar bith ón liosta de 34 duine a bhí ainmnithe ag oifigigh a Roinn fhéin. Os rud é gur roghnaigh sé triúr nach raibh ar ceachtar liosta, tá an cumadh ar an scéal go bhfuil an seanchleachtas ag tarlú arís. Dúradh linn nach dtarlódh arís an cronyism a bhain thar na blianta leis an Rialtas deireanach agus Rialtaisí roimhe sin. Ba chóir go mbeadh an córas seo go huile is go hiomlán trédhearcach. Nuair a shocraigh an tAire ar daoine a roghnú nach raibh spéis ar bith acu san ábhar seo, cén sórt scéal nó teachtaireacht a sheol sé chucu siúd a bhí ar an dá liosta tar éis dóibh ballraíocht a lorg?

Deputy Dinny McGinley: Ní gá a rá nach n-aontaím leis an Teachta ar chor ar bith. Sí-

lim go raibh an córas ceapacháin a bhí againn trédhearcach, soiléir agus os cionn boird. Mar a luadh san Acht, cheap na comhairleoirí chontae os na ceantair Gaeltachta cúigear baill agus cheap mé an seachtar baill eile, ina measc ceathrar dóibh siúd a léirigh suim agus spéis sna folúntais seo nuair a fógraíodh iad go poiblí. Sílim gur chéim ar aghaidh mhór a bhí ann. Léiríodh go bhféadfaí daoine a cheapadh lasmuigh den phróiseas sin. Is é sin an fáth go raibh sé de cheart agam triúr a cheapadh mar a rinne mé. Tá mé thar a bheith sásta go bhfuil bord thar a bheith éifeachtach ag Údarás na Gaeltachta anois. Tá an bord ag gníomhú faoi chathaoirleach úr a chuir mé isteach. Tá lúcháir orm a rá go bhfuil bean mar chathaoirleach ar an údarás don chéad uair. Tá na cáillíochtaí aici. Tá an bord ag feidhmiú go héifeachtach. Tá mé an-shásta leis an gcóras úr.

Deputy Aengus Ó Snodaigh: Níor dúirt mé nár roghnaíodh éinne. D'iarr mé ar an Aire Stáit mar gheall ar an teachtaireacht atá á thabhairt aige don 61 duine eile a rinne iarratais ar ballraíocht. An bhfuil sé ag rá nach bhfuil siad maith go leor? Roghnaigh sé triúr nach raibh sé de spéis acu a gcuid iarratais féin a dhéanamh. Ní raibh an páirtí as ar tháinig siad glic a dhóthain chun a hainmneacha a chur chun cinn. Measaim gur masla atá ann dóibh siúd a bhí ar an liosta poiblí, nó fiú dóibh siúd a rinne an Roinn ainmniúcháin orthu, nach raibh sé de mhisneach ag an Aire Stáit iad a roghnú agus na cáillíochtaí cuí acu.

Deputy Dinny McGinley: Mar atá ráite ag an Teachta, léirigh 68 duine suim spéis a bheith ina mbaill de Údarás na Gaeltachta. Mar a dúirt mé, níl mé ag caitheamh anuas ar éinne acu sin. Ní raibh sé de cheart agam ach seachtar a chur isteach. Sílim go rinne mé an rogha cheart. Is cuma caidé an rogha a dhéanfainn - dá gcuirfinn isteach seachtar ón liosta, bheadh 61 fágtha ar leataobh. Bhí mé ag feidhmiú taobh istigh d'fhórála an Achta. D'fhoilsigh muid fógra poiblí ag iarraidh ar dhaoine cur isteach ar na folúntais seo. Is dócha go bhfuil daoine ar bhord Údarás na Gaeltachta anois nach mbeadh air go choíche faoin seanchóras. Tá mé thar a bheith sásta leis an rogha atá déanta. Chomh fada agus a fheicim le bliain anuas, tá baill an bhoird úr ag gníomhú go héifeachtach agus go foirfe ar mhaithe leis an nGaeltacht agus leis an nGaeilge chun na freagrachtaí úra atá orthu faoi Acht na Gaeltachta 2012 a chur i gcrích.

Special Areas of Conservation Designation

3. **Deputy Luke 'Ming' Flanagan** asked the Minister for Arts, Heritage and the Gaeltacht if he will provide the detailed scientific reasons for designating each of the 53 raised bog complexes under the birds and habitats directive; and if he will make a statement on the matter. [38688/13]

Deputy Jimmy Deenihan: Under the EU habitats directive, each member state is required to designate special areas of conservation, SACs, for the protection of specified endangered habitats and species. Between 1997 and 2002 Ireland nominated 53 sites for designation as SACs for the protection of active raised bog, degraded raised bog still capable of natural regeneration and bog woodland. Each of these habitats is listed in Annex I of the directive.

The choice of sites for selection as SACs arose from an extensive survey of these habitats and the application of the scientific criteria specified in Annex III of the directive. The criteria used included the degree of representativeness of the natural habitat type on the site; the area of the site covered by the natural habitat type compared to the total area covered by that natural habitat type within the national territory; the degree of conservation of the structure and function of the natural habitat type concerned and the restoration possibilities; and the global assess-

ment of the value of the site for conservation of the natural habitat type concerned.

The scientific rationale behind the nomination for designation of each site is contained in the Natura 2000 standard data form, which can be viewed on the Department's website at www.npws.ie. These forms also list the scientific assessments and reports that informed the selection of each site.

Considerable efforts were made by the Department, as it was configured at that time, to inform those who might be affected by the designation of Ireland's network of SACs, including our raised bog sites. The process was the subject of an information campaign which involved the issuing of letters to approximately 230,000 rural households, advising people in general terms of the forthcoming designation programme and where they could obtain further information about the proposed designations. Subsequently, the Department issued approximately 4,900 letters and site-specific information packs to individuals identified as being potentially affected by the proposed designation of the raised bog SACs. The proposed designations were widely advertised in local media at the time. Approximately 610 individuals from within these sites availed of their right to object to the inclusion of their land within these SACs and these appeals were dealt with through the mechanisms established for that purpose, including recourse to the independent designated areas appeals advisory board.

Deputy Luke 'Ming' Flanagan: I thank the Minister. Some people say it is hard to get an answer to questions in here, but I just received answers to a load of questions I did not even ask so we cannot accuse the Minister of this. With regard to the science, which is what I asked about, it now appears the National Parks and Wildlife Service is trying to establish more scientific facts, or perhaps establish them for the first time, on five particular bogs, one of which happens to be the bog on which I cut turf. I cut it this year and have it at home in the shed. We in the Turf Cutters and Contractors Association understand that people who cut turf on these five bogs have been written to with regard to examining the possibility of flooding the bogs, which is ever so slightly putting the cart before the horse. It is like a man who decides to put on potatoes for his dinner before going out but forgets to put on the gas, and an hour later when he discovers the potatoes are still raw he decides to put on the gravy anyway and eat them. That would not be very smart, and the reason it would not be very smart is it is done in the wrong order. The Minister has not got agreement from people on these bogs and he is now talking about going in and flooding them. It is the equivalent of what the Chinese Government did when it did not get people out of a certain valley and did not get agreement - it subsequently flooded them out of it. Is that the sort of Government we have now?

Deputy Jimmy Deenihan: I have been asked a lot of supplementary questions here in the Dáil but this is certainly the most complicated type of question I have been asked. To reply to the Deputy, what is happening at this time is exactly what he sought here in his Private Members' motion way back in March of last year.

Deputy Luke 'Ming' Flanagan: Was that the criminalisation of turf cutters?

Deputy Jimmy Deenihan: We appointed the consultants, RPS, who are now going out consulting with people. Nothing will happen on any of these bogs without full consultation with the local population. All we are asking here is that, when RPS go out to talk to the bog owners and, obviously, to the contractors also, there would be full engagement with them.

Flooding may not be the appropriate term. It is, I suppose, regeneration and renewal of

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these bogs, or another word that has been used is the “wetting” of the bogs. Basically, it is just closing down drains. However, no work will be carried out without full consultation and full contact being made with the local people. I have given that commitment in the past and I appeal to Deputy Flanagan, as PRO for the TCCA, to engage with these consultants as they go out there.

Deputy Luke ‘Ming’ Flanagan: The problem is that once we engage with such consultants, they say “We have consulted with you”, regardless of what we say to them. To go back, the Minister has not solved the initial problem and to be moving on to a later stage does not make any sense. The Minister may tell the European Commission that a certain number of the bogs are solved but we know that is factually incorrect.

I do not know who is misleading who here, but Clara bog is held high as some sort of example of how we can find a solution. The reality is that everyone in Clara bog was not satisfied, and the fact the Minister is now talking about flooding or re-wetting - call it what he wants - of Clara bog means even more people are now up in arms about it. It is obvious that the situation in bogs like Clara is not resolved or is the Minister suggesting the situation in bogs such as Clara is resolved? If that is the case, someone is not telling us the truth. The people on the ground are telling us the situation is not resolved. If it is not resolved, the Minister certainly cannot move on to the next stage of flooding people’s lands and potentially causing very dangerous consequences down the line, with no indemnity for the bog owners who signed up to this.

Deputy Jimmy Deenihan: There is no question of flooding people’s land. People should not be scared about this. I do not want anyone going out and scaremongering that there is going to be flooding of lands. The commitment we have given is that there will be regeneration and restoration of bogs and this will be done in full consultation with the local community - the people who own plots on the bogs or have turbary rights on the bogs, and also the contractors, who obviously have a special interest in this whole area. There will be full consultation. That is the commitment I gave in the House last year on the Deputy’s motion and I am honouring every part of that commitment. We appointed the consultants, we are carrying out the national plan, we are seeking ways to ensure bog restoration-----

Deputy Luke ‘Ming’ Flanagan: We are bringing people to court.

Deputy Jimmy Deenihan: Because they broke the law. I would like to acknowledge the large number of people - the vast majority of turf cutters - who have taken the compensation and who have complied with the law. I point out that the number of infringements this year is about half what it was last year. People are co-operating and they are complying with the law. I thank them on behalf of the people of Ireland because, otherwise, we would definitely have been hit with a fine of about €9 million plus €25,000 a day, with the accompanying reputational damage for this country.

Foras na Gaeilge

4. D’fhiafraigh **Deputy Michael P. Kitt** den an Aire Ealaíon, Oidhreacht agus Gaeltachta cén líon daoine atá fostaithe ag Foras na Gaeilge faoi láthair; cé mhéad post in earnáil dheonach na Gaeilge atá maoinithe ag Foras na Gaeilge faoin gcóras bunmaoinithe reatha, agus cé mhéad post a bheidh le maoiniú faoin múnla maoinithe nua atá beartaithe a theacht i bhfeidhm an 1 Iúil 2014; agus an ndéanfaidh sé ráiteas ina thaobh. [38600/13]

(Deputy Dinny McGinley): Faoi láthair, tá 57 duine fostaithe go buan ag Foras na Gaeilge mar aon le cúigear eile atá fostaithe ar chonradh. Ón eolas atá curtha ar fáil ag Foras na Gaeilge do mo Roinn, tuigtear dom go bhfuil timpeall 80 duine fostaithe faoi láthair sna heagraíochtaí a fhaigheann bunmhaoiniú ó Fhoras na Gaeilge. Tá 19 eagraíocht ar fad i gceist, lena n-áirítear 12 eagraíocht atá ag feidhmiú go príomha sa dlínse seo agus seacht n-eagraíocht atá ag feidhmiú go príomha ó thuaidh.

Ag an cruinniú in Ard Mhacha ar an 10 Iúil 2013, rinne an Chomhairle Aireachta Thuaidh-Theas na socrúithe nua maoinithe a fhaomhadh le héifeacht ó 1 Iúil 2014 in ionad múnla reatha bunmhaoinithe Fhoras na Gaeilge. Cuimsíonn na socrúithe nua maoinithe na príomhghnéithe seo a leanas: déanfaidh sé eagrais ceannais, a bheidh ag feidhmiú ar bhonn uile-oileáin, tosaíochtaí straitéiseacha ar leith a sheachadadh; bunóidh Foras na Gaeilge fóram comhpháirtíochta uile-oileáin chun cur chuige comhoibríoch ag an sé eagrais ceannais a chinntiú; bunóidh Foras na Gaeilge fóram forbartha teanga uile-oileáin atá ionadaíoch de shainleasa teanga áitiúla atá maoinithe ag Foras na Gaeilge ag leibhéal an phobail; beidh scéim raidió pobail le forbairt chun maoiniú a chur ar fáil do raidió pobail trí Ghaeilge sa dá dhlínse; agus cuirfear maoiniú ar fáil don áisaonad sa todhchaí, mar is cuí, i gcomhthéacs fheidhm reachtúil Fhoras na Gaeilge i ndáil le tacú le hoideachas trí mheán na Gaeilge agus le múineadh na Gaeilge.

D'aontaigh an Chomhairle Aireachta Thuaidh-Theas fosta go gcuirfí síneadh leis na socrúithe bunmhaoinithe reatha go dtí 30 Meitheamh 2014 nuair a thiocfaidh na socrúithe nua maoinithe i bhfeidhm. Cé nach féidir a thuar go cruinn ag an pointe seo cé mhéad post a bheidh ann faoin múnla maoinithe nua, ba chóir go n-eascróidh féidearthachtaí maidir le deiseanna nua fostaíochta as na socrúithe nua nuair a bheidh na heagrais ceannais ag díriú ar na tosaíochtaí straitéiseacha agus ag dul i bhfeidhm ar an bpobal ar bhonn níos forleithne sa dá dhlínse.

Deputy Michael P. Kitt: Maidir le Foras na Gaeilge, dúirt an tAire go bhfuil 19 eagraíocht i gceist faoi láthair agus dhá stáisiún raidió, Raidió na Life agus Raidió Fáilte, Béal Feirste. Níl na figiúirí cruinn ag an Aire, ach an mbeidh níos mó nó níos lú daoine fostaithe ag Foras na Gaeilge nuair a bheidh an córas nua ar bun? An féidir leis an Aire aon eolas a thabhairt dúinn faoin fhostaíocht sin.

Deputy Dinny McGinley: Mar atá luaite agam, ag an pointe seo tá 57 duine fostaithe go buan ag Foras na Gaeilge agus tá cúigear eile ar chonradh. Sin 62 san iomlán. Tá Foras na Gaeilge anois i dteagmháil leis na heagraíochtaí seo, 19 ar fad, agus nuair a bheidh na socrúithe go léir déanta, beidh muid ag súil go mbeidh sé eagraíocht ceannais ann ar fad. Ag an pointe seo, tá sé an-deacair a rá cé mhéad duine a bheidh fostaithe nuair a bheidh na socrúithe go léir déanta. Beidh Foras na Gaeilge i dteagmháil leis na heagraíochtaí agus b'fhéidir go mbeidh comhoibriú idir cuid de na heagraíochtaí agus go bhfuil daoine sna heagraíochtaí a bheidh ag obair leis an eagrais ceannais. Ag an pointe seo, ní féidir a rá cé mhéad duine a bheidh ag obair agus an mbeidh breis nó níos lú postanna ann.

Deputy Michael P. Kitt: Tuigim ón bhfreagra sin nach mbeidh breis postanna ann in aon chor, ach fanfaimid go mbeidh níos mó eolas ag an Aire. An féidir leis an Aire a rá an bhfuil sé ag caint anois faoi postanna lán-aimseartha nó postanna páirt-aimseartha? Ní bheidh ach sé eagraíocht i gceist sa gcóras nua a bheidh againn i mí Iúil 2014. Cén sórt postanna a bheidh i gceist?

Deputy Dinny McGinley: Maidir leis na heagraíochtaí úra, tugann muid eagraíochtaí ceannais orthu. Tá daoine i na heagraíochtaí deonacha i láthair na huairé agus is dóigh go mbeidh

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cuid acu sin sna heagraíochtaí ceannais agus b'fhéidir freisin go mbeidh daoine úra ag teacht isteach. Tá an próiseas sin go léir faoi cheannas agus mar fhreagracht ar Fhoras na Gaeilge. Tá mé cinnte go n-aontóidh an Teachta gur céim ar aghaidh í seo, ón chéad uair a socraíodh go ndéanfaí an comhtháthú seo i 2008. Bhí cainteanna agus cur agus cúiteamh ag dul ar aghaidh ó 2008 agus sílim gur céim ar aghaidh mhór í gur aontaigh mé féin agus an tAire ó Thuaidh, Carál Ní Chuilín, agus an tAire Deenihan, go rachfadh muid ar aghaidh leis an comhtháthú seo. Tá an fhreagracht anois ar an fhoras, na bun phrionsabail nó na bun chuspóirí a chur i gcrích. Caithfidh muid fanacht go bhfeicfidh muid cad a thiocfaidh amach as sin idir seo agus mí Mheitheamh 2014.

3 o'clock

Cultural Policy

5. **Deputy Sandra McLellan** asked the Minister for Arts, Heritage and the Gaeltacht in view of County Limerick's designation as City of Culture for 2014, the supports, whether in terms of personnel, resources, finance or otherwise, his Department intends to give to local arts and tourism bodies and the local authority in order to ensure that the City of Culture year is successful; and his Department's plans to promote Limerick domestically and internationally for 2014. [38687/13]

Deputy Jimmy Deenihan: Limerick's designation as City of Culture for 2014 will deliver a programme of cultural events and engagement in arts and culture by the citizens of Limerick and beyond. In bringing artists, arts organisations, local authorities and civic groups in the city and county together in a calendar of events that will showcase all that the city has to offer, the initiative will generate a legacy locally and nationally. There are several excellent cultural venues in Limerick city which will have a central role to play in the 2014 programme of events. Any allocation by my Department to Limerick City of Culture 2014, in common with all other organisations and projects seeking funding, will depend on the outcome of the ongoing Estimates process for 2014 and it would be premature of me to go any further at this juncture.

Limerick city is undergoing a process of profound change and 2014 will be an important year for the city, as it will be the year in which a new single local authority will be established. The Limerick reorganisation implementation group, LRIG, is preparing for this change and the designation of Limerick as City of Culture will help to shape, brand and promote a new Limerick city.

Limerick's preparations are well under way, with former European Parliament President, Mr. Pat Cox, leading the initiative, joined by two other internationally renowned freemen of Limerick. They are Riverdance composer, Mr. Bill Whelan, and rugby international Mr. Paul O'Connell. Further details are available on *limerickcityofculture.ie*.

The aim of the national city of culture initiative is to deliver a programme of cultural events and engagement in a city for one calendar year and to build a longer term positive impact. An EU study in 2004 found that the designation of European capital of culture served as a catalyst for the cultural development and transformation of the chosen city and it is aimed to replicate these benefits on the national stage through this initiative.

Deputy Sandra McLellan: The announcement that Limerick was to be the City of Culture was a huge boost to Limerick. It is an opportunity for the city to showcase its cultural, artistic and sporting heritage and to showcase Limerick as a tourist destination at home and abroad. However, the issue of funding could put the project in jeopardy, if the project is not supported by central Government inasmuch as possible. There is no indication from the Government on the funding to be allocated. The Minister has mentioned that he cannot pre-empt the budget, but without confirmation of funding, how can the arts community and the local authority make concrete plans? Does the Minister agree that it is nearly impossible to plan for such an important and significant event in three months? People in Limerick are very annoyed. The city of Derry knew what funding it would have two and a half years before the start of the event. I wonder if the Minister can try to pre-empt the decision on the amount of funding to be allocated.

Deputy Jimmy Deenihan: I announced the designation in 2012 and requested that a cultural programme be drawn up. I requested that it be inclusive and include the local community as much as possible, especially in places like Moyross, South Hill and Galvone and other parts of Limerick. I also requested that it include all arts organisations in Limerick, the university, Mary Immaculate College and Limerick Institute of Technology and other educational institutions. The process has happened and there is now an exciting programme in place. No funds are available to the European City of Culture from Europe; it is the brand that counts. This is giving Limerick an ideal opportunity to brand itself in a positive way. There is a very rich historic culture in Limerick dating back a thousand years or more, and this gives them an opportunity to display all that is good about Limerick.

In the context of funding, I am a pragmatist. I realise that it is impossible to put together a real international programme without funding, and an announcement will be made about funding when we complete our deliberations in the Estimates. Funding without commitment from the local community will not have the effect I want. I have pointed this out clearly to the people of Limerick on several occasions when I was asked about funding. This is about buy-in, about pride, about commitment and about people getting involved. If they lose this chance then it will be a real lost opportunity for Limerick.

Deputy Sandra McLellan: This is an international city of culture designation, and funding is very important to its success. I believe the Minister is asking those in Limerick to do it on the cheap. Can he guarantee the direct assistance of his Department and officials in ensuring that the city of culture is a success and that it attracts internationally well-known cultural figures, exhibitions and acts, and ensuring that all the experience of Tourism Ireland and Fáilte Ireland is used to promote the events and Limerick as a destination?

Deputy Jimmy Deenihan: I have asked all the national cultural institutions to get involved and to provide and support programmes, and that alone would create a considerable amount of activity. As regards my support, the people of Limerick are very much aware of that. This was my idea, I suppose, and I must ensure it works. If that includes making a commitment for finance then that is what will happen, but I cannot yet give a definite amount because we must wait for the deliberations on the Estimates.

I go back to what I stated originally. This is about more than money; it is about pride. It is about buy-in. Limerick must seize this opportunity to brand itself in a positive way, capitalising on its rich culture, of which I am very much aware because I live so close to Limerick - just down the road along the Shannon Estuary in Listowel. There is much more to this than the amount of money or the budget they will get, and the people of Limerick realise that as well. I

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ask everyone to be positive about this and support it. Certainly, to date I have heard of no annoyance down there because of funding.

Other Questions

Scéimeanna Forbartha Pobail

6. D'fhiafraigh **Deputy Aengus Ó Snodaigh** den an Aire Ealaíon, Oidhreacht agus Gaeltachta an raibh aon phlé aige leis an Roinn Comhshaoil i dtaobh an tionchar a bheidh ag na hathruithe ar an tslí ina mbeidh na scéimeanna forbartha pobail, ar nós LEADER, á riaradh, ar phobail Ghaeltachta, ar fhorbairt pobail sa Ghaeltacht, agus ar phleanáil teanga sa Ghaeltacht; agus an ndéanfaidh sé ráiteas ina thaobh. [38493/13]

Deputy Dinny McGinley: D'írím aird an Teachta ar an bhfreagra a thug mé ar Cheist Dála Uimhir 375 ar 18 Iúil 2013 inar thug mé le fios go dtagann Leader faoi réimse na Roinne Comhshaoil, Pobail agus Rialtais Áitiúil agus go raibh an t-ábhar a bhí luaite sa Cheist á phlé idir oifigigh mo Roinne agus oifigigh na Roinne sin. Leanann an scéal amhlaidh.

Ina theannta sin, tá oifigigh mo Roinne agus oifigigh Údarás na Gaeltachta ag déanamh cíoradh ar na riachtanais agus ar na deiseanna maoinithe d'fhorbairt na Gaeltachta le linn na chéad tréimhse eile pleanála a bheidh le haontú mar chuid de phlean infheistíochta an Rialtais agus an Aontais Eorpaigh ag an am cuí.

Sa chomhthéacs sin, tá plé leanúnach ar siúl faoi na riachtanais forbartha agus infheistíochta a bhaineann le clár forbartha Gaeltachta a chuimseoidh cur chuige comhtháite sna réimsí forbartha geilleagair, pobail agus pleanála teanga. Ní miste dom a rá go dtugann an *Straitéis 20 bliain don Ghaeilge 2010-2030* agus forálacha Acht na Gaeltachta 2012 comhthéacs do na dúshláin a mbeimid ag dul i ngleic leo le linn na tréimhse sin. Is féidir glacadh leis go ndéanfar gach iarracht cur chuige éifeachtach a aontú chun an oiread infheistíochta agus is féidir a chur i dtreo comhlíonadh na riachtanas sin.

Deputy Aengus Ó Snodaigh: Cé go bhfáiltím roimh an bhfreagra, ní léiríonn sé go bhfuil an tAire Stáit ag buachaint sna comhráití leis na hAíre eile agus é ag rá gur cheart an Ghaeltacht a mheas mar chás eisceachtúil agus go mbaineann tábhacht as an ngnáth leis na grúpaí agus na scéimeanna forbartha pobail sa Ghaeltacht toisc go bhfuil siad ceangailte leis an straitéis 20 bliain agus le forbairt agus tarrtháil teanga agus Gaeltachta. An féidir leis an Aire Stáit a rá go bhfuil ag éirí leis na comhráití go dtí seo? An bhfuil comhráití ag dul ar aghaidh idir an Roinn, na cearrchumann agus na grúpaí pobail? An bhfuil sé leagtha amach go ndéanfar infheistíocht chuí sna scéimeanna pobail atá ar siúl faoi láthair agus na scéimeanna a bheidh riachtanach amach anseo?

Deputy Dinny McGinley: Tá mé cinnte go n-aontaíonn na Teachtaí ar fad go bhfaigheann an Ghaeltacht agus na hoileáin buntáistí móra ón scéim a bhí ann go dtí seo, agus a mhairfidh go dtí deireadh na bliana. Bhain an Ghaeltacht agus na hoileáin go leor tairbhe as an infheistíocht

atá déanta faoin scéim go dtí seo. Mar a dúirt mé, tá na cainteanna idir mo Roinn agus an Roinn Comhshaoil, Pobail agus Rialtais Áitiúil, maidir leis an gcur chuige a bheidh ann i ndáileadh na scéime ó 2014 go dtí 2020, ag dul ar aghaidh go leanúnach agus go rialta. Creidim go láidir is go daingean gurbh fhearr i bhfad go mbeadh socrú ann a thabharfadh aitheantas don Ghaeltacht mar limistéir amháin pleanála agus forbartha. Ar ndóigh, is é sin an cuspóir atá ag oifigigh mo Roinne sna comhráití atá ag dul ar aghaidh. Mar shampla, bhí dlúthbhaint ag Údarás na Gaeltachta leis an gcomhlacht - Meitheal Forbartha na Gaeltachta - a bhí ag dáileadh na scéime sa Ghaeltacht go dtí anuraidh nó arú anuraidh. Bhí siad ar an gcoiste gnó. Mar a dúirt mé, tá freagrachtaí ar an údarás de bharr Acht na Gaeltachta. Ar ndóigh, ba mhaith liom go mbeadh ról ag an údarás i ndáileadh na scéime a thiofadh chun cinn san am amach romhainn.

Deputy Aengus Ó Snodaigh: Tá a fhios againn gur theip ar Meitheal Forbartha na Gaeltachta, a luaigh an tAire Stáit, ach an bhfuil aon phlean ann chun a leithéid a chur sa tsiúl arís amach anseo?

Deputy Dinny McGinley: Is féidir leis an Teachta glacadh leis go leanfaidh oifigigh mo Roinne agus oifigigh an údaráis ag plé an ábhar seo le oifigigh na Roinne Comhshaoil, Pobail agus Rialtais Áitiúil, agus iad ag súil gur féidir a dhéanamh cinnte de go mbeidh ról lárnach agus aitheanta tugtha don údarás agus do mo Roinn nuair atá comhdhéanamh na gcoistí a réiteach. Mar a dúirt mé, is é an dearcadh atá agam ná go mbaineann cúinsí speisialta leis na ceantair Gaeltachta. Aontaíonn an tAire go bhfuil sé loighciúil agus praiticiúil aitheantas a thabhairt do na cúinsí speisialta sin sna comhlachtaí úra a bheidh ag dáileadh na scéime sa tréimhse amach romhainn.

An Straitéis 20 Bliain don Ghaeilge

7. D'fhiafraigh **Deputy Timmy Dooley** den an Aire Ealaíon, Oidhreacht agus Gaeltachta cén dul chun cinn atá déanta maidir leis an Straitéis 20 Bliain don Ghaeilge; agus an ndéanfaidh sé ráiteas ina thaobh. [38461/13]

Deputy Dinny McGinley: I dtús báire ní miste dom a rá go n-aithnítear sa Straitéis 20 Bliain don Ghaeilge 2010-2030 go bhfuil gá le cur chuige céimneach chun bearta éagsúla na straitéise a chur i gcrích. I gcomhréir leis an gcur chuige seo, tá obair leanúnach ar siúl ag iliomad páirtithe leasmhara chun raon leathan gníomhaíochtaí faoin straitéis a chur i bhfeidhm.

Ós rud é gur ar mo Roinnse atá an fhreagracht uileghabhálach an straitéis a chomhordú agus a chur i bhfeidhm i gcomhar leis na páirtithe leasmhara, d'fhoilsigh mé tuarascáil i mí Iúil a thugann léargas cuimsitheach faoin dul chun cinn atá déanta maidir le cur i bhfeidhm na straitéise go dáta. Is ionann an tuarascáil sin agus achoimre ar na gníomhartha ar thug mo Roinn féin agus Ranna ábhartha eile fúthu le linn na tréimhse idir dháta foilsithe na straitéise i Nollaig 2010 agus Iúil 2013.

Ní miste a rá fosta gur foilsíodh pleananna forfheidhmithe na Ranna ábhartha faoin straitéis ar láithreáin ghréasáin éagsúla na Ranna i mí Iúil. Áirítear anseo 11 de Ranna, lena n-áirítear mo Roinn féin, ar ndóigh. Feictear dom go léiríonn an tuarascáil ar dhul chun cinn agus na pleananna forfheidhmithe éagsúla atá foilsithe ag na Ranna ábhartha go léir go bhfuil cur chuige soiléir ann maidir le feidhmiú na straitéise a mbeidh tionchar dearfach aige ar an teanga san fhadtréimhse.

Deputy Michael P. Kitt: Tá naoi réimse difriúil sa straitéis agus ba mhaith liom ceist a chur maidir leis an dul chun cinn atá déanta ar na réimsí sin, go háirithe maidir le oideachas agus seirbhísí poiblí. An mbeidh muid in ann líon na daoine a labhraíonn an teanga a mhéadú mar atá leagtha amach sa straitéis? An féidir leis an Aire Stáit níos mó eolais a thabhairt dúinn mar gheall ar dhá cheann de na réimsí sa straitéis, cúrsaí oideachais agus seirbhísí poiblí?

Deputy Dinny McGinley: Mar atá luaite ag an Teachta, tá dhá Roinn i gceist, an Roinn Oideachais agus Scileanna agus an Roinn Cateachais Phoiblí agus Athchóirithe. Maidir leis an Roinn Oideachais agus Scileanna, tá luchtáir orm a rá go bhfuil dul chun cinn suntasach á dhéanamh ansin. Tá an Roinn ag tabhairt faoi athbhreithniú a dhéanamh ar an oideachas a cuirtear ar fáil sa Gaeltacht, chun soiléiriú a dhéanamh ar a pholasaí i leith oideachas trí mhéan na Gaeilge i scoileanna Gaeltachta, ag aithint na riachtanais faoi leith atá ag na scoileanna sin. Tá an Comhairle Náisiúnta Curaclaim agus Measúnachta, NCCA, ag forbairt curaclam nua comhtháite teangacha do bhunscoileanna agus don chéad uair riamh, tá scrúduithe caighdeánaithe ar fáil le n-úsáid don Ghaeilge i mbunscoileanna na tíre.

Tá bearta tugtha isteach chomh maith go mbeifear ag súil le ardú caighdeáin d'ábhar múinteoirí a bheidh ag dul isteach sna coláistí oiliúna chomh fada agus a bhaineann sé le Gaeilge. Tá dhá cúrsa curtha ar fáil anois dóibh le linn na Cásca agus beidh ar ábhar múinteoirí dhá thréimse coicise a chaitheamh sa Ghaeltacht an fhad agus atá siad ag traenáil le feabhas a chur ar a gcuid Gaeilge. Sílim gur dul chun cinn é sin. Ina theannta sin, tá coiste idir-rannach againn, faoi mo chathaoirleacht, agus tá 11 Ranna i ndiaidh an méid atá á dhéanamh acu maidir leis an straitéis a leagaint amach ar a suíomhanna Idirlíne.

Deputy Michael P. Kitt: Nuair a d'fhoilsigh an Rialtas deiridh an Straitéis 20 Bliain don Ghaeilge, dúradh ag an am gur teorplean nó plean mór a bhí ann chun caomhnú agus athbheochan na Gaeilge a chur i gcrích thar an tréimhse sin. Cé mhéad cruinniú a bhí ag an coiste idir-rannach ar a bhfuil an Aire Stáit mar chathaoirleach, maidir leis an straitéis? An mbíonn an Taoiseach ag na cruinnithe sin freisin?

Deputy Dinny McGinley: Os rud é go bhfuil coiste Rialtais ag baint le cúrsaí Gaeilge, léiríonn sin dáiríreacht an Rialtais maidir leis an teanga agus cur i bhfeidhm na straitéise. Go dtí seo i mbliana, bhí trí chruinniú ag an coiste Rialtais faoi chathaoirleacht an Taoisigh agus tá ceann eile beartaithe idir seo agus deireadh na bliana, b'fheidir i mí Dheireadh Fómhair, ach níl cinnte de sin. Ag gach uile cruinniú acu sin, ba é an Taoiseach féin a bhí sa chathaoir, rud a léiríonn an tsuim phearsanta atá aige sna cúrsaí seo.

Deputy Aengus Ó Snodaigh: Tá na freagraí a fhaigheann muid maidir leis an straitéis 20 bliain spéisiúil. An bhfuil an tAire Stáit sásta go bhfuil an phráinn cheart á instealladh maidir leis an straitéis? Tá an straitéis bunaithe ar staidéar a ndearnadh ocht nó naoi bliana ó shin agus tá an straitéis trí nó ceithre bliana d'aois faoi seo. Ní fheiceann an pobal i gcoitinne, pobal na Gaeilge agus na Gaeltachta, go bhfuil aon tairbhe mhór tar éis teacht ó tosaíodh ag caint faoin straitéis 20 bliain. An bhfeiceann an tAire Stáit an phráinn le seo nó conas is féidir linn práinn breise a instealladh maidir leis an straitéis?

Deputy Dinny McGinley: Is cinnte go n-aithním an phráinn, ach is fear Gaeltachta mé agus chím ón áit ina bhfuil mé i mo chónaí na rudaí atá ag tarlú i mo cheantar Gaeltachta agus i gceantair Gaeltachta eile ar fud na tíre. Chím é sin. Ar ndóigh, sin an fáth gur cuireadh faenic ar an straitéis, fá choinne deireadh a chur leis an tráth atá ar an Ghaeilge sna ceantair Gaeltachta. Tá go leor ag dul ar aghaidh sna Gaeltachtaí. Mar shampla, tá scéim tacaíochta teaghlai gh úr

tar éis teacht isteach agus tá beagnach 2,000 pacáiste tugtha amach do thuismitheoirí úra sa Ghaeltacht ó bunaíodh é sin anuraidh. Tá scéim na gcúntóirí teanga ann chomh maith, ceann de na scéimeanna is éifeachtaí atá ann. Bhí an scéim seo ann sular tháinig mise isteach sa Roinn, ach táimid ag leanúint leis an scéim sin agus ag forbairt na scéime agus ag tabhairt breis acmhainní don scéim, mar go bhfeiceann muid chomh tábhachtach agus atá sé go mbeidh deis ag daltaí, chomh h-óg agus is féidir leo, eolas a chur ar an teanga. Caithfidh muid díriú isteach ar an aosóg.

Tá scéim do na coláistí Gaeilge ann freisin, ar a mbíonn 3,000, 4,000 nó 5,000 sa bhliain ag freastal orthu. Scéim an-mhaith í sin agus tá an Roinn tiomanta leanúint leis an scéim sin, a thugann deis do buachaillí agus cailíní ó thaobh amuigh den Ghaeltacht dul siar agus aithne a chur ar na Gaeltachtaí agus an teanga a fheiceáil á labhairt go nádúrtha i measc an phobail. Tá go leor rudaí ar siúl. Mar adúirt mé freisin, tá Údarás na Gaeltachta thar a bheith gnóthach anois. Inné féin, shínigh mé na critéir pleanála teanga agus beidh siad sin ar shuíomh Idirlíne na Roinne inniu agus ag dul amach chuig an údarás agus Foras na Gaeilge le tabhairt faoi na limistéir pleanála teanga.

Tourism Projects Funding

8. **Deputy Clare Daly** asked the Minister for Arts, Heritage and the Gaeltacht the steps he has taken to assist in delivering the promised Maritime Museum and facilities for the Irish Seal Sanctuary in partnership with Fingal County Council; and the action that can be taken to bring this project, which has planning permission, to fruition, even initially on the basis of a pop-up museum. [29217/13]

715. **Deputy Clare Daly** asked the Minister for Arts, Heritage and the Gaeltacht the assistance he will provide for the Irish Seal Sanctuary, the future of which will be in jeopardy if it does not have a site or fresh financial prospects by 1 November 2013. [37021/13]

716. **Deputy Clare Daly** asked the Minister for Arts, Heritage and the Gaeltacht the assistance he will provide for the Irish Seal Sanctuary the future of which will be in jeopardy if it does not have a site or fresh financial prospects by 1 November 2013. [37022/13]

Deputy Jimmy Deenihan: I propose to take Questions Nos. 8, 715 and 716 together.

My Department has not made any commitment regarding the development of a maritime museum and seal rehabilitation facility in Balbriggan and does not have funding available to assist this particular project. While I appreciate the work carried out by the Irish Seal Sanctuary, it should be noted that my responsibilities under the Wildlife Acts relate principally to the conservation of habitats and populations of protected species, rather than the rehabilitation of individual animals. It is a matter for the promoters of the project, in consultation with Fingal County Council, to consider the option of developing the project on a more interim basis, if they so chose.

Deputy Clare Daly: That was short and not very sweet. I am not sure why the Minister even agreed to answer the question, given that it was a non-answer. The reality is that this is a potentially important facility, given that there is an opportunity to develop a maritime museum - we do not we have one - and to proactively assist a not-for-profit organisation that has done enormously well in rehabilitating and protecting seals. I believe some of this activity takes

place even in the Minister's constituency. It is a hugely popular pursuit. When the Irish Seal Sanctuary released a seal on New Year's Day, 500 people turned up for the ceremony. The Minister turned out in Balbriggan to celebrate the opening of a pop-up museum for one day. If 1,000 people can turn out for one day, surely that supports the notion that this can be maintained on a long-term basis. Such a facility would boost ecotourism. There are no fisheries museums and it would be an important educational facility. The Minister said he did not have to do anything. However, should he not develop such a facility - there is no such facility in any other part of Ireland - for tourism and employment purposes?

Deputy Jimmy Deenihan: I do not dispute the Deputy's comments about the merits of this project, but my Department has no role in the provision of funding for this type of project. Other Departments may have and it should be noted that the Deputy's question was transferred to my Department from another Department. We have a responsibility for the protection of seals, but we are not responsible for their rehabilitation or the provision of a museum relating to them. I was in Balbriggan as I was invited there by a former Deputy, Trevor Sargent. There was a big buy-in from the local people for the pop-up museum on that occasion. It is a very good idea and there is potential for a project in future if the council gets together with the appropriate statutory authority that might have funding for this type of project. Perhaps other sources of funding could be available in addition to local funding. I do not dispute the merit of what Deputy Daly has proposed but my Department has neither the resources nor the responsibility for the matter.

Deputy Clare Daly: We have a problem in that the Minister referred to "the appropriate statutory authority", but that is not the Department of Arts, Heritage and the Gaeltacht nor the Department to which I originally tabled the question. Yet everyone thinks it is a very good idea. Surely the Government, as the authority in power, has the answer as to who is the correct authority to approach. If the desire exists for the establishment of a maritime museum, which it should, and if we are to protect seals, then their rehabilitation is part of the project. It is an important environmental issue but it is also a critically important job creation project as well in the sense of developing tourism. If the Minister is not responsible but thinks the museum is a good idea, could he indicate which Department is responsible so that we can match it up with Fingal County Council and the volunteers at the Irish Seal Sanctuary? The other side of the equation is that Government moneys have been given to private operators such as Tayto Park and other operators in Dingle for seals and maritime activity, but they are more commercial outlets and are not animal welfare facilities of the type provided by the Irish Seal Sanctuary, which will be needed in the future if we are to preserve the species. That is the job of the Department.

Deputy Jimmy Deenihan: My responsibility is to designate certain special areas of conservation to protect seals, which I do, as a result of which they are protected in habitats where they typically live. However, I do not have responsibility for the rehabilitation of seals. I suggest that the council might be the appropriate body to promote the project and develop it in conjunction with local people and organisations. As someone who has been involved in promoting and creating a number of projects in different areas, I sincerely offer my assistance to Deputy Daly. We can discuss the matter afterwards and I will give her any direction I can, as I know she is very committed and sincere about the project.

National Monuments

9. **Deputy Brendan Smith** asked the Minister for Arts, Heritage and the Gaeltacht the

timeframe for the restoration of the national monument at Moore Street, Dublin 1; the further difficulties that need to be overcome to ensure that redevelopment takes place in advance of the centenary anniversary of the 1916 Easter Rising; and if he will make a statement on the matter. [38479/13]

24. **Deputy Martin Ferris** asked the Minister for Arts, Heritage and the Gaeltacht his views on the current state of the 1916 national monument at Moore Street-Moore Lane, Dublin 1; when he will make a decision on the future of the site; and if he will make a statement on the matter. [38505/13]

38. **Deputy Maureen O'Sullivan** asked the Minister for Arts, Heritage and the Gaeltacht the category and status of the national monument at 17 to 21 Moore Street, Dublin 1, on the Office of Public Works listing of national monuments, and the responsibility and role of his Department in this matter. [27977/13]

Deputy Jimmy Deenihan: I propose to take Questions Nos. 9, 24 and 38 together.

The national monument at Nos. 14 to 17 Moore Street is the subject of a preservation order under the National Monuments Acts. The effect of the preservation order is that any works affecting the site require my consent, as Minister for Arts, Heritage and the Gaeltacht, under section 14 of the National Monuments Act 1930, as amended.

On 16 July last I made a determination on a consent application and related environmental impact statement submitted by the owners, which dealt with proposed works on the monument site. I believe that, having carefully considered all the relevant factors, my decision on the consent application is the best way to ensure that work can take place at the national monument to develop an appropriate centre to commemorate the events of Easter week 1916, while also ensuring that the monument site is fully protected for future generations.

My decision provides for the creation of a 1916 commemorative centre, involving the full repair and conservation of the four buildings. The order I signed did not approve the demolition of any structures or the removal of any material from the site which dates from 1916 or before; nor did it approve works for the provision of an underground car park within the boundary of the national monument site, or the demolition of the Moore Lane facades of Nos. 15 and 16.

The national monument is in private ownership and, accordingly, the advancement of proposals that reflect the terms of the consent I have granted is a matter for the owners. The consent is, however, conditional on the submission of a revised project design for approval within nine months of the decision date that takes full account of the elements of the proposal for which consent has been refused and the conditions attached to the approved works. A further condition requires substantive works to commence on site within three months of the approval of the revised proposals.

Responsibility for the upkeep and maintenance of the monument rests with the owners. My function in that respect is confined to considering any related proposals by the owners for which my consent must be sought under the National Monuments Acts. In addition to the order which I signed in July, consent has been applied for and granted from time to time for various works to protect the monument buildings, including, most recently, improvements to the appearance of the front of the buildings. The buildings are also included in the record of protected structures maintained by Dublin City Council under the planning Acts, and the council has specific powers of intervention should any particular concerns arise about their condition.

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Deputy Seán Ó Fearghail: I take it that the very fact this matter has arisen on every Question Time over the past 12 months is indicative of the seriousness with which all Members regard it. Although it took two years for the consent to be issued, I commend the Minister on having given it and ensuring numbers 14 to 17 are to be protected and that a commemorative centre will be erected. Now that consent has been given, we must move on to the question of whether anything at all will happen. Could the Minister give us any indication as to whether any sort of meaningful discussions have taken place between Chartered Land, NAMA and Dublin City Council? It is required that a planning application or plan be submitted within 12 months to the local authority to get this issue moving. We want to see the development happen and a proper commemorative centre developed but this will not happen without the co-operation of NAMA, Chartered Land and the local authority. What can the Minister and his Department do to ensure the required co-operation?

Deputy Jimmy Deenihan: I understand Chartered Land has sought a meeting with me. I will facilitate that immediately. What happens between Chartered Land and NAMA is very much up to those two parties and I obviously cannot get involved. I have had two meetings with the specialist sub-committee of Dublin City Council, whose members are very proactive on this project. What I gave permission for was very much what they were looking for. They welcomed it and are very supportive of what we are trying to do.

The monument is not in State ownership but private ownership. Therefore, it is up to Chartered Land to produce a plan for me within nine months that will state clearly what it intends to do with the national monument at this stage, bearing in mind the refusal I gave for intervention with the monument. I hope the plan is forthcoming. It is very much in the hands of Chartered Land and Dublin City Council. NAMA also has a key role to play.

Deputy Sandra McLellan: Can the Minister update the House on the planning position? I understand from colleagues in Dublin City Council that for planning to take place any proposal will have to come back to the Minister before returning to the council as the planning authority. Does the Minister accept their view in this regard? The Minister stated he is to have a meeting with Chartered Land. Has he considered my request that he meet all the relevant stakeholders, including the relatives of the leaders of the 1916 Rising, the National Museum of Ireland, relevant State agencies and the NGOs, not only to preserve the national monument fully but also to develop the site of the historic 1916 battlefield?

Deputy Seán Ó Fearghail: I agree with the point being made by Deputy McLellan. At issue, among other matters, is the fact that the land is in the ownership or control of NAMA. Do we know whether Chartered Land has the capacity or finance to proceed with the development? Does the Minister know or can he establish it? If he cannot engage directly himself - I am not sure why he cannot do so-----

Deputy Jimmy Deenihan: I must operate within the legislation.

Deputy Seán Ó Fearghail: Okay, if the Minister is prohibited from doing so under the legislation, can he call on somebody else to engage, whether it be the local authority or some other body, to establish whether NAMA will make the funding available for the development to happen? If there is no funding, there will be no development and we will continue to look at a derelict site. Not alone are these critically important buildings derelict, but all of us deserve to be ashamed of much of what we see in the north O'Connell Street area. The city deserves better and we all need to co-operate to try to achieve a better outcome.

Deputy Peter Mathews: I support the remarks made by other Deputies but on a practical note, it is only a short space of time to the 1916 centenary celebrations. If the people who sacrificed their lives could see O'Connell Street now and the facades of the businesses and the users or occupiers of those businesses, they would not believe what they had sacrificed their lives for. There is an air of menace at nighttime on O'Connell Street. It is all linked in and it is shocking. I ask the Minister to take a leadership role and encourage Dublin City Council to get active about this. We should not go through the normal slow administrative choreographies that occur. This needs executive action. O'Connell Street is the gateway to our city. It used to be the street that led to the house of parliament, now the Bank of Ireland, to Trinity College and to the Rotunda, now a hospital. It is a shocking embarrassment that while O'Connell Street has received road and footpath surfacing and a spire which is not very inspirational, the shocking activities of those amusement arcades, fast food stores and so forth are allowed to continue. This needs robust action now.

Deputy Jimmy Deenihan: In response to Deputy McLellan, I have no problem whatsoever in meeting with the stakeholders. I have already had numerous meetings with them and the decision I came to was welcomed by the relatives of those involved in 1916 and indeed, was universally welcomed. I must repeat that the planning permission process is the responsibility of Dublin City Council. My role in this, as I have said many times in this House, is only to approve what the developer proposes for the site. The developer had a major plan for the site but it included demolishing some of the monument and building a car park underneath a section of it and I refused that. I am sure that Deputy McLellan agrees with that decision and would support me in doing that. Sometimes I am rather confused as to what people really want here. Are people playing politics or do they really want a solution? I hope it is the latter. I have no problem whatsoever in meeting any stakeholders, which I have done already, including members of Deputy McLellan's party.

On the issue of NAMA and Chartered Land, Deputy Ó Feargháil's party colleague, Senator Mark Daly asked Chartered Land, when it was making a presentation to the 1916 commemoration committee, if it could produce a letter from NAMA clarifying whether money is available to carry out the project. That was a number of months ago but the committee never received such a letter from Chartered Land. As far as I am aware, that was the only time Chartered Land was asked to come up with confirmation of a commitment from NAMA for the necessary funding to carry out the work.

Finally, in response to Deputy Mathews, I would love to have responsibility for all of O'Connell Street. The problem of dereliction on O'Connell Street has been with us for some time. It is not a new phenomenon but I hope that the centenary of 1916 will be the catalyst for a major upgrade of the street. Some very good work has already been carried out on O'Connell Street but there are some parts of it, because they are in private ownership----

Deputy Peter Mathews: The problem is the users of the street, the occupations----

Acting Chairman (Deputy Bernard J. Durkan): I ask the Deputy to allow the Minister to reply.

Deputy Jimmy Deenihan: Certain parts of the street which are in private ownership are in obvious need of upgrading. Dublin City Council has a key role to play in that respect, in terms of ensuring that happens. I assure the Deputies that in my capacity as chairman of the decade of commemorations committee I will do everything possible to make progress on this matter.

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One project that we can advance, hopefully, is that of the GPO, as it is in State ownership. An Post is coming forward with proposals for the site shortly. This is a project that State agencies can get behind, as we have control of the site.

Archaeological Sites

10. **Deputy Charlie McConalogue** asked the Minister for Arts, Heritage and the Gaeltacht the position on the significance of the recent uncovering of an ancient monastic settlement beside the Drumholm Church of Ireland graveyard, near the village of Ballintra, Co. Donegal; and if he will make a statement on the matter. [38472/13]

(Deputy Jimmy Deenihan): I am aware of the reported archaeological find at Drumholm graveyard on foot of recent excavations carried out under licences issued by my Department under the National Monuments Acts 1930 to 2004. The licenses relate to investigations associated with an application to Donegal County Council under the planning Acts for an extension to the graveyard and the provision of a new vehicular entrance and additional car park spaces. The graveyard is the location of a number of monuments already listed in the record of monuments and places under the National Monuments Acts.

Holders of excavation licences under the National Monuments Acts are required to submit a preliminary report on the excavation to my Department and the National Museum of Ireland within four weeks of completion. A detailed report must follow within 12 months of completion of excavation. As assessment of the significance of the reported find in this case, taking account of its context within the ecclesiastical complex of which it forms part, will be commenced by my Department once the preliminary report is received. An inspection of the site will also be carried out as part of that assessment.

If it transpires that the find is as significant as has been suggested, it will indeed be a valuable addition to our archaeological heritage that will further highlight and demonstrate the continuity of worship that has taken place at the site for many generations. The Church of Ireland authorities and the local community are meanwhile to be commended for their stewardship, care and management of the monument site, which has facilitated and made possible the recent reported discovery.

Deputy Seán Ó Feargháil: I welcome the Minister's positive response. I am glad he commended the local community on its stewardship of the site, as it deserves it. The archaeologist working on the site has said he cannot overstate the national importance of this significant and exciting ecclesiastical site. The sooner the archaeological investigations to which the Minister referred are completed, the better. The site needs to be designated as a national monument. It is also clear that some sort of commitment of funding from the Minister's Department will need to be forthcoming in the not-too-distant future so the site can be excavated and developed to its full potential. The Minister seems to be positively disposed to this. I hope this will be moved on to some practical support from the Department, which everyone involved would welcome.

Deputy Jimmy Deenihan: I agree with the Deputy that this is a major discovery. The connection with St. Columba is also very important. Whatever expertise and professional resources the Department has at its disposal will be made available. I am looking forward to the deliberations on the site. I hope the significant excitement and expectations about the site will be fully realised and that the site will be of the significance and importance that we hope it will.

Obviously, this will have to be confirmed by the archaeological investigation.

Grazing Rights

11. **Deputy Seán Kyne** asked the Minister for Arts, Heritage and the Gaeltacht if interim payments will be made to farmers in the Twelve Bens region, County Galway, for 1 December 2012 to 1 May 2013 in recognition of the fact that said farmers were unable to avail of the agri-environment options scheme as no applications were accepted. [38372/13]

(Deputy Jimmy Deenihan): Farmers in the Twelve Bens-Garraun and Maumturk mountain complex special areas of conservation have had to amend their farming practices since November 2008 to ensure these mountain commonage areas recover from past overgrazing. This grazing restriction continues until November 2013 and will assist farmers in ensuring their lands are deemed to be in good agricultural and environmental condition, as required under cross-compliance requirements. As part of the compensation package that was agreed in 2008, an additional annual payment of €2,000 over five years was to be paid by my Department to those farmers who were in existing rural environment protection scheme, REPS, contracts for the additional grazing restriction.

Over this period, however, the Department of Agriculture, Food and the Marine closed the REPS scheme and replaced it with the more limited agri-environment options scheme, AEOS, which was opened periodically for farmers. As an exceptional measure, my Department put in place a system of interim payments to cover gaps in which farmers could not access AEOS funding during periods when the scheme was closed to applicants. Such interim payments were sanctioned on three occasions, notwithstanding the significant reduction in funding available to my Department over this period. This was much appreciated by the farmers in question. In sanctioning the final interim payments in November 2012, my Department made clear that it would not be in a position to make any further additional payments for the period mentioned in the question. This position has not changed and there is no funding available to my Department to make further interim payments.

Since November 2008, my Department has paid more than €2.6 million to farmers in this area of County Galway. As already referred to, the five years of this grazing restriction will terminate in November of this year.

Deputy Seán Kyne: I thank the Minister for his reply. I know similar problems were rectified in late 2012, of which the farmers affected were greatly appreciative. However, the farmers in question were mandated by the National Parks and Wildlife Service, NPWS, to join the Twelve Bens destocking scheme. They simply had no choice. One of the conditions was that they were also mandated to participate in the agri-environment scheme. However, REPS had closed and AEOS was not available for certain periods. The end result was that these farmers were left with no agri-environment payment for 1 December 2012 to May 2013. Will the Minister engage with the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, to see if a solution can be achieved between the two Departments to provide interim payments to these farmers?

Deputy Jimmy Deenihan: I will consult with the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney. I suggest the Deputy does so himself. This matter has been considered by my Department but there is no funding available to make an interim payment.

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We have been generous in the past. If the moneys were available, I would be delighted to provide interim payments. I have met the farmers affected, who are very hardworking and need this funding. Later this evening I am having a meeting with farmers from County Mayo with a similar problem. However, to date there is no source of funding for this kind of project.

Written Answers follow Adjournment.

Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Health (Amendment) Bill 2013, the Courts and Civil Law (Miscellaneous Provisions) Bill 2013, the Electoral, Local Government and Planning and Development Bill 2013, the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill 2013, the Construction Contracts Bill 2013, the Thirty-Second Amendment of the Constitution (Abolition of Seanad Éireann) Bill 2013, the Protection of Life During Pregnancy Bill 2013 and the Thirty-third Amendment of the Constitution (Court of Appeal) Bill 2013, without amendment.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Andrew Doyle - the need for a direct commercial air route between Ireland and Asia as part of national aviation policy; (2) Deputy Michael Healy-Rae - the decision by the Health Service Executive to withdraw the service of one of the two ambulances that service the Killarney area; (3) Deputy Finian McGrath - cuts to disability services at St. Michael's House; (4) Deputy Brendan Griffin - the importance for the economy and jobs of retaining the 9% VAT rate for some services; (5) Deputy Ciara Conway - the urgent need for accountability and sanctions for hospitals that are failing to practice simple hand hygiene as per recent HIQA reports; (6) Deputy Thomas P. Broughan - the need to address the ongoing serious difficulties being experienced by former residents of the Priory Hall complex in Donaghmede, Dublin 13; (7) Deputy Dan Neville - the proposed closure of jewellery manufacturer Andersen Ireland; (8) Deputy Michelle Mulherin - the need to formulate in the planning code national guidelines for community gain on wind farm, the transmission grid and other energy projects; (9) Deputy Brian Stanley - the future plans for Shaen, Abbeyleix and Mountmellick nursing homes; (10) Deputy Derek Keating - the need to address the increasing problem of bullying in national schools; (11) Deputy Charlie McConalogue - the need to ensure that the National Council for Special Education extends its deadline for supplementary applications for resource teaching in schools; (12) Deputies Seán Ó Fearghaíl, Anthony Lawlor and Martin Heydon - the need to discuss a community-based solution to the current situation at Newbridge Credit Union; (13) Deputy Barry Cowen - to discuss resolution processes for the residents of Priory Hall, Dublin 13; (14) Deputy Clare Daly - the ongoing problems at Priory Hall, Dublin 13; (15)

Deputy Mick Wallace - the ongoing crisis in Priory Hall, Dublin 13; (16) Deputy Caoimhghín Ó Caoláin - the need to reverse the HSE-imposed cuts to funding for St. Michael's House, Dublin 9; (17) Deputy Kieran O'Donnell - the need to develop a national policy on graffiti; (18) Deputy Dessie Ellis - to discuss the process of resolution for Priory Hall, Dublin 13; (19) Deputy Robert Troy - the lack of secure custody for young offenders; (20) Deputy Billy Kelleher - to discuss the prospect of industrial action by non-consultant hospital doctors; and (21) Deputy Patrick O'Donovan - the need to engage with the local community and employee representatives of Andersen Ireland, to explore all options for saving the jobs in Rathkeale, County Limerick.

The matters raised by Deputies Andrew Doyle, Brian Stanley, Ciara Conway and Seán Ó Fearghaíl, Anthony Lawlor and Martin Heydon have been selected for discussion.

Topical Issue Debate

Air Services Provision

An Leas-Cheann Comhairle: The new speaking-time clocks are being used today. The time indicated on the screen during the Topical Issue debate will be the time allowed to the proposer and the Minister for the initial statement and reply - that is, four minutes each - and the time for each supplementary question and reply, which is two minutes each. I ask Deputies to comply with the time limits as running over time reduces the time available for other Deputies.

Deputy Andrew Doyle: I thank the Ceann Comhairle's office for selecting this issue. I tabled it because a direct commercial air route between Ireland and Asia would open up further opportunities for the creation of jobs and investment in the country and, in particular, add to our tourism potential. Deputies may recall that when Ireland qualified for the 2002 World Cup in Japan and South Korea, Aer Lingus offered charter flights to Tokyo and thousands of people went over to follow the national team. Unfortunately, a permanent route never took hold. In recent years we have seen great progress in Ireland's aviation industry. We have a state-of-the-art second terminal in Dublin airport from where one can fly to more destinations than ever before.

Our national carrier has flights to multiple destinations in the United States and North America. It has direct routes to large metropolitan areas and hubs such as Atlanta, Charlotte, Washington DC, Philadelphia and others and is adding San Francisco shortly. Seasonal routes have been in place to some Canadian cities, in particular, Toronto, for a number of years. Because of the number of carriers and options, people in Ireland have never had any problem reaching the United States and North America. We also have direct links to the Middle East. Emirates runs a daily service to Dubai and its sister airline, Etihad Airways, serves Abu Dhabi, both in the United Arab Emirates, yet we do not have a direct commercial air route between Ireland and the most populated continent on the planet. It has been identified time and again that such a route to an Asian city could be of significant potential to the economy.

Trade between Ireland and China is worth approximately €8 billion annually. Last year when the then Vice President, Xi Jinping, visited Ireland, it created major interest in China in the same way that US first lady Michelle Obama's visit to Ireland, including Glendalough, cre-

ated major interest in America. On becoming President, he issued an invitation to the Ceann Comhairle to bring over a delegation, of which I was a member, earlier this year when we had an opportunity to meet him and other senior administrators in the Chinese Government. It is obvious that there is major potential in China alone, not to mention the other countries around it such as Indonesia and Thailand. Since the Dáil last sat in July, three Government Ministers have been on trade missions to China, increasing awareness in the Chinese business community of Ireland's potential as an investment location. We visited several Irish companies which have a big presence in China, the global headquarters of one of which remains in Cork and which could see major potential in further business development there. Our ambassador to China, Mr. Declan Kelleher, who has just finished an eight year term is a fluent Mandarin speaker and has done Trojan work in developing Chinese-Irish relationships.

We must continue to support the development of an innovation-friendly, pro-competition regulatory framework for aviation if Ireland is to be successful in our endeavours. We must continue to encourage new entrants to the Irish aviation sector. We have a state-of-the-art Terminal 2. As neither terminal is overstretched, they could accommodate more capacity.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): Enhanced air access to key business and tourism markets around the world has always been a key element of Ireland's aviation policy. A direct service between Ireland and Asia, particularly to and from China, would be of huge benefit to our trade relations with key Asian economies and for inbound tourism. Our export trade to China alone is worth around €3.8 billion, with an import figure of €2.1 billion, and a direct air link would act as a stimulus to further growth in this area. Ireland has bilateral air transport agreements with a number of Asian countries, including China, India, Malaysia and Singapore. These agreements provide the legal framework for scheduled air services between Ireland and these countries. However, while these agreements have been in place for quite some time, there has been very little interest from the airlines in direct services.

Under our agreement with China, it is open to any Irish, EU or Chinese airline to operate services between the two countries. The establishment of such a service, however, has to be market driven; ultimately, therefore, it is a commercial decision for the airlines entitled to operate routes under the agreement. Most of our airports and Tourism Ireland have attractive incentives and co-operative marketing programmes available to encourage airlines to develop new services and help support new services and routes once they are up and running. The Dublin Airport Authority, DAA, recently signed a twinning agreement with Beijing Capital International Airport which will allow the two companies to co-operate to further commercial and tourism links between the two cities. The agreement is also designed to enable the two airports to engage in a joint marketing initiative to deliver direct airline services between Dublin and Beijing.

While we do not yet have direct air links to Asia, Ireland has extensive one-stop connectivity with most major cities in Asia through established European hubs such as Heathrow, Amsterdam, Paris and Frankfurt airports. Connectivity with Asia has been further enhanced in recent years with direct services from Dublin to Istanbul by Turkish Airlines, the commencement of Etihad services to Abu Dhabi in 2007 which run ten times a week and, more recently, daily Emirates services to Dubai, all offering one-stop connectivity to a large number of points in Asia through their respective hubs.

As mentioned, aviation is a key enabler of economic growth. It is important, therefore, that

there is a clear policy framework in place to facilitate its continued development and optimise the contribution the sector can make to the economy. As a first step in the process to develop a new national aviation policy, my Department and the Irish Aviation Authority, IAA, hosted a conference on 3 December 2012 in the National Convention Centre to hear the views of stakeholders and start the debate on the issue. Taking account of the issues raised at the conference, an issues paper was published on my Department's website in February 2013. The paper poses a number of questions and covers eight broad areas: airports; air services; regulation and governance; aircraft leasing and finance; aerospace, education and training; general aviation; and sustainability. A total of 74 submissions were received in response to the consultation from a wide range of interests. The number and quality of the submissions received are very encouraging and demonstrate the strong interest there is in shaping future aviation policy in Ireland. The submissions are being reviewed and the intention is that a draft national aviation policy statement will be issued before the end of the year which will provide a further opportunity for stakeholder input before the adoption of the new policy document in early 2014.

The importance of connectivity generally is highlighted in a number of the submissions and the importance of direct services to Asia is also raised. The Ireland China Association made a submission highlighting the benefits which could follow from services to China. My Department and I will continue to work closely with the airport authorities, airlines and tourism agencies to encourage the development of direct air links with Asia. The intention behind developing the new aviation policy is to provide a clear framework for the expansion of the sector and, in particular, improving our international connectivity. However, decisions on individual air routes will be made on a commercial basis by the airlines in question which must be confident they will be able to sell a sufficient number of seats at a sufficient price to cover their costs and make a profit.

Deputy Andrew Doyle: I thank the Minister for taking this issue and his comprehensive answer. For any airline to consider a direct route, it would have to be based on a commercial principle. The fact that there are reasonable one-stop alternatives in place is something we would have to examine. Nonetheless, for many years we have tended to look to markets in the United Kingdom and elsewhere in Europe in the first instance, as well as North America. Particularly in agri-food exports, we have competed with the Australasian countries which now have greater direct access to Asian destinations, particularly Hong Kong and Bangkok, if not China. There are other reasons they have historically become the destinations and hubs. We are still competing with them, but our market has moved and we need to follow it as best we can. It has been proved time and again that one needs as direct access as possible. Tourists will visit the first country they come to. The Emirates flights give people direct access from the Middle East to Ireland as opposed to another major European city, which is welcome.

4 o'clock

However, there is further potential in China and elsewhere in Asia. We should work with the industry and carriers to see if they will take a risk, even for a 12 month pilot initiative, to see how we get on.

Deputy Leo Varadkar: Deputy Doyle and I are in broad agreement on this matter. Direct services from Ireland to Asia, and China in particular, would be beneficial. One stop access is useful but not as good as direct services by any means. Routes would of course have to operate on a commercial basis because we are not going to use taxpayers' money to subsidise businessmen travelling to and from China. However, the Government and State companies can help.

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For example, Tourism Ireland offered marketing supports on the San Francisco route and other long haul services to promote the new routes. The Dublin Airport Authority, Shannon Airport and other airports can also offer incentives in this regard. The normal incentive offered by State airports for new long haul routes is to waive airport charges for five years. These elements are in place and the Government can also step in with bilateral air service agreements and freedom rights where necessary. It is something we are keen to see happen. Improved access to the Middle East has been delivered and the west coast of the USA will be accessible from next year. After that, year round flights to Moscow and direct access to China or another Asian country are the next tasks on the list.

Community Nursing Units

Deputy Brian Stanley: I thank the Minister of State at the Department of Health, Deputy Kathleen Lynch, for taking this Topical Issue. We are revisiting the question of nursing homes in County Laois. I want to deal directly with the nursing homes in Abbeyleix, Shaen and Mountmellick. More than two years ago a campaign was started to save Abbeyleix and Shaen hospitals. In the intervening period we have organised marches, petitions and meetings with Ministers in an effort to resolve the issues arising. On 9 December 2011 the HSE wrote to the relatives of patients stating that the HSE's decision to revoke its earlier decision to close the Abbeyleix unit was intended to enable a consultation process regarding the potential closure of the nursing homes. A long and protracted consultation process took place after that letter was issued and it was finally completed in August 2012. The Minister of State confirmed at that stage that all relevant documentation, information and submissions were presented to the designated officer in the HSE, who was to formulate recommendations for submission to the Department of Health. We were led to believe that once these recommendations had been submitted a decision would be made prior to Christmas. The Minister for Health was expected to make an announcement in advance of that date. Several other dates came and went on which announcements were expected regarding Abbeyleix and Shaen.

On 30 April the Minister of State noted in reply to a parliamentary question that the recommendations were being considered by the Minister and that it was anticipated an announcement would be made shortly in respect of both facilities. Nothing has happened in this regard. Government sources were letting it be known in the constituency that a decision would be made before the summer recess but that did not happen either.

According to HIQA, capacity for up to 34 beds is to be approved in Abbeyleix. The occupancy figure has fallen well below 20. The picture in Shaen is similar. I am concerned that the Department and the HSE is deliberately reducing the number of patients in each of these facilities in order to make them look uneconomical because the staff-patient ratio will result in a cost per patient that is high enough to justify their closure.

St. Joseph's ward in Mountmellick nursing home was closed during the term of the last Fianna Fáil Government. It is a modern facility which needs to be brought back into use for the growing number of elderly patients in the county. Patients and their families have been anxiously waiting. The hospital committees, which are very supportive, have also been waiting anxiously waiting. The staff are looking for answers. I cannot get an answer as a local representative even though I have been told repeatedly that the issue will be addressed. We should be getting certainty after waiting two years.

Minister of State at the Department of Health (Deputy Kathleen Lynch): I thank Deputy Stanley for raising this issue. He is correct that significant concerns have been expressed on this issue over the past two years but I think he will acknowledge that the reversal of the original decision was a good thing. It is important that we take our time when we make our decisions. There are six public nursing units in counties Laois and Offaly, namely, Abbeyleix Community Nursing Unit, St. Brigid's Hospital, Shaen, Birr Community Nursing Unit, St. Vincent's Hospital, Mountmellick, Riada House, Tullamore, and Ofalia House, Edenderry. All six were registered with the Health Information and Quality Authority in 2012 for a period of three years. In recent times the future of facilities at Shaen and Abbeyleix has been under consideration by the Health Service Executive. Mountmellick has not been considered in this context.

In October and November 2011 the HSE announced the closure of St. Brigid's Hospital, Shaen, and Abbeyleix Community Nursing Unit. However, in recognition of strong views held by residents and others, the HSE agreed to review the position for both facilities and to embark on an entirely new consideration of relevant issues. This new process began with a comprehensive consultation exercise. Central HSE protocol sets out how consultations and subsequent decision making should operate in this context. This protocol sets out the following - who should be consulted, including residents, next of kin, interested parties, action groups, public representatives, unions and staff representation; and a named HSE official, known as the designated officer should be given responsibility for considering all of the available views, information and evidence, and for proposing a course of action based on these considerations. The factors that should be considered by the designated officer are also specified in the protocol. These include issues arising from the range of views expressed through the consultation process, the context and validity of the submissions received, an assessment by the relevant managers of the position, a medical review of the residents and relevant additional information. This protocol was applied in May 2012 with the launch of a public consultation process regarding a proposal to consolidate the number of nursing units in the Midlands and the potential closure of Abbeyleix and St. Brigid's Hospital.

Arising from the public consultation, all relevant information and submissions were presented to the designated officer on 16 August 2012. Almost 100 submissions were received and over 60 meetings took place with interested parties, 55 of which were with residents or next-of-kin. In line with the HSE protocol, the designated officer confirmed that the relevant procedures and processes had been fully adhered to in considering these cases. He also confirmed that he reviewed all submissions received along with the other relevant documentation described above. All of the available relevant information is currently being re-examined by the HSE with a view to finalising a recommendation to the Department and this process is expected to conclude shortly. An announcement will be made at the earliest opportunity once the Minister receives the HSE's definitive position.

I agree with the Deputy that people find themselves in a type of limbo but the position is much better now than was the case two years ago. An announcement is expected shortly.

Deputy Brian Stanley: I thank the Minister of State for her reply. It is good to see her in full health again. I heard that she had a bit of a mishap.

The Minister of State has outlined the process in a very comprehensive way. The problem is that the designated officer has had these papers since 16 August 2012. Today is 18 September 2013 and more than 13 months have elapsed. I agree with the Minister of State that it is good it was stalled because it gave us a chance to make the case. I note that she has stated an announce-

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ment will be made shortly which I welcome, but I have heard it before, as have many others. Does the Government have a comprehensive plan for efficient public nursing home provision in the State? The Minister for Finance is in the House and will state he does not have money to throw around. However, if the number of patients is reduced and we have a high ratio of staff to patients, the cost will increase. There is no need for this to happen in Abbeyleix because it has facilities for 34 people. Does the Government have a plan for a good and efficient network of public nursing homes? Is the plan to continue what the previous Government did, which was to run down and reduce the number of public nursing home beds in the State such that we would be left with a tiny number where only the highest dependency patients, those the private nursing homes will not touch with a barge pole, would be taken? That is my concern. Will the Minister of State give an indication as to whether we must wait another two years, two months or two weeks? The HSE has had the papers for 13 months. How long does it take it to make a decision?

Deputy Kathleen Lynch: I agree that we cannot wait another two years for a decision, but I am not certain the decision will be made by the HSE. It will make a recommendation and ultimately the Minister will make the decision.

Deputy Brian Stanley: I understand that.

Deputy Kathleen Lynch: I hope it will be done very shortly, as people need to know exactly what the future holds for them. We have 129 public nursing units in the State. Very good research and work have been done in the past two years and we have discovered that we have sufficient beds for now, but I agree that there will come a point when we will not have enough because of our ageing population, which is a Europe-wide problem. We will eventually need additional public and private nursing home beds. We must ensure that when it comes to State-provided care which we must accept is more expensive because of a myriad of elements involved, older people are correctly placed. We know that in the past people were very inappropriately placed and we do not want this to happen again. As we age, we do not want this to happen to us. Work and research have been done and we are very conscious of our future needs.

Deputy Brian Stanley: What about the timeframe involved?

Deputy Kathleen Lynch: I cannot give an exact answer, but I will commit to making further inquiries as a result of this question and try to get an answer for the Deputy.

HIQA Reports

Deputy Ciara Conway: During the summer a report was published which outlined huge failings by a number of health care providers in hospitals throughout the country with regard to hygiene. Last week Dr. Tracey Cooper from HIQA appeared before the Oireachtas Joint Committee on Health and Children. She stated hand hygiene good practice did not require monetary investment. It is not often we hear that improving outcomes for patients does not require money. What it does require is cultural change and leadership. Some of those best paid from the public purse are hospital consultants and they should be the leaders and drivers of change in culture in hospitals. However, basic issues such as hand hygiene standards are not adhered to.

During an unannounced visit to Waterford Regional Hospital in June, 45 hand hygiene opportunities were observed by the relevant person but only 20 were taken, of which only 19 were

compliant. This is a serious breach of trust between the public and care providers. Over the weekend I had the misfortune of having to attend the local accident and emergency department with a family member. We received wonderful service and were tended to very efficiently by the staff. On our way in I observed there was no signage to tell members of the public to clean their hands. We had to seek hand gel. This is very basic. We have an issue with trying to change the culture in hospitals and this issue needs to be examined. It does not require monetary investment, but we know from evidence and best practice throughout the world that it is the single most effective way to ensure we prevent health care associated infections.

I have spoken to people who have tragically lost family members to health care associated infections. What recourse will there be with regard to hospitals in breach of such basic hand hygiene standards? HIQA's role is to monitor and work with hospitals to try to improve hand hygiene, but there are no consequences for public hospitals which continuously fail to meet basic hygiene standards. It is our wish that we will never have to impose sanctions on hospitals for failing to meet hygiene standards, but it is imperative that we act to ensure hospitals are encouraged and supported to meet them. I am sure other public representatives have also come across people who are afraid to go to hospital because they fear they may become sicker, rather than getting better. The public has a huge role to play in adhering to hospital visiting policies. We also need leadership within the hospital system and must ensure those in positions of authority and leadership lead on very basic matters such as hygiene, particularly hand hygiene.

Deputy Kathleen Lynch: I am taking this matter on behalf of the Minister for Health and thank the Deputy for raising it.

I just asked the Minister for Finance when the Crimean war occurred and he told me that it was around 1880. That was when Florence Nightingale decided washing one's hands and being clean were important to prevent infection. Perhaps we should call this the Florence Nightingale campaign and remind people that washing our hands is important. I wonder how many of those who work in hospitals would cook their dinner at home without washing their hands.

The prevention and control of health care associated infections, HCAs, is one of the Minister's priorities in protecting patient safety. HCAs represent a major cause of preventable patient harm and increased health care costs. Since late 2012, the Health and Information Quality Authority, HIQA, has been carrying out a monitoring programme against the national standards for the prevention and control of health care associated infections, 36 of which have been completed. The Minister and the Department welcome the publication of HIQA's reports and note the concerns raised in these and previous reports about hand hygiene practices, particularly among medical staff. With regard to hand hygiene, the findings of the authority suggest hand hygiene best practice needs to become more operationally embedded at all levels.

Improving patient safety is foremost about achieving a culture of patient safety, rather than the imposition of sanctions, which may be counterproductive. Achieving this culture of patient safety, in which best practice in hand hygiene is embedded, requires actions at all levels. It is the responsibility of management and clinical leadership to make this a priority and ensure that the correct conditions to allow for the improvements in hand hygiene compliance are in place.

It must be emphasised that it is of vital importance that health care workers recognise their personal responsibility to protect patients by maintaining their own good hand hygiene. I am extremely disappointed to note that, despite the Health Service Executive's initiatives to develop an organisational culture of hand hygiene, a significant number of health care staff, including

doctors, are still not adhering to the basic principles of hand washing. I very much support the HSE's ongoing work through its national programme of activity to raise awareness among staff, monitor compliance with national standards and take action to reduce HCAs in hospitals. A key element of this programme is the HSE's continuing biannual hand hygiene audits, which occur both in the acute sector and in the long-stay area. Additionally, from July of this year it has become mandatory for all staff to receive hand hygiene training as part of staff induction, and an education programme that will take place every two years is being established.

The HSE audits have shown an encouraging improvement in hand hygiene compliance, with the most recent figure of 84.3% compliance overall at October 2012. This figure represents a significant increase from June-July 2012, when it was at 81.6%, and was just below the target of 85% for 2012. The Minister will be studying the statistics from the latest hand hygiene audits which took place earlier this year when they are published in the near future. I hope the compliance rate will have improved and will be closer to the HSE's target rate of 90% for 2013.

I am also reassured to note that MRSA rates are at their lowest level in seven years. The number of cases of MRSA has fallen by 59% between 2006 and 2012 - from 592 to 242 - and the downward trend is holding per statistical returns to date. However, there is no cause for complacency as there continues to be significant room for improvement, particularly among medical staff. With this in mind, the Chief Medical Officer of the Department of Health has written to the chair of the Health and Social Care Regulatory Forum asking that the forum consider the matter and submit proposals as to how it might adopt a common approach to raise awareness of hand hygiene, in particular, and support and reinforce compliance with this very important patient safety issue.

Finally, the licensing of health facilities Bill, which will provide for a mandatory system of licensing for public and private health service providers, will further strengthen and reinforce the actions that are being taken to ensure a culture of patient safety. The proposals are designed to improve patient safety by ensuring that health care providers do not operate below core standards, which are applied in a consistent and systematic way. Standards and other requirements will be enforceable through inspection and imposition of sanctions as necessary. Again, it is incredible that people would have to be told all of this.

Deputy Ciara Conway: The Minister of State might be right about calling it the Florence Nightingale campaign. Now that we have secured the Rosie Hackett bridge, maybe we can ensure we will have clean hands, and that will be thanks to another woman.

It is incredible and a little disappointing that the HSE's target figure for compliance for last year was only 85% and for this year it is only 90%. Surely its target should be 100% for something as basic as hand hygiene. I welcome the indication that some of these standards will be enshrined in the licensing of health facilities Bill. The Minister of State might be able to give some indication as to when that Bill is likely to be published and taken on the floor of the House.

It is incredible that some of the most highly paid professional people in this country, who are paid from the public purse and who also get huge resources in terms of the education they receive, cannot do something as basic as washing their hands. As a mother, I taught my daughter from a very early age the importance of hand hygiene, yet we consistently have failure by some of the most educated people in this country to do something as basic as washing their hands.

As the Minister of State said, this endeavour goes back to the time of the Crimean War, when it was discovered that if people washed their hands, maternal death rates plummeted. This is something hospitals all over Europe struggle with in terms of controlling hospital infections. I think it incumbent on those in leadership positions in hospitals to embed a culture of change. When one is in a hospital facility, one often sees medical people coming out in their scrubs or uniforms to go for their coffee or lunch. That kind of practice needs to stop to ensure we have clean and safe hospitals for the public.

Deputy Kathleen Lynch: Sometimes the most difficult changes to make are cultural and attitude changes - they are not the most expensive but they are often the most difficult. A few years ago, we were all encouraged, as patients - which I am sure we all will be at some stage of our lives - to ask clinicians whether they had washed their hands. However, it is not quite that simple when a patient is solely reliant on that clinician for his or her care. There must be a cultural shift in terms of hand hygiene. As I said earlier, which one of us would start to prepare our food without washing our hands? When talking about an area where, by its very nature, there is a risk of infection, we have to be far more careful.

In regard to the legislation, we are trying to have the domestic legislation front-loaded in the next session because we feel it is important given all the work that had to be done in regard to the financial mess in which we found ourselves. We are trying to front-load the domestic legislation and I hope this Bill will be taken as well.

Deputy Finian McGrath: The Government is great at washing its hands.

Credit Unions Issues

Deputy Seán Ó Fearghail: I welcome the Minister, Deputy Noonan. Newbridge Credit Union has been to the fore during the course of the summer and I expect the difficulties we have been having in Newbridge are difficulties that we may well experience in other parts of the country in the period ahead. I will say to the Minister first and foremost that he should see Newbridge as a template of what should not be allowed to happen if there are difficulties in other credit unions.

In April of last year a special manager was appointed. It has to be said there was a dearth of communication from that special manager until, in the middle of this summer, a local action group was formed, which raised the ante very considerably. The north Kildare Oireachtas Members have all worked closely together on this matter to try to find a resolution. However, we learned from the special manager and, in the last week, from the regulator in the Central Bank that they see only two solutions to the problems at Newbridge Credit Union, namely, liquidation of the union or its forced amalgamation with some other entity. I want to say to the Minister without equivocation that I am convinced the only answer to Newbridge's problem rests in a community-based solution and, therefore, that the solution should be in Newbridge itself and should not include the forced amalgamation of Newbridge Credit Union with any other credit union.

In the course of the last 20 months, the decent, honourable people who, as volunteers, have been directors of Newbridge Credit Union have been subjected to innuendo and rumour, which I am sure the Minister and anybody else in public office would not stand over. However, because of the veil of silence that has been drawn by the Central Bank and the courts over this

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matter, they have stood accused of mismanagement of the funds available to Newbridge Credit Union, which are substantial - €163 million in savings.

I am firmly convinced that the Minister is the only person who, at this point, can find a resolution to this problem. I welcome the fact that he is meeting the action group tomorrow. I call on him to intervene in this crisis to ensure we can find a community-based solution, so the decent people whose names have been damaged can be exonerated as soon as possible.

Deputy Anthony Lawlor: I thank the Minister, Deputy Michael Noonan, for coming to the House to deal with this serious matter for the members of both Newbridge and Naas credit unions. I am a member of the latter organisation and am coming at the issue from a Naas perspective. I hope the Minister will be able to allay the fears of the people of both towns. Will he ensure, for example, that there are sufficient funds, should the proposed merger take place, to cover the existing loan book of the Newbridge facility? There is a fear among members in Naas that the funds will not be adequate not only to cover already problematic loans but also loans that might become problematic in the future.

There is also a concern among members of Naas credit union that their voice will be diluted as a consequence of the proposed merger. I am seeking an assurance that they will continue to have a strong voice in the organisation they worked hard to develop over many years. As it stands, members receive dividends on an annual basis. Can the Minister confirm that members of the proposed merged entity will continue to be facilitated with an annual dividend?

Deputy Martin Heydon: I thank the Minister for taking this Topical Issue matter. Under the legislation, the role of the special manager at Newbridge credit union was envisaged as one that would be conducted in an expeditious fashion, for no longer than six months, and at the least possible cost to the State. After 21 months in the role, Mr. Luke Charleton's tenure can be said to have been a failure on all these fronts. The lack of clear and concise information during this time has caused huge confusion among members. People have a great many questions and it is incumbent on the Central Bank to answer them. For example, if the situation is as bad as the bank has indicated, how was it allowed to get to that point? What types of loans were given out and who were the recipients? Where is the money that has been lost? It must be somewhere. When did the Regulator and the Central Bank first become aware of the non-traditional lending to which they referred? Did they act straight away when they made the discovery and, if not, why did they not do so? If immediate action was not taken, there is a significant impact in terms of the credibility of those institutions putting forward solutions.

Any solutions that are considered must be in the best interests of the members of Newbridge credit union and the taxpayer. Why are the alternatives of merger and liquidation the only options being put on the table? If tens of millions of euro in taxpayers' money will be needed, as the Central Bank has suggested, why can it not be put directly into Newbridge credit union as part of a stand-alone resolution? Members do not understand why that cannot be done. Their loyalty to the facility has seen many of them retain their savings in shares without any dividend for the past three years, without any expectation of such in the short term and in the absence of any information as to what the outcome of the resolution process might be.

I do not expect the Minister to be in a position to answer all of these questions today. However, the Central Bank must provide the answers as soon as possible. It is the least people in Newbridge deserve.

Minister for Finance (Deputy Michael Noonan): I thank the three Deputies from Kildare for raising this issue. I am particularly grateful to Deputy Martin Heydon for keeping me informed throughout the holiday period of the strength of feeling locally. Several Deputies, including the three who spoke today, have in recent months raised issues of concern to the members of Newbridge credit union. My objective is to ensure members' savings are protected, notwithstanding the extent of the very real problems that exist at the union.

This will be the first instance in which the taxpayer is being called upon to advance sizeable sums of money to support a credit union in difficulty. While the figure cannot be disclosed at this time, it is substantial and runs into tens of millions of euro. This funding is required to cover the losses at Newbridge, ensure members' savings are protected and place the credit union on a stable financial footing. The money will come from a resolution fund to which the Government has contributed €250 million of taxpayers' money, recoupable over time from credit institutions via a levy. Combining Newbridge and Naas credit unions will ensure that services continue to be available in Newbridge. There is no question of members of the latter facility having to travel to Naas to access services. Furthermore, Newbridge members will hold full membership rights in the combined credit union.

There has been a suggestion that Newbridge had a clean bill of health until the appointment of the special manager. In fact, that appointment was made because of Central Bank concerns in regard to the high level of loan losses incurred by the credit union, which impacted on the level of its reserves. There were also concerns about some of the lending made, which went beyond the traditional type of lending normally provided by credit unions. Without the appointment of the special manager, the position of Newbridge credit union would have continued to weaken and deteriorate, which could have had serious consequences in terms of undermining its future viability.

Members raised the prospect of a stand-alone resolution for Newbridge. Under the resolution process it is not possible to recapitalise a credit union on a stand-alone basis. I have been advised by the Central Bank that of the options available under the Central Bank and Credit Institutions (Resolution) Act 2011, a combination with Naas represents the best way of delivering a sustainable credit union presence in Newbridge into the future. The extent of the problems at Newbridge means it is not sustainable for it to continue as a stand-alone entity. As a resolution case with financial difficulties and viability concerns, nor does it meet the statutory conditions for stabilisation support.

The Central Bank undertook a process under the Act involving the examination of possible combinations with other credit unions. As part of this process, Naas credit union submitted a proposal to the bank, setting out the basis upon which it would be prepared to combine with Newbridge. At the request of the Governor of the Central Bank, I have confirmed that I am prepared, in principle, to support the proposal. However, it remains subject, among other requirements, to due diligence, completion of relevant documentation, Naas credit union board approval, regulatory consideration and High Court approval. I expect these steps to be completed expeditiously and that the Naas-Newbridge combination will be finalised by the end of this year. To reiterate, the successful combination of the credit unions is considered the best way to ensure the continuity of services for members in Newbridge.

The issue of dividend payments to Naas members for the current year is a matter for the board of Naas credit union and, following the combination, will be a matter for the board of the merged entity in future years.

The strict confidentiality provisions of the legislation are necessary to allow space for negotiations to be undertaken and concluded. In this case, however, it has also resulted in an information deficit at local level. The Central Bank and the special manager have been working to address this in recent weeks and a number of communications have issued, with further details to be made available. The special manager has also provided members with a dedicated e-mail contact address for queries. It is important that the remaining steps of the process conclude as expeditiously as possible and I have asked my Department to work with the Central Bank to achieve this. While the need for a significant taxpayer injection in this case is deeply regrettable, it is necessary to ensure the protection of members' savings and the continued availability of credit union services in Newbridge.

Deputy Seán Ó Fearghail: I am shocked and disappointed by the Minister's response. It is vital that a local resolution to this matter be found. As these types of problems continue to afflict communities across the country, similar local solutions will be required in other locations. Combining Naas and Newbridge credit unions does not represent an adequate solution. The idea that one would address the problems in Newbridge by forcing its 38,000 members to join up with the 22,000 members in Naas is incredible. It is not the way we should go.

On the issue of non-traditional lending, if such practices were at play in Newbridge over a period of time, surely that should have been known to the auditors of the credit union and certainly to the special auditors, Grant Thornton, appointed to the union to report to the Central Bank on a three-monthly basis. It is something that should have been known to the Central Bank long before now.

Deputy Anthony Lawlor: I welcome the response of the Minister. I am a member of Naas Credit Union and do not feel reassured by what the Minister said. As has been the problem all along, there is an information deficit concerning the special manager and the Central Bank. Fears about the scale of the loan book of Newbridge Credit Union, the size of the membership of Newbridge Credit Union in merging with Naas Credit Union and the lack of a voice the latter will have in the merged entity have not been allayed.

Deputy Martin Heydon: I thank the Minister for his response. At our meeting with the Central Bank last Friday I asked direct questions about when the Central Bank had concerns. I specifically asked about a meeting that was supposed to have happened in 2005 between the regulator, the registrar and the board of directors. A fair description is that we were stonewalled, with a lack of information from the Central Bank. I want an assurance that at the end of the process we will have a full and frank outlay of information about who knew what in order that we can ensure the mistakes that happened in Newbridge and the manner in which the matter has been handled do not happen again. If mistakes were made in Newbridge, they were not made by the 38,000 ordinary members or the businesses in the town that have suffered owing to the lack of dividends paid for the past three years.

Deputy Michael Noonan: There is always a difficulty in giving information on financial institutions under pressure. Everyone in the community in south Kildare knows that there was a significant movement of deposits out of Newbridge Credit Union during the summer and extra information would have fuelled it further. I want to reassure people that there is no risk to anyone's money in Newbridge Credit Union. The Central Bank, through the use of the special fund, will protect the savings of all depositors in Naas, not just depositors below the sum of €100,000. It gave these guarantees coming out of August and stopped the movement of deposits. While it is regrettable that Deputies were not given full information, the provision of full information

for the public would have made matters worse in midsummer. There is a real difficulty in Naas and Deputy Seán Ó Fearghail will revise his opinion when he gets the full information and the confidentiality clause imposed by the High Court is removed. I will co-operate with Deputies and give them as much information as I can. I am delighted to be in a position to meet the local committee tomorrow in the Department and will be as frank as I can with information. I assure everyone that there is a real difficulty that has been taken in hand. It will cost the taxpayers an awful lot of money. It is the first big credit union to be in difficulty. We have all had reports on the credit union movement and, by and large, it is sound. There are over 400 individual credit unions, of which about 30 are in difficulty. The credit unions, the Central Bank and the regulator of credit unions are moving systematically to ensure one of the finest institutions we have is secured nationally and in all of its branches by one intervention or another.

Leaders' Questions

An Ceann Comhairle: We now move to Leaders' Questions.

Deputy Thomas P. Broughan: On a point of order, why are we not permitted to deal with a private notice question which I submitted on Priory Hall? I refer to the importance of the matter. I asked the Ceann Comhairle to allow a private notice question to be taken in order that the Minister-----

An Ceann Comhairle: I ask the Deputy please to resume his seat.

Deputy Bernard J. Durkan: The Deputy should not be like that.

Deputy Timmy Dooley: The Ceann Comhairle is regretting that he gave the Deputy leeway.

An Ceann Comhairle: I ask Deputy Broughan please to resume his seat.

Deputy Thomas P. Broughan: I tabled a private notice question to allow the Minister, Deputy Phil Hogan, to answer to this House for the situation in Priory Hall. It is not funny, Minister.

An Ceann Comhairle: I am on my feet and ask the Deputy please to resume his seat.

Deputy Thomas P. Broughan: It is not funny.

Deputy Phil Hogan: I am not laughing.

Deputy Thomas P. Broughan: The son of a friend of mine is dead and people are in a desperate situation. The Minister and the Taoiseach did nothing.

An Ceann Comhairle: I ask the Deputy please to resume his seat.

Deputy Micheál Martin: In 16 days the people will vote in a referendum on the abolition or retention of the Seanad. The Government has decided not to give the people the option of reform and it is fair to say this is the only major constitutional change to our political system that

the Government is planning. It involves over 40 amendments to the Constitution. The people take the Constitution seriously. The Government is spending over €14 million on the referendum - €14 million that will be taken from public services this year. This hides the fact that not one red cent will be saved during the lifetime of the Government until 2016. The Taoiseach and people around the country have yet to receive the Referendum Commission's leaflet. I have been on doorsteps talking to people, many of whom have not yet engaged in the debate. Time is running out. Given that this is the Taoiseach's initiative which he is putting to the people, will he explain why he will not take part in a debate on the national airwaves with Opposition party leaders, including Deputy Gerry Adams, to argue the merits or demerits of a fundamental change to the Constitution? It involves the elimination of one tier of our parliamentary system. It is an important tier and an important issue which merits debate between the political leaders of parties and others. Will the Taoiseach explain why he will not take part in such a debate?

The second question is whether, in the event that the referendum proposal is defeated, the Taoiseach can confirm that he will facilitate radical reform of the Seanad, beginning with giving people the right to vote for their own Senators, which could be done through legislation.

The Taoiseach: For 50 years the political system has failed to deal with Seanad Éireann. That is why, having looked at the question of reform of the Seanad, I came to the conclusion that it was not reformable. It either still involves a minority, is discriminatory or a replica of this House. It has no constitutional function in holding the Executive of the day to account. That constitutional responsibility rests with this Chamber, Dáil Éireann. The people are being asked a straight question as to whether they want to retain or abolish Seanad Éireann. I am very strongly in favour of the latter. It is not necessary in a country of this size, where constitutional responsibility is vested in this House, where the changes being made will engage with civic society and the people in a way intended by the original principles of Seanad Éireann but which never happened because of the process being hijacked by all political parties for many years.

Deputy Finian McGrath: Except the Independents.

The Taoiseach: That is the answer to the second question. The answer to the first question is that I do not want to embarrass Deputy Micheál Martin.

Deputy Patrick O'Donovan: Brian Dobson did that last night on "Six-One".

Deputy Finian McGrath: This will abolish democracy.

Deputy Micheál Martin: The Taoiseach has failed to answer the two questions I asked, not for the first time in this Chamber and not for the first time during Leaders' Questions. Despite his protestations about being accountable to the House, he shows little sign of wanting to be accountable to the House or the people.

On the question of why he will not take part in a televised debate, I would put it to the Taoiseach that he owes more to the Irish people. In any modern democracy, it is the least that one can expect of leaders of political parties or those who put forward substantive fundamental reform of the Constitution. The Seanad has important constitutional functions. We would not be going to the people with this referendum if it did not.

An Ceann Comhairle: A question please.

Deputy Micheál Martin: It is incredible in a modern democracy that the Taoiseach put

forward a proposal to fundamentally alter the Constitution and yet is not prepared to take part in one of the basic elements of democracy, which is to debate and argue the merits or demerits. The Taoiseach may give a glib smart reply today but that does not really answer the substantive point I am making to him, that is, the obligation on a leader of Government to come out openly into the public domain on the national airwaves and argue the merits or demerits of a particular proposal.

The second point is that, of course, the Seanad is reformable if one wants to reform it. What I asked the Taoiseach was, in the event of the Seanad proposal being defeated-----

Deputy Regina Doherty: Why did Deputy Martin's party not do so?

An Ceann Comhairle: Would Deputy Doherty please adhere to the rulings of the Chair?

(Interruptions).

Deputy Finian McGrath: The Independents are trying to reform it and the Government blocked it. The only ones who knew what it was.

Deputy Micheál Martin: In the event of the proposal being defeated, would the Taoiseach then facilitate reform of the Seanad?

Deputy Finian McGrath: The Independents are trying to reform it and the Government blocked it.

Deputy Micheál Martin: That is all I asked the Taoiseach. If it was defeated, would the Taoiseach - yes or no - facilitate the reform of the Seanad because he is not giving the people the option? If the people vote him down, will the Taoiseach then facilitate it?

An Ceann Comhairle: Deputy Martin is over time.

Deputy Micheál Martin: It is an important point.

The Taoiseach: Deputy Martin will not walk me down that avenue.

Deputy Micheál Martin: Sorry?

Deputy Michael Healy-Rae: The Taoiseach is not answering the question.

The Taoiseach: I am around long enough to have every faith and belief in the decision of the Irish people.

Deputy Finian McGrath: The Taoiseach should deal with the cost issue, that the Government is making up the figures.

The Taoiseach: The people are being asked a very straightforward question, which is part of the process of changing the way politics should be run in this country which Deputy Martin and his party failed to deal with over the years. We are now, as part of a process of reducing the number of elected councillors with the elimination of town councils-----

Deputy Michael Healy-Rae: Is that supposed to be good?

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Deputy Niall Collins: A power grab.

Deputy Michael Healy-Rae: A dictatorship.

The Taoiseach: -----and by the amalgamation of a number of county councils and by a changing of the relevant electoral areas for those councils, and by reducing the numbers in the Dáil, admittedly by a small number, providing an opportunity to abolish Seanad Éireann and transform this House into what it should be - a Chamber where the elected representatives of the people can hold the Executive to account.

Deputy Micheál Martin: A Chamber of guillotines.

The Taoiseach: That is why the changes that are happening here will engage with the Irish people in a way that was never done before, except in the most recent cases of the legislation dealing with the loss of life during pregnancy.

Deputy Martin set out his own programme. It is difficult to debate with somebody-----

Deputy Micheál Martin: It is not; it is very easy to debate.

(Interruptions).

The Taoiseach: One day Deputy Martin states his party is for the abolition of the Seanad and wants to get rid of the Seanad and the next day states his party thinks it should be retained.

Deputy Simon Harris: Deputy Martin should debate that one.

Deputy Timmy Dooley: The Taoiseach himself did a bit of that. He was for it one day and he was getting rid of it the next.

The Taoiseach: It is always a difficulty to know which Deputy Martin will turn up in a debate, wherever around the country.

Deputy Micheál Martin: The Taoiseach was 34 years supporting the Seanad.

The Taoiseach: I would also make the point to Deputy Martin that it was his own party that shot down the proposals put forward for Seanad reform by former Minister, Ms Mary O'Rourke, in 2003.

Deputy Micheál Martin: Let us debate it.

Deputy Niall Collins: The Taoiseach is like Big Bird over there with yellow feathers.

The Taoiseach: Deputy Martin could have implemented those with the assistance of those who were in the Progressive Democrats party at the time.

Deputy Micheál Martin: The Taoiseach should debate with me. All I am asking him is to debate it.

Deputy Barry Cowen: There is only one minute left.

The Taoiseach: Deputy Martin also shot down the changes that were proposed for the com-

mittee system and what he did, in fact, was try to buy them off by having Chairs, Vice Chairs and convenors.

Deputy Barry Cowen: The time is up; the debate is over.

(Interruptions).

The Taoiseach: All of these positions that were paid for by the taxpayer are gone. That is all gone.

Deputy Micheál Martin: Will the Taoiseach debate?

Deputy Sean Fleming: Is that a “yes” or “no”? Will the Taoiseach debate it?

The Taoiseach: The position is: I look forward with enthusiasm to the decision of the Irish people.

Deputy Niall Collins: The Taoiseach is chickening out of a debate.

The Taoiseach: The people know their politics.

Deputy Niall Collins: Big Bird.

The Taoiseach: The people know the value or otherwise of Seanad Éireann and they also understand that it is in this Chamber that the Government of the day must be held to account and that we will see to it that that is allowable for the changes that are taking place in terms of legislation, analysis, etc.

Deputy Micheál Martin: Let us debate it.

The Taoiseach: That is why, if Deputy Martin thinks about it, one does not have written questions or questions to Ministers from the Seanad. It is not the body to hold this place to account. That is another reason why.

Deputy Micheál Martin: That is wrong. Ministers went before the Seanad a couple of times with amendments. Ministers are accountable to everyone. Of course, they are. The Taoiseach should know the Constitution.

An Ceann Comhairle: Would the Deputies please adhere to the Chair? We are away over time.

The Taoiseach: The people in this country like to be very clear about where they stand. The question, yes or no, is “does one want to hold on to the Seanad or does one want to abolish it?”.

Deputy Barry Cowen: The Taoiseach has bigger numbers in there and he can get his own way more easily. Will he debate, yes or no?

Deputy Timmy Dooley: The Taoiseach can railroad matters through. He has a much bigger majority.

The Taoiseach: I hope that the people give a resounding answer to abolish it and let us get on with our business here of making this place truly democratic and truly answerable to the

people of the country through the elected representatives of this and all other parties.

Deputy Gerry Adams: Ar dtús baire, cuirim fáilte ar ais roimh na Teachtaí go léir. Roimh tosú, b'fhéidir go nguífidh sibh lá breithe sona dár gcara, an Teachta Caoimhghín Ó Caoláin, atá ag ceiliúradh breith lá tábhachtach inniu. Ar aon nós, tá súil agam go bhfuil an Taoiseach agus na Teachtaí ar fad réidh don téarma atá romhainn. Tá an Taoiseach agus an Rialtas ag cur buiséid le chéile, ach níl seans ar bith ann go mbeidh daoine in ann glacadh le droch buiséad eile.

The Taoiseach knows that working lower and middle-income families and communities out there just cannot bear another heavy budget. The Taoiseach has spoken about a tough budget. Does the Government intend, like an austerity junkie, to continue with this programme and the €3.1 billion target? It is not just about how much the Government will take out of the economy. It is also about who pays for it and what the Government does with the money which is accumulated.

It is clear that the Government's previous budgets have failed the fairness test. The Government refuses point blank to equality proof its policies to identify the human costs of these policies on citizens and it has cut child benefit and carer's allowance. The Government has even cut allowances for those with disabilities. It has miserably failed those families and households who are in mortgage distress.

This budget is an opportunity to lessen that burden. Will the Taoiseach take the opportunity now to confirm that the vulnerable will be protected? Would he give a commitment that the Government will not go for a €3.1 billion adjustment? Will he confirm, for example, that class sizes will not be increased and front-line health care services will not be slashed, or that those on social welfare will not be targeted? Tús maith, leath na hoibre. Anois, is féidir leis an Taoiseach a fhreagra a thabhairt.

The Taoiseach: Ba mhaith liom fáilte thar n-ais a chur roimh an Teachta Adams. Níl a fhios agam ar mhiste leis go mbeadh lá saoire náisiúnta ann le lá breithe an Teachta Ó Caoláin a cheiliúradh, ach ní dóigh liom gur é sin atá i gceist. Tá súil agam go mbeidh lá breá ag an Teachta agus go n-éireoidh leis féin agus lena chlann an lá a cheiliúradh.

The question Deputy Adams raises about the budget is obviously one about which there will be a great deal of discussion. Everybody knows it has been difficult over the past period of years to make changes and take decisions that are very difficult in the interest of getting the country and its economy back on track and allow for a position where we can get our people back to work. As I have stated already, it is not possible and I do not intend to speculate on the final decision that the Government will take here simply because all of the information in respect of tax, income and growth projections, and the figures from the CSO in respect of the national accounts provided for the Minister for Finance, are on their way. In the next short period, we will see all of that detail made available to Government so that it can make its collective decision in respect of the budget for 2014.

While this has been very difficult for a great number of people, there are signs of confidence in particular sectors. I am happy to note that, having come from a background where we lost 250,000 in a three-year period, job creation is now running at 3,000 net new jobs per month or just over 600 per week in the private sector which is a start. It is heartening to note that the live register has now reduced for 14 consecutive months and is heading in the right direction. Government is about making decisions that can build on that momentum. It is difficult for a great

number of people, but I want Deputy Adams to understand, as we all do, that the Government will do its utmost to be as fair as possible in the difficult choices that it must make.

I will not speculate on the extent of any adjustment to be made until the Minister for Finance is in possession of all the financial details - income tax receipts, etc. - and brings those to Government where there will be a collective decision taken about budget 2014.

5 o'clock

It is also important to note that we see this budget as a serious stepping stone towards the country's exit from the programme in which it has been for the past number of years. If this could be achieved it would send out a strong signal that a country in the European Union has emerged from a programme. This in itself is a signal of continued strong progress, which will provide a continued attraction for investment by the markets and by those wishing to create jobs.

Deputy Gerry Adams: The Taoiseach says he is waiting until all the information is available. We know that half a million people are unemployed and that there are thousands and thousands of families in mortgage distress. We know that every single week 1,700 citizens, mostly young people, leave this State. We know that people have had their child benefit cut and people who are carers have had their benefits cut. We know there is a dreadful social consequence to the decisions that the Taoiseach is taking. Either the economy serves the people - and his Government and its Labour Party component have the opportunity to see this happens - or we simply have the people working as slaves to serve the elites who benefit most from the types of policy his Government is implementing. The information is there and I was simply affording the Taoiseach the opportunity to send a very clear signal that he will move away from this policy of austerity, which is not working, in the interests of ordinary citizens or lower- and middle-income families. There is no evidence to suggest otherwise; on the contrary, people are suffering more and more. Fianna Fáil created the mess - that is certain - but the Taoiseach's Government has perpetuated the mess.

Deputy Timmy Dooley: The Deputy himself created a bit of a mess.

Deputy Gerry Adams: I ask the Taoiseach to give a very clear commitment that he will lift the burden of austerity from the citizens of this State.

The Taoiseach: One of the principal routes to getting our country back to a point of progress and growth is to create jobs and to allow for that to happen. The evidence is before our eyes that 3,000 jobs per month are being created in the private sector. That is progress, in my view. There has been an increase of 30,000 jobs since the Minister, Deputy Bruton, launched the action plan for jobs in February of last year-----

Deputy Finian McGrath: Those are like the Taoiseach's Seanad figures.

The Taoiseach: -----with 33,800 people in employment in the past year and 9,600 in the past quarter. These people are now in employment. There has been an increase of 20,000 in the number of people in full-time employment in the past 12 months. The IDA figures show a net increase of 12,500 in employment in its supported companies in 2011 and 2012. Enterprise Ireland had a record year in 2012, with a net increase of 3,000 employed in supported companies last year. It is important to note that exports have hit their highest level of €182 billion, which is 16% above the level in the crisis year. Jobs in the exporting sector have increased by

15,000 over the past two years. I note also the announcements by Kerry Group, Glanbia, Mylan and PayPal, for example. Recent figures show encouraging movement in the unemployment figures, particularly with regard to long-term unemployment. The level of unemployment has dropped from a peak of 15.1% to 13.5%. The long-term unemployment rate has fallen from 9.5% to 8.2%. It is heading in the right direction but it is still much too high and a great deal of work remains to be done in this regard. These are real people who have left long-term unemployment, who have come off the live register and are now back in gainful employment. That is where we want to be.

I made the point the other day that there is the difficulty of the welfare trap, whereby a person moving from unemployment into the world of work automatically or instantly loses benefits. This system needs to be changed to allow for a tapering effect in order to encourage and incentivise people to get back to work. I refer to the example of the new housing assistance programme, which will allow for a tapering-off period while people come off the live register and go into the world of work. There has been progress, but it is nothing like what we have to achieve. The budget for 2014, in so far as we can do it, will focus on providing opportunities for further expansion in employment and jobs. This is the key to future prosperity for our people.

Deputy Clare Daly: There is no doubt that people the length and breadth of the country are greeting the start of this Dáil term with a certain amount of horror and fear about what the Government intends to unleash in the butchering of living conditions. It is also quite clear, given the Taoiseach's reply to Deputy Adams, that he has no intention of answering these questions in here and that it will probably be the people outside the gates who will have to force an answer from him.

Seeing as he is not interested in answering questions on domestic policy, we might focus his attention on some issues of foreign policy. I ask the Taoiseach if he is aware that yesterday the Peace and Neutrality Alliance launched its findings from a Red C opinion poll conducted over the weekend which revealed that almost 80% of Irish people are in favour of a policy of neutrality, that over 80% do not support a war on Syria without a UN mandate, and that 67% are opposed to the sending of arms or military supplies by Ireland or the EU to anti-government groups in Syria. These are very clear findings. A total of 61% of Irish people do not now think that Irish troops should be sent to Syria. At the same time, last week, Ireland was lambasted by the Council of Europe Commissioner for Human Rights for colluding in the illegal CIA kidnapping and torture of terror suspects. He demanded that we investigate the use of Shannon Airport and demanded an end to our violation of human rights. He demanded that we atone for those activities. Yet, despite the views of the Irish people and despite the views of international human rights organisations, the Government continues to facilitate and actively assist the war-mongering of the US military. I find it somewhat ironic that in the same week that Irish citizens protesting for peace were brought before the courts in Ennis, there was a spike in US military activity in Shannon as the pressure on Syria was ratcheted up. I ask the Taoiseach to comment on the irrefutable evidence produced at that time of armed soldiers on the ground beside those US aircraft. These were either Irish soldiers offering support services to the US, in which case it was a breach of neutrality, or they were US soldiers not only breaching neutrality but illegally engaging on Irish soil. They are only supposed to be here if unarmed. The Tánaiste is always fond of telling us that they are unarmed. I ask how he knows that, because it is never investigated.

What is the Taoiseach going to do about these unlawful acts? In keeping with the views of the majority of Irish people, can he now confirm that he will not send Irish troops to Syria?

When will he behave like the leader of a sovereign nation with an independent foreign policy which is making its mark on the world stage, or is he happy to continue being the governor of the 51st state of the Union?

The Taoiseach: I do not agree with the Deputy's last assertion, nor do I agree with her first assertion. It is not the case that the Government, in its preparations for the budget, is unleashing a wave of fear on the people of the country. I am glad the European Union calendar has changed to allow for the budget to be announced on 15 October. This avoids months of wild allegations and speculative comments about what might or might not happen in the budget. It is only appropriate that the budget be based on true, exact and detailed financial figures, which are now in the final stages of preparation before presentation to the Minister for Finance. I can assure Deputy Daly, Deputy Adams and the House that there will be ample opportunity to discuss and debate the questions surrounding the budget decisions taken by the Government both in this Chamber and in the relevant committees.

As an Irish citizen I am very proud of the part that our country, our Army and Garda Síochána personnel have played over many years in peacekeeping arrangements in various locations around the world, from the Congo to the Lebanon to Chad to Cyprus and now the Golan Heights. The decision has been made by the Government to send a contingent of troops to the Golan Heights, based on the evidence supplied by the chief of staff, on the decision of the Houses of the Oireachtas and on the international situation. It is not the first time Irish troops have been in service on the Golan Heights, and they have carried out their duties and responsibilities with great distinction over the years.

As a non-aligned country, Ireland has continued to make a disproportionate impact in many ways around the world. I saw evidence of this first-hand a couple of years ago when I had the opportunity to travel to Kosovo and see Irish troops in very difficult positions show equal courtesy to both sides, and they were regarded as exceptional troops in uniform and carrying the beret of the United Nations. They worked with Finnish troops on those occasions. It is a case of Ireland continuing to operate to the highest standards with regard to international participation.

The discussions that took place at the European Council meeting earlier in the year concerning the Syrian matter had very divergent views from a number of leaders. They were also focused on a range of evidence and information, as well as the disparity of views, regarding opposition to the Assad regime in Syria. The atrocities carried out, with so many people losing their lives by the use of chemical weapons, speak for themselves. The agreement reached by the various international countries, including the US and Russia, has brought about a position where we must examine exactly what happened.

Deputy Clare Daly: I hand it to the Taoiseach, who has demonstrated by his answer that he has no more interest in being the leader of a sovereign nation than I thought he had. He has patently failed to address any of the issues I raised, including the illegal use of Shannon Airport by the US military, and there is concrete evidence that what exists is not what the Tánaiste has told us on repeated occasions.

Many Irish people are proud of our troops, and I am proud of them as my own father was in the Congo and I come from an Army family. That is nonetheless different from sending troops into the illegally occupied Golan Heights. The Taoiseach has gone on about the appalling Assad regime and all of us would agree with such a statement but not with the the idea of facilitating the United States, which is the biggest user of chemical weapons on the globe. It turned

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a blind eye to Iraq when it used chemical weapons on Iranians: how could the US say anything when it provided the co-ordinates to unleash the chemical weapons? Agent Orange was used in Vietnam and white phosphorus has been used by the Israelis in Gaza. If the Taoiseach was the leader of a neutral country, he would now see the opportunity to put chemical weapons beyond use in Syria as a good thing. It is not just about Syria and we should take them out in the Middle East, including in Israel, which is at the heart of the matter.

Deputy Finian McGrath: Hear, hear.

Deputy Clare Daly: Given that we fought to be on the human rights council as an independent nation, why should we not take the role seriously and stop being a lap dog to the US authorities?

The Taoiseach: I pointed out the exceptional competence and professionalism of Irish troops over the years and I am glad the Deputy shares the view, although that is slightly different from what she stated initially. We have a very clear view which has been stated on more than one occasion of our complete and utter abhorrence and opposition to rendition flights. We have had very close relations with the United States over very many years and we have been assured - and can be happy - there are no rendition flights going through Shannon. If the Deputy has evidence to the contrary, she should produce it. Shannon Airport has been used for very many years for flights in transit to various locations in the world, including by the American military. It has not been used by passengers or travellers on rendition flights. The issue has been raised in a serious fashion on a number of occasions.

Order of Business

The Taoiseach: It is proposed to take No. 14, motion re referral to select sub-committee of proposed approval by Dáil Éireann of taxation agreements; and No. 3, Gas Regulation Bill 2013 - Order for Second Stage and Second Stage. It is proposed, notwithstanding anything in Standing Orders, that No. 14 shall be decided without debate; and Private Members' business which shall be No. 114 – motion re mortgage arrears, shall also take place immediately after the Order of Business tomorrow and shall, if not previously concluded, be brought to a conclusion after 90 minutes on that day.

An Ceann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with No. 14, motion re referral to select sub-committee of proposed approval by Dáil Éireann of taxation agreements, agreed?

Deputy Micheál Martin: It is not agreed. As a mark of protest about the manner in which the Government is doing business, I am opposing this proposal. In the last session, the Taoiseach gave me a very solemn promise and commitment, indicating he would consult with me on a package of Dáil reform measures that would be brought before the House. He did not do so and broke the promise; it was very dishonest of the Taoiseach to make that statement in the House without any clear commitment to following through.

We are here with business as usual, with the Government ordering the schedule of the House, which illustrates better than anything else the degree to which nothing has happened with the

relationship between this Parliament and the Government. There is an absolute paucity of any meaningful, profound or serious reform of this House so that it can be independent and hold the Executive fully to account.

Deputy Patrick O'Donovan: The Deputy was worn out from reforming.

Deputy Micheál Martin: There have been no meetings and it is extraordinary that at a time when people say they are dramatically reforming the House, not one single Member-----

Deputy Joe Carey: The Deputy had his chance.

Deputy Micheál Martin: -----has been consulted.

Deputy Patrick O'Donovan: Fourteen years.

An Ceann Comhairle: We cannot have a debate on it.

Deputy Micheál Martin: We have been presented with a *fait accompli*.

An Ceann Comhairle: The Deputy has made his point.

Deputy Micheál Martin: That illustrates the lack of sincerity on the Taoiseach's behalf and that of the Chief Whip with regard to meaningful Dáil reform.

Deputy Finian McGrath: They have been slagging Independents.

Deputy Micheál Martin: It is a charade and the measures were published last week because of the upcoming vote in the Seanad referendum. It is a pretence that the Government is interested in making itself accountable to the Dáil.

Deputy Paul Kehoe: If the Deputy was still in government, we would still have short pants on.

Deputy Micheál Martin: All objective assessments of the package have described it as underwhelming and having no impact. It is merely tinkering with the system-----

An Ceann Comhairle: The Deputy has had his say.

Deputy Micheál Martin: -----and is not incentivising the Dáil to hold the Government aggressively to account etc. It seems to be about reducing the level of accountability. The Taoiseach was dishonest and broke his promise genuinely to consult with Opposition leaders in advance of publishing any measures.

Deputy Finian McGrath: Hear, hear.

Deputy Gerry Adams: I was quite surprised to read about the various measures in the media and I do not consider them reforms of any substantive nature. I was surprised because of the commitment given not once by the Taoiseach but at least on four or five occasions that we would be brought together to discuss the matters and try to get some consensus.

The Taoiseach: I thank the Deputies for their contributions. It is always difficult for people who are deemed to be dictators to be in any way sensitive to understanding.

Deputy Timmy Dooley: Is the Taoiseach accepting he is a dictator?

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The Taoiseach: If that is the basic idea, the Deputies are wrong. This evening, the Government Chief Whip, as well as Deputy Stagg, will meet the other Whips to discuss a range of propositions for changing the way the Dáil is run.

Deputy Micheál Martin: It is too late.

Deputy Timmy Dooley: That is after their publication. Well done.

The Taoiseach: Hold on Timmy.

Deputy Micheál Martin: We were supposed to be consulted.

The Taoiseach: These proposals will take effect from 1 October. I gave Deputies a commitment to sit down with Opposition leaders and I will do so with Deputies Martin and Adams, as well as whomever the Technical Group appoints.

Deputy Micheál Martin: It is too late. The Taoiseach said it would happen in advance of the publication.

The Taoiseach: Perhaps it will be Deputy McGrath. I would be very happy to do that.

Deputy Timmy Dooley: I suppose we will have a debate on the Seanad after it closes.

The Taoiseach: Deputy Martin, among all people, has been here for a long time and had many opportunities to bring change but did nothing.

Deputy James Bannon: He was there for 14 years.

The Taoiseach: We will now make changes in the interest of Deputies, making the Dáil more open and transparent, providing the opportunity for all the discussion we want. We will not go down the road of being beaten over the head about guillotines every day of the week.

Deputy Micheál Martin: There have been guillotines every day of the week.

The Taoiseach: Quite a number of Bills had to be introduced because of the legacy mess left behind by the Deputy's Government.

Deputy Micheál Martin: Here we go again.

The Taoiseach: We had troika engagement after troika engagement that required complex and technical legislation that had to be introduced within specific periods in order to help sort out the economic mess the last Government left behind.

Deputy Micheál Martin: What about the property tax and the cut to child benefit? They were rammed through the Dáil.

The Taoiseach: The streamlining of the way legislation is to be drafted in future-----

An Ceann Comhairle: We are debating a time motion.

Deputy Micheál Martin: There was no consultation.

The Taoiseach: It will have a very beneficial effect for all Deputies elected to the House. I will sit down with the Deputy if he has time within his busy schedule-----

Deputy Micheál Martin: The Taoiseach sat down with no Member in advance. He can be flippant all he likes, but he has shown a fundamental disregard for Members.

The Taoiseach: -----as well as Deputy Gerry Adams and whoever else over there. We will sit down and have a chat about this. I will be very flirseach with them.

An Ceann Comhairle: I must put the question.

Deputy Barry Cowen: Will the alliance have its say?

Deputy Timmy Dooley: Will the leader of the newest party be included? Will Deputy Lucinda Creighton be in on it?

An Ceann Comhairle: I am trying to put the question.

Deputy Timmy Dooley: I am sorry.

Question, "That the proposal for dealing with No. 14 be agreed to," put and declared carried.

An Ceann Comhairle: Is the proposal for dealing with Private Members' business tomorrow agreed to? Agreed.

Deputy Micheál Martin: The Taoiseach again did not answer the question. I reiterate that he did consult me in advance of the preparation or publication of the package of Dáil reforms. He said he would, but he did not. He broke that commitment which he gave on many occasions during Taoiseach's Questions.

With regard to the health Vote, will the Taoiseach confirm whether there will be a Supplementary Estimate? Mixed messages emanated yesterday. The Minister for Health indicated that he would introduce such an Estimate, while the Taoiseach indicated that there would not be one. My main concern is that we are getting reports from all over the country that surgery is being cancelled in hospital after hospital. The number of cancellations has increased dramatically because of a shortage of funds in many hospitals. The tightening is unreal and a significant number of cancellations is taking place. Inpatient and day case waiting lists have dramatically increased in the past few months and I fear that the three months before Christmas will be bleak for many patients. I would appreciate clarification on whether there will be a Supplementary Estimate.

The Taoiseach: I said yesterday that the situation in so far as the health Vote was concerned had improved dramatically and considerably from what it was last year at this stage. At this point last year more than €250 million had been spent in excess of the Vote, while currently the amount is in or around €60 million. There are difficulties with the demand-led schemes because of the problems experienced during the winter. The health Vote is down from €16 billion to its current level. The Minister has made it clear to the Department, the HSE and its agencies that they are required to bring their Vote within the agreed ceiling. The pressure is to see that is brought back into line. The position has improved considerably from what it was last year, but it is not yet where it needs to be.

Deputy Micheál Martin: The Minister said the opposite yesterday. He said there would be a Supplementary Estimate.

The Taoiseach: That is the position and the same applies to every other Department.

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Deputy Micheál Martin: Do I take it, therefore, that the Minister was incorrect yesterday when he said he would not keep them within the limit?

An Ceann Comhairle: I am sorry; we are not having a debate.

The Taoiseach: The Minister merely pointed to the reality of the current situation. Obviously, in preparing for a difficult budget-----

Deputy Micheál Martin: The Taoiseach is talking double Dutch. I do not understand. The Minister said he would spend a small bit over the limit, but the Taoiseach said he will not. I know he follows the Dutch model, but this is really double Dutch.

The Taoiseach: I am not talking double Dutch or double Irish.

An Ceann Comhairle: We are not having a debate on this issue.

The Taoiseach: The problem is that every Minister is required to do whatever is necessary to bring his or her Vote back into line.

Deputy Timmy Dooley: The answer is “No”.

The Taoiseach: As far as the health Vote is concerned, it is in a better position than it was last year, but it is not yet in line with what was agreed.

Deputy Micheál Martin: Will there be a Supplementary Estimate?

The Taoiseach: The Minister is working hard to see that that happens.

Deputy Gerry Adams: Sinn Féin produced a comprehensive, detailed document on root and branch political reform. Perhaps when the Taoiseach eventually gets around to meeting us on political reform, that might be on the clár of our cruinniú. Ba mhaith liom cheist a chur faoi reachtaíocht atá fógraithe. In the programme for Government there is a commitment to provide ring-fenced funding for mental health services to enable the roll-out of a suicide prevention strategy to reduce the high levels of suicide. I do not know if the Taoiseach is aware of the research published this morning that provides evidence of a direct link between economic crises and the increasing suicide rate. I refer to the question I asked during Leaders' Question which the Taoiseach did not answer. We have experienced the highest increase in the level of suicide since the crash of any EU member state. The research links this, particularly among young men, with the increasing rate of unemployment. Will the Taoiseach give the House an update on the implementation of the Government's suicide prevention strategy, the filling of the additional 477 posts for mental health services in 2013 and whether consideration has been given to having an all-Ireland suicide prevention strategy? He responded positively when I raised this issue previously because clearly this problem knows no borders.

The Taoiseach: I do not have the figures the Deputy asked for to hand, but I will have a detailed response sent to him by the Minister of State, Deputy Kathleen Lynch. The Deputy is aware of the Government's decision to ring-fence money for this area and the brilliant work going on in so many areas involving many organisations in dealing with the phenomenon of suicide. I will give him an updated report on the current situation regarding recruitment and the expenditure allocated to this area.

Deputy Gerry Adams: What about an all-Ireland strategy?

The Taoiseach: The Minister for State, Deputy Kathleen Lynch; the Minister for Health and Minister Poots may have had discussions about it. I will check that matter for the Deputy also.

Deputy Thomas Pringle: The Spent Convictions Bill 2012 passed Committee Stage last March. When will it be brought before the House for Report and Final Stages?

The Taoiseach: It is awaiting Report Stage.

Deputy Thomas Pringle: When will it be taken?

The Taoiseach: It is just a matter of getting room to table it.

Deputy John O'Mahony: The Legal Services Regulation Bill 2011 was taken on Committee Stage before the summer recess. When is it due to be completed? The Coroners Bill was initiated as far as back as 2007. When might it be progressed?

I welcome the two reports of the Joint Committee on Transport and Communications on the sponsorship of sports organisations by the alcohol industry and the growth of social media and how to deal with issues this raises. It is also welcome that, through last week's proposed Dáil reforms, such reports can be discussed in the House. Will the Taoiseach ask the Government Chief Whip to table them for debate at the earliest opportunity?

The Taoiseach: Amendments to the Legal Services Regulation Bill 2011 are being drafted by the Parliamentary Counsel's office and, therefore, we are awaiting its return on Committee Stage. The Coroners Bill 2007 has not moved any appreciable distance since it was last raised.

With regard to the committee report on sponsorship by the alcohol industry, I expect the Minister of State at the Department of Health, Deputy Alex White, to report to the Cabinet sub-committee during the next series of meetings on Monday week. What was the Deputy's final question?

Deputy John O'Mahony: The second report was on how to address the growth in social media. The Dáil reform package suggested such reports be debated in the House.

The Taoiseach: That will be one of the first reports to be debated during the Friday sittings to deal specifically with reports. The Government Chief Whip will communicate with the Deputy in respect of it.

Deputy Heather Humphreys: Now that the Houses of the Oireachtas inquiries Act is in place, what is the Taoiseach's view on the establishment of an inquiry into the banking crisis which has caused so much devastation throughout the country?

The Taoiseach: The Government at its meeting this morning approved motions to be proposed to the Dáil and the Seanad by the Minister for Public Expenditure and Reform to commence the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013. The view of the Government is that the first inquiry to be undertaken under the new legislation should be into the banking crisis. The Government believes the inquiry should be modular in nature and that the three main modules should be the bank guarantee and events leading up to it, the role of banks and auditors and the role of State institutions. However, the conduct of an inquiry, including its methods and terms of reference will be entirely a matter for the Oireachtas. The Government is committed to ensuring that such an inquiry is adequately resourced and that it will have the full co-operation of the relevant Departments and State agencies. It is my ear-

nest hope and expectation, and that of the Government, that the important powers and solemn responsibilities vested in and accruing to ordinary Members of this House, pursuant to the provisions of the new Act, will be exercised prudently and judiciously, having regard to pending criminal trials. It will also be implemented robustly and effectively. The objective should be to determine without fear or favour and with dispassion and integrity all of the true material facts and the material circumstances that led to the collapse of the banking sector which continues to cause profound hardship, loss and suffering to people.

Deputy Micheál Martin: That is a nice set up.

The Taoiseach: For everybody in the House, the new inquiries Act offers an opportunity for the House to meet the concerns of our citizens and to fulfil its true democratic potential. The Act being in place and having been signed by the President, it is a matter for the Oireachtas now to proceed in respect of having the appropriate parliamentary inquiry put in place.

Deputy Michael Healy-Rae: At the end of this month it is proposed to change the rules with regard to the taxation of motor vehicles. Will the Government extend the time for the change to the end of October to allow the motor taxation offices to deal with the massive backlog they have at present? All we are seeking is an extension of one more month.

An Ceann Comhairle: I am sorry, but I do not think that is on the Order of Business.

The Taoiseach: I will ask the Minister to contact Deputy Healy-Rae.

Deputy Michael Healy-Rae: It would mean an awful lot if it could be done.

Deputy Thomas P. Broughan: I wish to return to an issue I raised earlier about Priory Hall. Will the Taoiseach arrange for the Minister for the Environment, Community and Local Government to come to the House to give a report on the current situation? It is astonishing that the Finnegan process collapsed on 16 August last, more than a month ago, and Deputies were not informed about that. There has been talk of a 21 day ultimatum to the banks. The Minister for Finance, who is sitting beside the Taoiseach is obviously aware of that, but again we have had no information on what that might involve. Looking back on this incredibly tragic situation, the fundamental problem seems to be that the Taoiseach and the Minister effectively put the interests of banks and developers before those of ordinary people.

Deputy Terence Flanagan: A Cheann Comhairle, I wish to speak on the same issue.

An Ceann Comhairle: No. The Deputy should please resume his seat. I did not call him yet.

The Taoiseach: I disagree with Deputy Broughan's assertion. I have given my views about the Priory Hall situation and I spoke to the good citizen who lost her partner recently in tragic circumstances. The Minister, Deputy Hogan, made it clear that he could not intervene until the court mediation under the former judge, Mr. Finnegan, was resolved.

Deputy Thomas P. Broughan: He was not party to it. He could have met people over a long period.

An Ceann Comhairle: I am sorry, but we are not having a debate on the issue.

The Taoiseach: The Minister was informed formally that the mediation failed to reach a

solution and that was conveyed to him through Dublin City Council last week. I have given a response to the matter and the Minister, Deputy Hogan, will continue his work. We want to see an effective solution as quickly as possible for the residents of Priory Hall. I understand that none of those who had their principal, private homes there want to go back to Priory Hall. The Minister, as the lead Minister in the Department of the Environment, Community and Local Government, is now setting out to engage with all of those with responsibility in the matter, starting with a meeting with the Irish Banking Federation tomorrow. In fairness to Deputy Broughan, he has referred to the matter in the House on a few occasions.

Deputy Thomas P. Broughan: On a few occasions. I raised it virtually every week.

Ceann Comhairle: We are stuck for time and a number of Deputies wish to speak.

The Taoiseach: We want this sorted out

Deputy Thomas P. Broughan: I told the Taoiseach to start behaving like a Taoiseach and to do something.

The Taoiseach: I said it was one of the worst examples of the excesses of the so-called Celtic tiger years. Those people were put into what effectively amounted to fire traps. In so far as the Government is concerned, we will see to it that a solution is found that is in the people's interests.

Deputy Thomas P. Broughan: Could we have a debate on it tomorrow?

The Taoiseach: The Minister is meeting with the Irish Banking Federation tomorrow.

Deputy James Bannon: I compliment the Taoiseach and the Government on enacting 124 Bills since the Government came into office.

Deputy Barry Cowen: Is Deputy Bannon looking forward to a reshuffle?

Deputy James Bannon: That is a record for the House.

Deputy Micheál Martin: Is it in order?

Ceann Comhairle: We have nine minutes left and seven or eight Members are seeking to raise issues.

Deputy James Bannon: Much of it was legislation to get rid of quangos that were created by the previous Administration. One Bill I would like to see brought forward is the sports Ireland Bill, which is to amalgamate the Irish Sports Council and the National Sports Campus Development Authority. It is urgently needed because both organisations are doing the same work.

The Taoiseach: I thought Deputy Bannon was going to offer me a few tickets for Sunday. The amalgamation Bill to which he referred is due before the House next year. The legislative programme for this session is before the House. We expect to have 28 Bills either implemented or published before the end of this year. They have been assessed very carefully in the interests of what must be done.

Deputy Pearse Doherty: I wish to raise two issues with the Taoiseach. On the proposal that was agreed by the Cabinet on the banking inquiry, could he give the House an indicative

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timeframe as to when a committee will be appointed and established to hold the inquiry? I accept the terms of reference are in the gift of this House but I wish to hear whether the Taoiseach expects the inquiry to get under way this year or if it will be next year. I ask the question while mindful that there are legal cases that may then require the inquiry to stop its work.

The second question relates to upcoming legislation. The finance Bill will come before the House at the end of October. The Department has already provided us with a timeframe for Second Stage, Committee Stage and other Stages. We are in a unique position this year in that the statutory-----

An Ceann Comhairle: I thank the Deputy.

Deputy Pearse Doherty: I will finish on this point. The statutory requirement to have Second Stage passed will extend to January of next year. Why is it proposed to have only two days of debate on Second Stage, and is it the intention of the Government to guillotine the finance Bill? Could the Taoiseach give an assurance that the finance Bill, which will give effect to the budget – another tough budget as he described it – will not be guillotined in this House on Second Stage?

The Taoiseach: It is the intention to give the same time period as finance Bills in previous years when discussions and block votes took place.

Deputy Pearse Doherty: They were guillotined in previous years.

Deputy Pat Rabbitte: We did enough talking about it anyway.

The Taoiseach: We would like to be very clear about this; Ministers should be able to sit down with Opposition spokespersons and work out blocks of time for the individual sections of Bills. That could work very effectively as it did on a number of Bills recently.

The triggering of the inquiries Bill is now a matter for the Oireachtas. It is not a case of the Government wanting to dictate or direct to the Oireachtas what the composition of the inquiry should be, but it is something that requires very great care by those who will eventually participate in the inquiry. Once the Bill which has been signed is now triggered with a proposition that we have a banking inquiry, it is a matter for the Oireachtas and for the House. Clearly, the Committee on Procedure and Privileges has a function in the matter. I will not say what the composition of the committee should be or when it will sit but there are three important modules and the State will make available to the committee the resources and facilities of Departments and agencies to help it in its inquiry. I wish to make clear that there will not be a direction, instruction or compulsion from the Government about it; it is a matter now for the Oireachtas to decide on the exact type of inquiry that takes place.

Deputy Lucinda Creighton: I refer to motion No. 122 on the Order Paper in my name and the names of Deputies Timmins, Terence Flanagan, Mathews, Naughten. I thank the Ceann Comhairle for the leadership he has shown the House and for the democratic fairness he has demonstrated to all of us by his actions in allowing all of us who find ourselves outside of the party Whip to have the opportunity to speak, participate and represent the people in the Chamber.

Deputy Peter Mathews: Hear, hear.

Deputy Lucinda Creighton: In that light, will the Taoiseach consider very carefully our

motion, No. 122 on the Order Paper, and show leadership in injecting more democracy and opportunity for participation by Members in both Houses? While I do not expect that he can deal with this right now, I ask him to instruct the Chief Whip to liaise with those of us who find ourselves excluded from participation in Oireachtas committees and to find a way to allow us to represent the interests of the people on the key issues of the day. That is simply what we are requesting, and we simply want to be treated equally.

The Taoiseach: I commend the Ceann Comhairle for his clarification of the decision under Standing Orders that he made yesterday. Clearly, bearing in mind the position on elected Members who are members of a registered political party or a technical group, there is a slight difference if members of a particular party decide, by their actions, not to be members of it anymore. The position, as I understand it, is that there is only one Technical Group in the House but that if anybody who is no longer a member of a registered political party applies for membership of it, he or she cannot be refused.

Deputy John Halligan: That is not correct.

The Taoiseach: On that basis, one is entitled, as a member of a technical group, to full membership of committees and, therefore, one can make representations and express one's views at those committees. It is also possible, as the Deputy is well aware from experience, for every Deputy to attend any committee meeting and contribute. He or she can table amendments to Bills on Report Stage if the matters are raised on Committee Stage and, of course, contribute in respect of the new format regarding submissions on pre-legislative issues. In respect of having full membership of committees, while Members were appointed full members of committees by virtue of their having been representatives of a political party-----

Deputy Micheál Martin: They are voted on by the Dáil.

The Taoiseach: -----and not now being so, it is still possible for them-----

Deputy Micheál Martin: Parties should not own the Dáil.

The Taoiseach: -----to be considered for full membership of committees as members of the Technical Group. I understand that if anybody wishes to apply for membership and, therefore, have full membership of committees, that is a matter for-----

Deputy Micheál Martin: Is that a convoluted "No"?

An Ceann Comhairle: We are not having a debate on this.

The Taoiseach: It is very clear; it is not a convoluted "No".

Deputy Micheál Martin: It is very clear and democratic.

An Ceann Comhairle: This is the Order of Business and four more Members wish to contribute. There is a minute and a half remaining.

The Taoiseach: If any Deputy seeks full membership of a committee, the route to that, according to the clarification given by the Ceann Comhairle, is to apply for membership of the Technical Group.

Deputy Catherine Murphy: On a point of order, that is misleading and not correct.

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Deputy John Halligan: That is not correct.

An Ceann Comhairle: The Deputy can correct that later but I cannot allow a debate. There is one minute remaining and four Deputies wish to contribute.

Deputy Catherine Murphy: It should not be on the record.

Deputy John Halligan: The information is on the record and it is misleading. It is not correct.

Deputy Catherine Murphy: It is not correct.

An Ceann Comhairle: The issue should be raised separately. We are straying from the Order of Business.

Deputy Jerry Buttimer: I hope Deputy Martin watched “Six One News” last night.

An Ceann Comhairle: Please get on with it; the time is up.

Deputy Micheál Martin: The Deputy’s obsession with me is always reassuring, from a constituency perspective.

An Ceann Comhairle: I have one minute in which to deal with four Members.

Deputy Jerry Buttimer: I will be very brief. As happened on 8 September and as will happen on 22 September, there are people who cannot gain entry to the biggest sporting events in the world, the all-Ireland hurling and football finals.

An Ceann Comhairle: For God’s sake, Deputy, this is the Order of Business.

Deputy Jerry Buttimer: It is on the Order of Business.

An Ceann Comhairle: We do not give out tickets here for the all-Ireland finals.

Deputy Jerry Buttimer: Under the Government’s legislative programme, I am asking the Taoiseach whether the Government is considering the fact that there are ticket touts who can sell tickets at exorbitant prices, including online.

An Ceann Comhairle: Is there promised legislation on ticket touts?

The Taoiseach: No.

Deputy Brendan Griffin: I want to ask about promised legislation. Also-----

An Ceann Comhairle: The Deputy should just ask the question, please. He is over time and should be fair to the other Deputies.

Deputy Brendan Griffin: With regard to the ordering of business, there has been a very important reform proposed for Oral Questions that would allow only Members who are present to have their questions answered. That deserves recognition. I have been calling for it some time and am glad it is happening in this term.

Will the Criminal Justice (Legal Aid) Bill provide for eliminating the abuse of the system by some people?

An Ceann Comhairle: We cannot deal with the content of legislation. When is the Bill due?

Deputy Brendan Griffin: Many hundreds of convictions are costing the State huge amounts owing to free legal aid. Will the Bill actually provide for a means of recouping the moneys from the people concerned or a way of eliminating the abuse?

An Ceann Comhairle: The Deputy knows as well as I do that he cannot ask about the content of legislation. When is the Bill due?

Deputy Micheál Martin: We had a big, long exposé on another Bill.

The Taoiseach: Based on the current rate of progress, that is due in the middle of next year.

Deputy Charles Flanagan: I indicated I wished to contribute on Priory Hall earlier.

An Ceann Comhairle: I am sorry but we cannot have a debate on it.

Deputy Charles Flanagan: I welcome the Taoiseach's recent pronouncement regarding the resolution of the current Priory Hall debacle. Will he put a process in place such that all public representatives will be kept up to date with all developments, in addition to the residents' committee? Could liaison on this be carried out through the Department of the Minister for the Environment, Community and Local Government?

The Taoiseach: Yes, of course.

Deputy Pat Deering: Before the summer recess, I raised the matter of the consumer and competition Bill. The Taoiseach outlined to me at that stage there were a number of difficulties with it. As the Taoiseach knows, it makes provision for the statutory code of conduct for the grocery industry. What progress has been made on the Bill since the end of July or thereabouts? What is the timescale for the introduction of the Bill?

The Taoiseach: I can confirm to Deputy Deering that the Bill is now very well advanced. It just did not make it onto the A list for this session. I assume it will be introduced very early in the next session.

Deputy Patrick Nulty: Two and a half years into the term of the Government, it has still to publish legislation to provide for a statutory right to collective bargaining. That was a core element of the programme for Government that the Taoiseach agreed. Given that it is 100 years since the Dublin Lock-out, will the Taoiseach not agree that it is appropriate to mark the sacrifice of the men and women concerned with the publication of the legislation? Why, after two and a half years, has the Government yet to publish the Bill? When will be deal with it on the floor of the House?

The Taoiseach: The Minister has not made proposals in that regard before the Cabinet yet. Some consideration is being given to the legalities surrounding that but it has not come before the Cabinet yet.

Deputy Peter Fitzpatrick: When does the Taoiseach expect the publication of the standardised packaging of tobacco products Bill, which is to be introduced with a view to increasing the effectiveness of health warnings and reducing the attractiveness of tobacco products to consumers?

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The Taoiseach: I understand that is due in this session. The Minister for Health, Deputy Reilly, will confirm the position with the Deputy.

Proposed Approval by Dáil Éireann of Taxation Agreements: Referral to Select Committee

Minister for Finance (Deputy Michael Noonan): I move:

That the proposal that Dáil Éireann approves the following Orders in draft:

(i) Double Taxation Relief (Taxes on Income and Capital Gains) (Ukraine) Order 2013, and

(ii) Exchange of Information Relating to Taxes and Tax Matters (Dominica) Order 2013,

copies of which have been laid in draft form before Dáil Éireann on 12th September, 2013, be referred to the Select sub-Committee on Finance, in accordance with Standing Order 82A(3)(b) and (6)(a), which, not later than 25th September, 2013, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

Gas Regulation Bill 2013: Order for Second Stage

Bill entitled an Act to provide for the reorganisation of Bord Gáis Éireann's transmission and distribution operations and energy business, and for that purpose for the establishment of subsidiaries of Bord Gáis Éireann; to provide for the continued public ownership of natural gas networks; to provide for the further implementation of Directive 2009/73/EC of the European Parliament and of the Council of 13 July 2009 by providing for the disposal of Bord Gáis Éireann's energy business and for the reorganisation of the ownership of Bord Gáis Éireann; to amend the Gas Act 1976, the Gas (Amendment) Act 1987, the Gas (Amendment) Act 2000, the Gas (Interim) (Regulation) Act 2002 and the Water Services Act 2013; and to provide for related matters.

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I move: "That Second Stage be taken now."

Question put and agreed to.

Gas Regulation Bill 2013: Second Stage

Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte): I am pleased to have this opportunity to present the Gas Regulation Bill 2013 for consideration by the Dail.

Acting Chairman (Deputy Peter Mathews): I am sorry to interrupt, but I must ask the Minister to move that the Bill be now read a Second Time.

Deputy Pat Rabbitte: I move: “That the Bill be now read a Second Time.”

Acting Chairman (Deputy Peter Mathews): Thank you, Minister, I am sorry about that.

Deputy Pat Rabbitte: You are sticklers for detail in Dublin South.

Acting Chairman (Deputy Peter Mathews): I just have to do my job.

Deputy Pat Rabbitte: Of course, as always.

The Bill will implement the Government’s decision of February 2012 on the sale of State assets. It will ensure the retention of the strategic gas networks in State ownership, while also facilitating the sale of Bord Gais Energy’s competitive energy business.

Before I turn to the detail of the proposals of the Bill, I would like to speak about energy policy issues generally. The overriding objectives of Irish energy policy remain security of supply, competitiveness and sustainability. Our island status on the periphery of Europe and at the end of a gas pipeline makes us all acutely aware of the importance of a secure gas supply. Ireland imports 95% of its natural gas needs, leaving us vulnerable to supply disruptions and volatility in prices, which are determined by global markets.

I am on record on many occasions as stating the proposal by Shannon LNG to develop a liquefied natural gas, LNG, terminal in Tarbert is welcomed by the Government. Such a facility, together with the bringing onshore of Corrib gas, would provide important security of supply for Ireland. The employment boost from the construction of the LNG plant would also be very welcome locally. However, we remain heavily reliant on gas supply from Great Britain and are also heavily reliant on gas for the generation of electricity. This reliance is set to remain for some time. In this context, the Government fully recognises the strategic importance of retaining the gas network in State ownership.

The Government endorses the importance of investing in Ireland’s gas transmission infrastructure. Our reliable, modern gas system is the result of significant investment by BGE, a well run and profitable State-owned company that has been instrumental in the economic development of the country.

I will turn now to the decision to sell the Bord Gais Energy business. In November 2010 the memorandum of understanding agreed between the then Government and the EU, the IMF and the ECB, known as the bailout programme, committed “to setting appropriate targets for the possible privatisation of State-owned assets”. The details were to be informed by the recommendations of the special group on public service numbers and expenditure programmes, a review then ongoing. When the new Government probed this privatisation target at its first meeting with the troika, the EU, IMF and ECB representatives mooted a figure of €5 billion for the sale of State assets, the proceeds of which were intended to pay down debt. The figure committed to in the programme for Government between the two parties comprising the new Government was an assets disposal programme of up to €2 billion. Initially the EU, the IMF and

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the ECB were not disposed to allow us to retain any of the proceeds from State asset disposal, insisting that all of the proceeds be used for debt reduction. The negotiators ultimately settled on a figure of €3 billion, after the troika had agreed that a proportion of the proceeds could go towards reinvestment for job creation.

Eventually, after more than six months of negotiations, it was agreed that 50% of the proceeds could be invested in job creation measures and that the remaining 50% could be used as a backstop for securing funding for job creation, before eventually being used to retire debt. It was also acknowledged that any programme of State asset disposals should be undertaken only when market conditions were right and when the necessary regulatory structures had been put in place to protect consumer interests. The outcome, therefore, of the renegotiation of this aspect of the bailout programme is enormously significant because the quantum of State asset disposals is less, the use of the proceeds will assist economic recovery and key strategic assets such as the gas transmission and distribution systems will be retained in State ownership. In the light of this and following detailed consideration of the financial and policy issues, in February 2012 the Government agreed, *inter alia*, to retain the strategic gas networks in State ownership and sell the competitive energy business of Bord Gais Energy.

Bord Gais Energy comprises the following businesses: a leading energy supply business in Ireland, servicing over 700,000 customers in the gas and electricity markets; a 445 MW gas-fired power station at Whitegate, County Cork; a large-scale portfolio of onshore wind assets and firmus energy; and a growing energy supply and distribution business in Northern Ireland. All of the businesses making up Bord Gais Energy operate within a competitive market structure, competing against other market participants. Bord Gais Energy's entry into the domestic electricity market, with its highly successful Big Switch campaign, had a galvanising effect on competition in the all-island energy market. The sale of Bord Gais Energy can deliver positive outcomes for Ireland's energy markets, for Bord Gais Energy and its employees.

The sale process was formally launched in May and is now well under way and expected to be concluded by the end of the year. It is important to maintain the momentum in the sale process in order that the proceeds can be reinvested promptly, once available, to ensure an immediate impact on the economy and job creation. The enactment of the Gas Regulation Bill will ensure there is no unnecessary delay in the transaction process.

I now propose to outline the provisions of the Bill. For the convenience of the House, a detailed explanatory memorandum has been published which provides a synopsis of the provisions contained in the Bill which comprises five parts. Before continuing, I wish to inform the House that I wish to share my time, although no Deputy has offered to share with me as yet. I do not know if Deputies are trying to tell me something. If someone on this side of the House should offer, I am willing to give him or her a few minutes when I finish.

Part 1 of the Bill deals with general matters. Part 2 provides for the establishment of a network subsidiary company of BGE which will be responsible for the ownership and operation of the gas network. Part 3 deals with matters relating to the sale of the Bord Gais Energy business. Parts 4 and 5 deal with amendments to various Acts in order to provide for changes in BGE functions and for new shareholding and governance arrangements for BGE. The amendments in Parts 4 and 5 are primarily based on the need to ensure compliance with EU requirements for State-owned gas network companies.

I will now turn to the detailed provisions of the Bill. Sections 1 to 3, inclusive, contain stan-

standard provisions concerning commencement, definitions and ministerial costs.

Sections 4 to 19, inclusive, provide for the establishment of a new subsidiary of BGE which will assume responsibility for the ownership and operation of the gas network business. This subsidiary will be compliant with EU requirements and ring-fence and protect the strategic gas network assets. Section 4 also provides, importantly, that BGE cannot sell this strategic network subsidiary.

Section 5 provides for the memorandum and articles of association of the networks subsidiary, which are subject to ministerial approval. Section 6 provides for the appointment of the directors, subject to ministerial approval.

Sections 7 to 11, inclusive, set out standard provisions concerning the requirements for directors of the network subsidiary, including provisions regarding disqualifications and disclosure of interests by directors, a prohibition on Members of the Oireachtas or Members of the European Parliament acting as directors and a provision concerning the disclosure of confidential information by directors or employees of the networks subsidiary.

Section 12 provides for BGE and Gaslink to prepare a network transfer plan or plans in respect of the network subsidiary. Gaslink is the BGE subsidiary currently responsible for transmission operation. The transfer plan will set out those assets, licences, rights and liabilities and staff to be transferred by BGE to the network subsidiary.

Section 13 provides for the Minister for Communications, Energy and Natural Resources, with the consent of the Minister for Public Expenditure and Reform, to approve the network transfer plans. Section 14 provides for a network transfer date to be set by the Minister and notice to be published in *Iris Oifigiúil*. The network transfer plan will have effect from this date. Section 15 provides that, with effect from the transfer date, the provisions of Schedules 1 and 2 apply and the network subsidiary becomes responsible for the ownership and operation of the networks system.

Section 16 provides some flexibility for the parties involved in the transfer if it is found that additional assets and so forth require to be transferred to the network subsidiary. The section provides that BGE and/or Gaslink may, up to one year after the transfer date, enter into a further agreement with the networks subsidiary for the transfer of additional assets, licences, rights and liabilities and staff to the network subsidiary.

6 o'clock

The section provides that BGE or Gaslink may, up to one year after the transfer date, enter into a further agreement with the network subsidiary for the transfer of additional assets, licences, rights and liabilities and staff to the network subsidiary. Such an agreement would require ministerial approval.

Section 17 provides legal certainty to BGE and the network subsidiary that title to an asset can be proved by the issuing of a jointly agreed certificate. Section 18 relates to the production of documents of title. It follows the provisions of section 84 of the Land and Conveyancing Reform Act 2009 but is tailored to the specific circumstances of the transfer plan between BGE and its subsidiary. Section 19 provides for an annual report and accounts in which the activities of the network subsidiary must be separately identified.

Turning to the sale of Bord Gáis Energy, Part 3 provides for the transfer of the energy business to a subsidiary, referred to in the Bill as the energy company, to facilitate the transaction. These provisions provide legal certainty with regard to the assets, licences, rights, liabilities and staff to be transferred to the energy company, which is then sold. Section 20 provides for the preparation by BGE of a transfer plan or plans, which will set out the assets, contracts, rights and liabilities and staff to be transferred to the energy company. The plan must be approved by the Minister. Section 21 provides for the memorandum and articles of association of the energy company. It allows for ministerial oversight of the content of the memorandum and articles, which must be consistent with this Act and with the EU gas directive. This provision will cease to apply from the date of disposal of the energy company. Section 22 provides for the appointment of directors to the energy company, subject to ministerial approval. Only employees of BGE shall be eligible for consideration and no remuneration will be paid to directors. After the disposal date, board appointments to the energy company will of course be a matter for the new owner.

Section 23 provides for the approval of a transfer plan regarding the energy company. The plan must be approved by the Minister for Communications, Energy and Natural Resources with the consent of the Minister for Public Expenditure and Reform. It ensures that I, as Minister, must be satisfied that the plan provides only for the transfer of those assets, staff and so forth that are relevant to the energy business. Section 24 provides for an energy company transfer date. This date will be set by me following the approval of the transfer plan. Notification of the transfer date is required to be placed in *Iris Oifigiúil*. Section 25 provides that, with effect from the transfer date, the provisions of Schedules 3 and 4 apply and the energy company becomes responsible for the assets, contracts, rights and liabilities transferred to it. Section 26 provides that BGE may, up to the date of disposal, enter into further agreements with the energy company for the transfer of additional assets, licences, rights and liabilities and staff to the energy company. This section is intended to provide for flexibility in the event that, following the transfer date, it is found that additional assets and so forth need to be transferred. Such an agreement is subject to ministerial approval.

Section 27 provides legal certainty to BGE and the energy company that title to an asset can be proved by the issuing of a jointly issued certificate. Section 28 relates to the production of documents of title following the provisions of section 84 of the Land and Conveyancing Reform Act 2009 but tailored to the specific circumstances of the transfer plan between BGE and the energy company. Section 29 provides that BGE may dispose of an energy company, subject to the approval of the Minister given with the consent of the Minister for Public Expenditure and Reform.

The amendments in Part 4, sections 30 to 38 inclusive, provide for a range of amendments to the Gas Act 1976. As I have already stated, this Bill underpins the State's continued ownership of BGE's strategic gas transmission, distribution and interconnector assets by implementing certain EU requirements for a State-owned gas networks company. The majority of the amendments in this Part arise as a consequence of the requirement to provide for the designation of a majority-shareholding Minister to whom will be transferred the majority of capital stock in BGE. It is proposed in section 30 that the Government may, by order, designate such a Minister. A minority stockholding will be retained by the Minister for Communications, Energy and Natural Resources and by the Minister for Public Expenditure and Reform.

It may be useful to provide some background as to the rationale for this new shareholding structure and the powers that may be exercised by the majority-shareholding Minister. The des-

ignation of a new Minister as majority shareholder is proposed because the current shareholding arrangements are not compliant with EU Directive 2009/73/EC on the gas market, which requires significant restructuring of gas transmission operators throughout Europe in line with one of three unbundling options. Unbundling is intended to create a level playing field for gas suppliers and to enhance competition and transparency in the gas market by removing the ability or incentive for monopoly gas transmission companies to discriminate in favour of related gas suppliers. Under the directive, the unbundling option which allows for the sale by BGE of its energy business and for the retention of the network business in State ownership is the full ownership unbundling option, which Ireland is accordingly obliged to transpose and implement. Essentially, the full ownership unbundling rules require a separation of ownership and control as between energy producers on the one hand and network transmission businesses on the other. I, as Minister for Communications, Energy and Natural Resources, and my colleague the Minister for Public Expenditure and Reform are shareholders in State companies which are active in power generation and electricity and gas supply, such as the ESB and Bord na Móna. Under the directive, therefore, neither of us may retain a decisive or controlling role in Bord Gáis Éireann's network business, which, as I have stressed, will remain in State ownership.

The amendments to the Gas Act 1976 that are proposed in sections 30 to 38, inclusive, relate to the powers of Ministers in regard to the activities of BGE. They provide for capital stock in BGE held by Ministers, the revised functions of BGE taking account of the fact that BGE will no longer be engaged in electricity or gas supply, and the ministerial powers for conferring additional functions on BGE. The amendments also relate to the procedures for BGE to enter into capital commitments relating to networks, ministerial powers in regard to directions as regards financial objectives of BGE, and provision in regard to annual accounts, staff and superannuation and appointments to the board of BGE.

The consenting provisions in sections 30 to 38, inclusive, and throughout the Bill ensure that the current role of each Minister on the corporate governance and policy framework will be fully taken into account while also ensuring that legal obligations under the directive are met.

Sections 39 and 40 relate to the transfer to the majority-shareholding Minister of certain capital stock issued to BGE and to the functions of the majority-shareholding Minister regarding the network company. Sections 41 and 42 provide for technical amendments to relevant Acts to ensure that BGE may not engage in any business activity relating to energy supply or generation which would contravene the full ownership unbundling requirements.

Section 43 is a technical amendment. Section 44 amends section 16 of the Water Services Act 2013 to disapply to Irish Water, a BGE subsidiary, the obligations of this Bill which require the board to obtain the approval of the majority-shareholding Minister in regard to all capital commitments. The Minister for the Environment, Community and Local Government will remain the key consenting Minister in respect of Irish Water matters.

The Schedules provide for the detailed operation of the two transfer plans under this Bill. I intend to introduce a number of amendments on Committee Stage, primarily to clarify certain matters, to facilitate the sale of the BGE assets and business and to ensure maximum returns to the Exchequer from this sale.

I set out earlier the Government's overriding objectives as regards Irish energy policy, which are security of supply, competitiveness and sustainability. These objectives align well with the proposals in the Bill to create a strong State-owned network company within the BGE

group. I look forward to early consideration of the Bill on Committee Stage. I ask members of the select committee to table their proposed amendments as quickly as possible to allow full and fair consideration to be given to them. I will of course carefully consider all amendments tabled by Deputies. I look forward to working constructively with Deputies and to an informed and meaningful debate. The input from Deputies from all sides of the House will help in advancing the measures proposed in the Bill.

It is also an important measure in delivering on the commitment in the programme for Government to fund investment for jobs and growth. I commend the Gas Regulation Bill 2013 to the House.

Acting Chairman (Deputy Peter Mathews): During the Minister's speech he mentioned he would be delighted to share time with anybody from this side of the House. There appears to be nobody, but I will take the opportunity to mention a note on the speaking time clock. I remind Deputies that the new speaking time clocks are being used today and can be seen on the railings above. They are intended to assist Deputies in keeping to the designated time limits. The time indicated on the screens during the debate will be the slot time, as provided in Standing Orders or the order of the day. If sharing time, the Deputies sharing must all conclude in the time indicated, so Deputies should be aware of what time is left on the clock. I ask Deputies to comply with the time limits for debate, as running over time is unfair to other Deputies waiting to speak. I commend the Minister, who has left lots of time to spare.

Deputy Michael Moynihan: I wish to share my time, but I will conclude after 15 minutes on the Second Stage of the Gas Regulation Bill 2013. I thank the Ceann Comhairle for the opportunity to speak on the Bill. Fianna Fáil will be opposing this Bill which will result in the passing of one of Ireland's most profitable companies, Bord Gáis Éireann, BGE, from State ownership to the private sector. There are four elements to our opposition to this piece of legislation including the current expected sale price which it appears will be an undervaluation of the company; the lack of clarity over where BGE's current net debt will be placed and the future employment of those contracted to BGE after it is split in two; the uncertainty over the future of Irish Water as a public utility company which is part of BGE; and the lack of a clear plan of investment for the proposed revenue to be generated by the sale of BGE.

The EU-IMF memorandum of understanding agreed in December 2010 does not require the privatisation of BGE in whole or in part. Those who claim otherwise may not have read the memorandum and are just repeating what they have heard, but I believe they are simply misleading people. Importantly, the discussion of the sale of assets in the original memorandum does not take place in the fiscal section but rather in the section regarding obstacles to competitiveness. In other words, if there is to be a sale of a State asset, the objective is not to write down debt but to improve competitiveness. The sale of Bord Gáis is a competitive measure. We do not sign up to the privatisation of the company, for the following reasons.

BGE is one of Ireland's largest energy suppliers which supplies gas and electricity to businesses and homes throughout Ireland, North and South. Since its establishment in 1976 Bord Gáis has been one of the most successful public enterprises in the State. The Labour colleague of the Minister sitting opposite me, the Minister for Public Expenditure and Reform, Deputy Brendan Howlin stated on 24 April 2012 that "Bord Gáis Éireann is an excellent example of a strong, vibrant and dynamic State company, which has demonstrated its capacity to invest and develop new, efficient and competitive business for the benefit of Irish consumers." Bord Gáis is a model which should be followed by other public enterprises. Now, this Government has

decided to sell the company despite its significant value to the State.

BGE has been a deeply valuable asset to the State and would continue to be as a public enterprise. In 2012 BGE paid €23.8 million to the Exchequer, bringing the total dividends paid to the Exchequer since the inception of Bord Gáis in 1976 to €854 million. Bord Gáis is a profitable and expanding State company. Last year, total revenue grew by 1% to €1,625 million. Profit before income tax increased 29% to €121 million. This is an impressive result given the current economic circumstances. The company itself runs an expansive energy supply business in Ireland servicing over 700,000 customers in the gas and electricity markets, a 445 MW combined cycle gas turbine plant at Whitegate in County Cork, a large scale portfolio of onshore wind assets and a growing energy supply and distribution network business in Northern Ireland.

Bord Gáis has also helped in ensuring Ireland reaches its renewable energy targets. The company is a key player in improving Ireland's renewable energy capacity having invested heavily in the Irish wind market. Where private enterprise, individuals or small companies have come together to develop small-scale wind farms around the country, BGE has been there to assist and has invested strongly. The mechanism BGE has used to bring energy generated by wind turbines to the substations and the exemplary way it carries out the work on the road network and through the countryside are a joy to behold. There is a major issue developing regarding wind energy and connection to the grid and the fears of many local communities regarding wind energy can be seen as an example. I have seen it at first hand when a small-scale wind farm developed close to me was brought to the grid. There are many concerns in communities about shoddy workmanship but the way that work was done was second to none and should be seen as an example of how that work should be done in further wind energy developments across the country. BGE has played a key role in helping small developers, individuals and co-operatives, in the wind energy market.

BGE operates 15% of the installed wind capacity in Ireland. At the end of December 2012, the company had 174 MW of wind projects in construction, 100 MW to be brought to financial close within 24 months and a further 350 MW of medium to long-term wind development. These are impressive results and reflect the ability of this company as a public enterprise to deliver projects which are not only commercially viable but also hugely beneficial to the State. One would image that the Government would have a number of exceptionally convincing reasons for selling this State company. Unfortunately, this is not the case.

First, it is obvious that the sale price of BGE would reflect current market sentiment and international activity in the energy sector. The price at which BGE is to be sold is uncertain. Originally, the Government had an expectation that the sale of BGE would fetch an estimated price of between €1 billion and €1.5 billion. Recently, however, Davy has estimated that the sale is likely to be on the lower end of that scale. Some sources familiar with the sector believe the price could be as low as €800 million. This is a very worrying development. It does not inspire confidence on this side of the House in the Government's ability to get the best deal possible for the current owner of this company, the Irish taxpayer. The lower price estimate may reflect an expectation of increasing competition in Ireland's energy market or concern relating to other international energy matters. Nonetheless, the current uncertainty leads us to believe that now is not the time to sell one of the most profitable State assets. Given the fact that BGE is a very profitable company, with profit before income tax of €121 million last year, and the fact the company has assets of approximately €4.6 billion, Fianna Fáil believes any sale reaping less than €1.5 billion would represent a fire sale of the company by the Government. We need to ensure the taxpayer is not short changed and private investors rewarded in an unduly gener-

ous fashion. There is also a lack of information as to how the current company debt is going to be divided and whether employees will be guaranteed jobs in the newly privatised energy company.

With the sale of Bord Gáis Energy, the State will no longer receive a significant dividend from the Bord Gáis group. It will instead receive a once off dividend payment to the Exchequer from the sale. It is still unclear how the company's current net debt of €1.9 billion will be divided between the newly privatised energy company and the State-owned transmission and distributions company. Any ongoing liabilities remaining with the State company must be outlined well in advance of the sale. Fianna Fáil is greatly concerned by this given the new State distribution and transmission company's decreased ability to service the debt if its most profitable aspects are privatised. We want clarification on the division of its debt liabilities and demand a Government-backed plan to be prepared on how any ongoing liabilities held by the State-owned company will be serviced.

Similarly, there is a need for clarification on whether those currently employed in Bord Gáis Energy will remain employees of the company in the long term. The employees will be transferred when the immediate privatisation of the company occurs but there is no guarantee that the newly privatised company will not seek redundancies. Some reports have suggested that if the company is purchased by another European energy consortium certain customer service jobs will be lost or moved outside the country. Clarification as to pension liabilities and their distribution between the two companies must also be sought. The privatisation of Irish Sugar, which was one of Ireland's most successful companies, resulted in people being unable to access the pension funds to which they had contributed over many years. The evidence suggests that commitments on pensions have not been honoured subsequent to the privatisation of companies.

The Government has recently passed legislation to create Irish Water as an independent, State-owned subsidiary of Bord Gáis. This company will be one of the most important utility companies in Ireland and will bill all households for their use of public water supplies. Fianna Fáil is seeking a guarantee from the Government that Irish Water will not be privatised in a similar manner to Bord Gáis Energy given the national strategic importance of its infrastructure. The move to transfer ownership of all water assets to Irish Water from local authorities has caused concern that it could in the future raise commercial capital using these assets as collateral, thereby allowing them to enter private hands by default.

The Government has stated that half of the proceeds from the sale of Bord Gáis will be available to fund employment enhancing projects of a commercial nature. A clear plan of investment is desperately needed to encourage increased employment in our capital starved economy. The Government must outline the exact projects it intends to fund from these proceeds. The infrastructure and capital investment framework for 2012 to 2016 envisages a 60% reduction in Exchequer capital investment in 2014 from its peak in 2008, with the allocation in 2014 of €3.25 billion representing less than 2% of GDP. This cut in capital expenditure is too deep. The Government needs to confirm where the revenue raised will go and how it will increase employment.

Given the fact that Bord Gáis is a very profitable company, with profit before income tax at €121 million last year, and the fact the company currently has assets of approximately €4.6 billion, Fianna Fáil believes any sale reaping less than €1.5 billion would represent a fire sale of the company by the Government. We need to ensure that the sell-off does not become a fire sale

of an impressive state asset resulting in the taxpayer being short changed and private investors being rewarded in an unduly generous fashion.

The sale of Bord Gáis Energy was part of Fine Gael's five point plan to revitalise the Irish economy and increase employment levels. The justification for privatisation of State assets was the potential for massive investment in national infrastructure projects and the creation of 100,000 jobs. Fine Gael has so far raised none of the promised €7 billion for job creation through the sale of State assets. In fact, according to CSO's labour force survey, 1,841,800 people were employed in the first quarter of 2011 compared to 1,845,600 in first quarter of 2013. This shows a dismal net increase of 3,800 new jobs since the Government took office. This number is approximately 160 new jobs a month against a background of some 445,000 unemployed people. This is a long way short of the promised 100,000 over five years.

The Government must not only weigh up the long-term cost to the Exchequer of the sale of the company but also ensure that the current employees are protected in terms of their jobs and pensions. It has often been the case that the mistakes are only recognised 15 or 20 years after the privatisation of State companies, when vulnerable people are exploited. This Bill should be withdrawn because it is the wrong step at this juncture and we oppose it.

Deputy Michael Colreavy: I apologise for arriving late to the debate. I missed the first five minutes of the Minister's speech because I was attending another meeting and did not realise the debate had been brought forward.

Acting Chairman (Deputy Peter Mathews): I thank the Deputy for his gracious apology.

Deputy Michael Colreavy: That is where my agreement with the Minister will probably end. This Bill is bad policy and bad legislation. Sinn Féin will oppose it at every Stage. There is a dark irony in that an economic crisis which many people believed would mean the death of neoliberalism has instead been used to entrench neoliberalism. Deregulation caused the euro crisis and one would logically expect that State intervention and regulation would be the means used to solve it. However, despite the crushing cost of bailouts no major reforms through intervention or regulation have been implemented at either national or European level. We have instead witnessed the promotion of a neoliberal agenda for the privatisation of State assets and public services. This Bill forms part of that agenda. It is part of a wider effort to get rid of public assets in a fire sale and to deregulate many sectors. Bord Gáis is just one of the many organisations threatened by this Government. It is our role as Opposition Members to oppose these moves and point out where the policy is misdirected.

It is ironic that the Bill is being introduced by a Labour Party Minister. Just over one year ago, members attending a Labour Party conference gave a resounding message to the party leadership that they would not accept the sale of State assets. It is now 2013 and a Labour Party Minister is introducing a Bill to sell Bord Gáis Energy. If I were a card-holding member of the Labour Party I would feel disheartened and disillusioned, not only with the Labour Party but with the political process and party leaders who do not listen to the policies put forward at their own party conferences.

Paul Krugman, a well known and respected economist, stated: "The drive for austerity was about using the crisis, not solving it. And it still is." Clearly the sale of Bord Gáis Energy forms part of a wider neoliberal agenda which uses the current economic climate to further a certain political ideology. Over the past two decades close to \$1 trillion US dollars' worth of

state-owned enterprises have been privatised in more than 100 countries. Restructuring, privatisation and deregulation of electricity started as a political ideology in Chile, New Zealand and the UK, but has spread to the EU, the US, and the rest of the world. The troika's promotion of privatisation is clearly an ideological approach in support of an ever more discredited neoliberal economy and benefits only a small group of transnational corporations. Their insistence on entrenching neoliberalism is also profoundly anti-democratic.

When given the chance, European citizens have voted against privatisation. This was demonstrated in the resounding rejection of water privatisation in the 2011 referendum in Italy, where they were fortunate enough to have a referendum on the matter. Other citizens across Europe are building powerful anti-privatisation campaigns to stop public services being sold off. However, there are clear winners from these policies. Private companies have been able to scoop up public assets in a crisis of low prices, and banks involved in reckless lending have been paid back at the expense of citizens. The corporate elite is using the pretext of the crisis to hammer away at hard-earned rights and benefits of workers and citizens gained over the past number of decades. The sale of Bord Gáis Energy forms just another part of this long list of attacks on public goods.

Ireland has been described by the European Commission as the poster child of austerity, and it uses us as an example to other countries across Europe, yet the reality is we remain crippled by high levels of unemployment and our young people are emigrating in tens of thousands. If we are the poster child for the rest of Europe then it clearly shows Europe is not in a healthy state.

Let us look at the company the Government is about to privatise. Bord Gáis is a dual-fuel all-island business which serves more than 825,000 customers with gas and electricity North and South. It also operates a 445 MV combined cycle gas turbine plant at Whitesgate in Co. Cork, a large-scale portfolio of onshore wind assets and Firmus Energy, an energy company operating in the Six Counties. In 2001 Bord Gáis Energy entered the electricity supply market and in 2009 it entered the residential electricity supply market. It has been a very successful company. In 2012 Bord Gáis Energy had a gross operating profit of €79.4 million compared to €44.3 million in 2011. Bord Gáis Energy is by far the biggest player in the domestic gas market at present, with a 60.97% market share in June 2013. The question must be asked as to why the Government is selling off such a successful company. Bord Gáis Energy is hardly a millstone around the necks of taxpayers as it returns a profit to the State. Therefore the sale of Bord Gáis Energy can only be described as an ideological move, one which is fuelled by the austerity agenda of the troika.

Reports anticipate the sale of Bord Gáis could raise between €1 billion and €1.5 billion. However recent estimates have predicted the figure to be at the lower end of this scale, and it may be even lower. Half of the sale proceeds will be available to fund employment-enhancing projects of a commercial nature, with the other half destined to pay down debt. The fire sale of state assets has been shown to be risky, particularly during economic recessions. We only have to look to Greece to learn projections as to what the sale of state assets would generate had to be significantly downgraded, as severe austerity wards off investment.

The Minister has given assurances jobs at Bord Gáis Energy will be protected. How can this commitment be delivered upon? Under a policy of deregulation and privatisation jobs are never as secure as they are under state control. An OECD report on privatising state-owned enterprises found, in the short term at least, restructuring and privatisation result in job losses,

even in cases where the sector is growing and the economy is creating new employment opportunities. Is the Minister able to guarantee the current employees of Bord Gáis Energy will keep their jobs and that their livelihoods will be protected? How will such a guarantee be delivered?

Ireland, in the greater scheme of things, is a small country. Bord Gáis Energy controls 60.97% of the domestic gas market and a significant portion of the electricity market. The sale of Bord Gáis Energy to a private operator will likely be handing a monopoly into private hands, especially with regard to the gas market. Ireland does not have the infrastructure enjoyed by many other European countries. Developing and expanding infrastructure is part of the wider debate in which the Minister and several of his colleagues engage. However, when a state asset such as an energy supply company passes into private hands the information to inform debate becomes less and less available. In a privately run industry, information is valuable and confers commercial advantage. No company will disclose investment plans, maintenance schedules, upgrading or capacity requirements unless mandated by a regulatory authority or government inquiries. Where is the requirement in this legislation to provide such information?

The sale of Bord Gáis Energy also has a direct impact on an important debate taking place in Ireland at present. Bord Gáis Energy is involved in the development of wind energy projects. We, as a party, fully support wind energy development. Ireland has a target of 20% renewable energy by the year 2020 and we have consistently called for a national strategy to be laid out for this target to be reached. As part of this, we believe it is imperative the State and semi-State companies play a major role in the development of wind energy projects. This, we believe, is the only proper and sustainable measure for the proper development of wind as a renewable source. What we have seen far too much of in Ireland is private companies taking the lead on the development of wind energy projects without proper planning or consultation with local communities. Semi-State companies need to take the lead in developing wind energy projects. If Bord Gáis Energy is to be sold, this removes the option of such initiatives being taken. Those who will buy Bord Gáis Energy will also take with them the wind farm projects that are currently in place. If Ireland is to reach its target of 20% renewable energy by 2020, it needs to have semi-State bodies at its disposal to make it happen. The Minister and the people of this country cannot be left waiting for manna from the table of private companies.

Fuel poverty is a serious issue which affects many people in Ireland each and every year. Those who are worst affected are those on the margins of society such as the elderly, the infirm, the disabled, the ill, single-parent families and the unemployed. The sale of Bord Gáis Energy out of State control and into the hands of private corporations will surely have a negative impact on the fight against fuel poverty. As I have already stated, Bord Gáis Energy has over 60% control of the domestic gas market, meaning that the company which would take over the ownership of Bord Gáis Energy would be free to raise its prices as it sees fit. This news will not be of comfort to many of those who are already fearing the winter months ahead. Privatisation is bad for the weakest in our society and should not be forced upon them.

If revenue generation is the main goal, there are other alternatives. Commercial semi-State companies can play a vital role in delivering employment activation measures and training. Following the collapse of the housing market, ESB Networks agreed a programme of on-the-job training with FÁS to take on 400 redundant electrical apprentices who were left unable to complete their craft qualifications. It is exactly this kind of intervention that can assist the State in rebuilding the economy, creating employment and creating a skills base fit for the 21st century.

The energy sector also has the potential and capacity to use its expertise and reputation to fund smart metering technology, resulting in more jobs, reduced emissions and lower utility bills. Sinn Féin in its prebudget submission outlined a number of proposals on how to adequately deal with semi-State companies. We want to see NewERA replaced with a semi-State strategy group which would include CEOs from the semi-States working directly with the Ministers for Jobs, Enterprise and Innovation, Social Protection and Education and Skills. The group would report directly to the Taoiseach and would be responsible for delivering a strategic job creation and training project. We believe all annual dividends paid to the State by commercial semi-State companies must be reinvested in employment activation and training measures as identified by the semi-State strategy group and signed off on by the Taoiseach. In case anybody might think we are looking for more money for the CEOs of semi-State companies, I repeat our request that all CEOs of semi-State companies should be capped at €100,000 per annum, which would save this State €3 million per annum.

We have very short memories, and the Government has a very short memory. If evidence were needed of how privatisation of semi-State companies does not work in Ireland, we need look no further than the sell-off of Telecom Éireann. The privatisation of this company has meant we have lowest level of high-speed broadband in the European Union. While I accept this is now being worked on, privatisation was an abject failure which has severely inhibited our chance of developing industry, especially along the western seaboard. The sale of Telecom Éireann was part of the same neoliberal agenda that is today pushing the sale of Bord Gáis Energy. The selling off of Telecom Éireann was a mistake and the sale of Bord Gáis Energy is a mistake.

The Fine Gael and Labour Government must take full responsibility for the sale of Bord Gáis Energy. While the troika has indicated it wants the deficit reduced in a certain timeframe, it has not indicated that we must sell off our energy company. This decision rests on the head of the Government. Future generations will remember this move as the Government falling upon the sword of the neoliberal agenda. We will oppose it at every stage.

Deputy Dessie Ellis: It is clear this is a right-wing Government, entrenched in the ideological obsessions of the right. The dismantling of social services, the vilification of the working class and the asset stripping of State services for private profit are examples of this ideology. Fine Gael stands clearly as the driver of this agenda, with Labour naively or cynically along for the ride. However, it is the people who are being taken for the ride. These policies do not just hurt this generation but future generations. The current incarnation of this agenda is the Gas Regulation Bill, which will allow the sale of Bord Gáis Energy, a division of Bord Gáis Éireann.

The Bill splits Bord Gáis into two companies. One is the network company, in control of pipes, maintenance and so on, which will be retained in State ownership. The second is the energy company, which is to be sold. Bord Gáis Energy is comprised of the following businesses - an energy supply business in Ireland, servicing over 825,000 customers in the gas and electricity markets, North and South; a 445 MW combined cycle gas turbine plant at Whitegate in County Cork; a large-scale portfolio of onshore wind assets; and Firmus Energy, an energy company operating in the Six Counties.

The sale of Bord Gáis Energy is part of the troika programme of sale of State assets. This is certainly what Labour Deputies will stress but, in reality, it is part and parcel of this Government's approach to public services and semi-State companies. Fine Gael has long believed in carving them up and passing the profit along to private hands, not that Fianna Fáil did not en-

gage in this practice when it felt it would be accepted by the public. The debacle that was the sell-off of Telecom Éireann is evidence of that fact.

Bord Gáis Energy is a profitable company. In 2012 Bord Gáis Energy reported an EBITDA gross operating profit of €79.4 million, compared to €44.3 million in 2011, so we are actually talking about disposing of a profitable company but also a company which is increasingly profitable. Bord Gáis is by far the biggest player in the domestic gas market at present, with a 60.97% market share in June 2013.

Wholesale privatisation has been the agenda of many governments over the last 20 years, with countries such as Chile, New Zealand and Britain leading the charge, followed by the US and much of the EU. Some did so at the behest of the IMF and other lenders but many were driven by Reaganomics and Thatcherism. This malignant ideology denied the existence of society and yet set its shoulder to the wheel in aggressively dismantling that supposedly imaginary society in the name of profit. Over the past two decades, close to \$1 trillion worth of state-owned enterprises have been privatised in more than 100 countries.

The troika and Fine Gael's promotion of privatisation is a clearly ideological approach in support of an ever-more discredited neoliberal economy and benefiting only a small group of transnational corporations. Their insistence on entrenching neoliberalism is also profoundly anti-democratic. When given the chance, European citizens have voted against privatisation, as was demonstrated in their resounding rejection of water privatisation in the 2011 referendum in Italy. Other citizens across Europe are building powerful anti-privatisation campaigns to stop public services being sold off. In the short term at least, restructuring and privatisation result in job losses, even in cases where the sector is growing and the economy is creating new employment opportunities, according to the OECD report on privatising state-owned enterprises.

Reports indicate that the sale of Bord Gáis Energy could generate proceeds in the region of between €1 billion and €1.5 billion, although some more recent estimates have been towards the lower end of that scale. Half of the proceeds will be available to fund employment-enhancing projects of a commercial nature, with the other half destined to pay down debt. Experience from Greece has shown that the sale of state assets has not returned the expected profits, and projections have been revised down considerably. At the Labour Party conference in 2012, members voted to reject the sale of State assets. The people did not vote for the sell-off of Ireland but rather for its renewal.

This Bill is simply a continuation of the agenda we have had for 20 years in this country, an agenda which failed us so badly in telecommunications that widespread broadband access is still an issue in 2013, as is mobile telephone phone reception. Let us learn the lessons of other states and their privatised industries. Let us learn the lessons of our own mistakes. It was semi-State companies which brought this State into the 20th century, as in the case of Ardnacrusha and other impressive initiatives. The State did the job when private profiteers were too disorganised, petty or unambitious to fill the gap. We must ensure that Irish people and not multinational shareholders benefit from Bord Gáis Energy, and it is for this reason that we oppose the Bill. An innovative approach which brings Ireland forward must be at the core of what Bord Gáis Energy does. That obliges us to oppose this Bill and we urge colleagues to do likewise.

Deputy Mick Wallace: I propose to share time with Deputies Clare Daly and Finian McGrath.

Acting Chairman (Deputy Robert Troy): That is agreed.

Deputy Mick Wallace: Like the previous speakers, I am very dubious about the prospect of selling off any of our energy facilities. It is notable that the Government is intent on offloading only those entities that are successful. Of course certain facilities are more attractive than others, but there must be a major concern that it is our most valuable assets that are being put up for sale. There will not be a shortage of interest in Bord Gáis because it is a very attractive prospect, but the Government will not realise its true value. It is very difficult to obtain full value for anything in the current market.

It is ironic to consider these proposals in the context of the crazy sums of money we borrowed from the markets and from the European Central Bank and IMF in order to rescue our failed banks. The people of this country will be paying for that rescue for many years. Now, however, they are effectively being asked to pay twice as the Government prepares to sell profitable State facilities like Bord Gáis in order to deal with the bank debt. People were sold a pig in a poke in being obliged to rescue failed banks; now they are being told that in order to meet the agreement with the troika we must sell off the best of our State assets because they are the easiest to sell. It is a disappointing strategy and leaves much to be desired.

People of a certain ideology are of the view that privatisation is good and that state management of services leads to inefficiencies and often a lack of profitability. This argument ignores the fact that state services are generally designed to serve the people. Where they are privatised, however, the priority is making money, which is as one would expect. Companies with shareholders have a legal obligation to those shareholders to maximise profits on an annual basis. This leaves little room, however, for the notion of the provision of essential services for the good of the citizenry.

A problem that has emerged in the business world in recent years is an excessive focus on short-term considerations. Next year does not matter so much; it is all about the next six months or three months. The pressure is on to turn over a profit in the short term or sell shares or dividends. That is a poor way to organise things and is one of the reasons we are facing so many problems at this time. There is an insufficient focus on the interests of the long term, as we have seen not just in Ireland but across the developed world in recent years. This lack of long-term vision and planning is part of the reason that the employment situation has deteriorated. It is also a factor in the collective failure to embrace a commitment to sustainable living. Environmental issues are put on the long finger because there is no short-term gain to be had in implementing them. There is insufficient concern about the serious damage we are doing to the planet as a consequence of the decisions we make today, because those consequences will not immediately be felt. It was bad enough when we had governments which could not see past the next election, which was a maximum of five years. The consequences of that in the area of planning and otherwise are clear to all of us. Now, however, we have businesses, and large corporations in particular, working to even shorter timescales. That is becoming a serious problem.

It is useful to consider how privatisation worked in Britain over the past 30 years. It is true that the manner in which some companies in that country were run in the 1980s, for example, was very poor and that productivity was very low. The reality, however, is that improvements in efficiency are associated with the arrival of competition, good management and better regulation, all of which are issues on which governments can take action. We do not have to give that authority to the private sector. For a private company to break even is not good enough.

Its entire purpose is to turn a profit for its shareholders. By that philosophy, it is a bad idea for a state to allow its services to move into private hands because the primary concern thereafter will not be serving the people but almost exclusively making a profit.

Having said that, I absolutely agree that state companies should be run in a competitive fashion. Competition is healthy in any sector. If there is only one restaurant within two miles in any part of a town or city, there will be no pressure on it to improve its offering. If there are four or five within walking distance, on the other hand, each is under pressure to provide good food and good service. Competition is always good because it obliges service providers to operate more effectively if they are to survive. We need good management and regulation at State level in this country, and that can be achieved by the State itself. Bord Gáis is a positive asset of this country and we should retain it. It is something worth having because it is valuable to the people.

Another issue to consider is that it is very often the poorest people who are the most expensive to serve. How does one persuade a private company to take that on board? Although An Post is still in State hands, it is being run in a commercial fashion. I do not have a problem with that or with the company making money, but I would prefer to see a greater commitment to the needs of the people it is supposed to serve. In my local area the village of Duncormick is home to the last remaining post office in the parish, but not for long. It is due to close because it is not sufficiently profitable and An Post is of the view that it can do without it. The problem is that there are many people in the community who cannot do without it. In fact, its closure is hugely problematic for many of them, particularly older people who are not Internet savvy.

7 o'clock

They really miss their post office. Despite being one of the smallest parishes in Wexford, 1,200 people wrote to An Post pleading with it to keep the post office. However, it does not matter as their concerns are irrelevant. An Post ploughs on and its only ambition is to make sure it turns a profit.

I am sorry the Minister is not present in the Chamber. The State will continue to own the gas network. In January and in June I raised the issue of a high-pressure gas mains being installed between Santry and East Wall. It will be placed at a depth of 1 m. From experience, best industrial practice puts it at 2 m in residential areas where there are already many services. It should go in underneath rather than over existing services. The Minister, in his reply, told me that the Safety, Health and Welfare at Work (Construction) Regulations 2006 place the responsibility for identification and avoidance of existing infrastructure on the party carrying out the works. That is grand but it will not bring any joy when a new contractor is looking to put in some cables for communications or water next year and breaks the gas pipe because it is sitting over the services he wants to access. It is a bad idea to put it at that level. I asked the Minister for confirmation from Dublin City Council that it is happy with a high pressure gas mains going in at 1 m in a residential area of Dublin city when best practice says it should be going in at 2 m. I asked in January and in June but I have not yet heard. I would like to see a letter from Dublin City Council confirming that it is happy with the depth of the pipe at 1 m.

Deputy Clare Daly: It is incredibly ironic that we are discussing this topic under the jurisdiction of a Labour Party Minister, mind you, one who could not be bothered to remain in the Chamber for the opening slots in the debate, not to mind the debate in its entirety. The reason the proposal is on the table is not that it makes sound economic sense or is ideologically viable

but precisely for the reasons outlined by Deputy Wallace. Bad decisions were taken in the State and our people were shackled to bad debts, bailed-out banks and bondholders. In order to pay for the disaster, the State jewels and State assets are being sold off. We are losing on the double and the idea of the Labour Party Minister betraying the ideology of the Labour Party and standing over that on the 100th anniversary of 1913 is incredible. I have a document from the Irish Congress of Trade Unions, the organisation that gave the Minister his livelihood in his working days when he was a union official. It is an organisation whose members pay his election campaign to get in here. The trade union movement has been built on opposition to privatisation for a number of reasons. It is a betrayal of workers and citizens in the State that the Labour Party is standing over it. We expect nothing less from Fine Gael, which has always been ideologically driven in that regard.

We must look back at the role of State companies. I come from the semi-State sector, having worked at Aer Lingus. We must examine, in this era of neoliberalism and record unemployment of almost 500,000 people on the dole, the role that State companies played in our economic development. Is it a way forward or is the idea of hiving off these companies the way forward? Every example of privatisation, in Ireland and internationally, tells us that the path the Government is embarking upon is economic lunacy. Throughout its history, the semi-State sector has provided relatively decent, secure, pensionable and permanent employment, good services and good dividends to the taxpayer. It was a contributor all the way around. In the early years of the State, the visionaries who developed the likes of Aer Lingus and the ESB put this country on the map and gave employment and development that would not have taken place if it was left in the hands of the private sector. We now have a crisis of employment, with very little economic development and employment opportunities in the private sector. The Government solution is to sell off some of these semi-State companies, which is an absolute disaster. Other Deputies have referred to a number of the reasons for this and I will touch on some of them.

These include the inevitable loss of services that comes with privatisation. Clearly, the somewhat unprofitable but socially desirable aspects go by the wayside even though they are providing a necessary service. We will see a substantial potential loss of revenue to the Government. We may get a quick buck in the initial period and the coffers will get a short injection but it is at the loss of dividends and revenue for generations to come. An example of that is the selling of Irish Life, Eircom and other facilities in that direction. Unemployment is a critical issue but there has not been a privatisation that resulted in job creation. In fact, the evidence points in the opposite direction. In the case of Eircom, the workforce once stood at over 15,000 and it is now less than 7,000. Aer Lingus had a massive employment record but now has a fraction of the number it once employed. Going down this path is ridiculous.

The other Deputies pinpointed the critical point of the loss of Government control. When a company is sold, it moves out of Government control and into the hands of investors whose only concern is profit. They do not have the strategic interests of the country at stake. A speedy buck is all that is sought. There are many examples, such as ICC Bank being sold and the Royal Bank Of Scotland, which went out of Irish control and is now exiting Ireland. Is this the direction in which we want to go with Bord Gáis? Clearly, for this Government it is.

I will not go into the problems with Eircom. It is imbued in the public psyche in terms of the disaster of super profiteering, by those who got their paws on it, the asset stripping of a vital service and how this country is on its knees since in trying to rebuild the infrastructure at enormous cost due to the loss of that key utility. Now, this Government will do the same.

We cannot consider the discussion in isolation from what is going on with energy costs. It is a scary situation for many Irish people, particularly as the winter months approach. We see what has gone on in terms of fuel poverty. There is a huge increase in price and Bord Gáis, even as a semi-State company, has stood over it. Many people's lives are in danger because of fuel poverty and standard gas bills are costing people, on average, €500 more today than two years ago. We must ask whether this will improve or get worse if the company is sold off. Where profit is the goal, the situation will only get worse and will cause enormous hardship for citizens. We need only look at the companies lining up to get their paws on what is a very lucrative asset. They do not make a nice guidebook to who is who in the market. These companies include the company that owns British Gas, which is considering heading up a consortium, putting in a sole bid and stripping assets later. There will be major difficulties in terms of the wind turbine aspect of the service, in which it may not be interested. This company is advised by Citigroup and by Goodbody Corporate Finance. Indeed, all of the purchasers lined up are being advised by some of the main banks, the very banks that caused much of the crisis internationally in the first place. There is another company that is owned by Bahrain's banking sector, and a group in Singapore also.

Once an asset goes out of State control, anything can happen in terms of how our energy is produced and sold. For example, the company that owns British Gas has proposals to introduce nuclear power stations in the United Kingdom. If we give it over, what is to stop the purchaser of Bord Gáis going down this road in the future? Once it is handed over, health and safety, the welfare of communities and all of these issues are secondary factors. The Minister of State, Deputy O'Dowd, living as near as one can to Sellafield, should know about the problems in that regard and the significant issues existing in Japan in this area of energy creation.

Bord Gáis is an important utility. It is an important service, it is an important employer and it is an important strategic business for the country. It is precisely the type of company that we should be developing and investing in, not hiving off to the highest bidder in order to pay debts that were never ours in the first place. It is the economics of the asylum, and Irish people will strenuously oppose the sale, as they should. The Minister should abandon it while he still has a chance.

Deputy Finian McGrath: I thank the Acting Chairman, Deputy Troy, for the opportunity of speaking on this new piece of legislation, the Gas Regulation Bill 2013.

This is an important debate, as we constantly must discuss, review and look at options in gas and the other national resources. This is a particularly difficult time in our economic history and there is an urgent need to create jobs and redistribute the national resources in a way that will benefit all of the people. We have a duty to look seriously at reform and change, as many of us promised at the last general election. Of course, restructuring is part of that agenda, but we also must not be blinded by the view that all types of privatisation are good for the economy and society. This view is blatantly untrue and we need to have an open mind on this Bill, particularly on gas regulation.

The main provisions of the Bill are: to provide for the restructuring of Bord Gáis Éireann, BGE, by the establishment of a gas networks subsidiary; to provide for the sale of Bord Gáis Energy by providing for the establishment of an energy subsidiary; to change the ministerial ownership and control provisions for BGE; and to provide for consequential amendments to existing gas legislation.

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I urge the Minister to beware of fire sales of the natural assets. The only game in town, as the Minister of State knows well, may be summed up by three words: jobs, jobs and jobs.

Deputy Fergus O'Dowd: Absolutely.

Deputy Finian McGrath: That is what this debate should be about. If we do not create jobs, we cannot raise taxes, we cannot provide services for those with disabilities, we cannot provide educational services and we cannot provide decent hospital services. That is linked into this debate.

I do not know whether the Minister has been following the debate about Scottish independence in recent weeks, but the big issue on their agenda is the use and value of their natural resources. This is something that we should watch carefully in the debate in this country. I wish the Scottish people well and I hope they vote for independence.

We must look at the facts of what is going on in this country in relation to gas and our natural resources. Generations of Irish schoolchildren have learned that Ireland lacks valuable natural resources. However, Ireland's offshore territory of 652,000 square kilometres is nine times larger than Ireland itself. Recent Government and industry data as well as discoveries by oil companies indicate the potential for vast reserves of oil and gas under the seabed. That is the reality and anybody who says it is not true is playing games.

According to a 2006 study for the Government, the Atlantic Margin alone, off the west coast, contains potential reserves of the equivalent of 10 billion barrels of oil in the form of oil or gas. At June 2012 prices, this is worth €750 billion. This estimate does not include the areas off Ireland's south and east coasts, where several valuable discoveries have been made, nor does it include Ireland's onshore resources. The Minister should note that figure. It is accurate. There is €750 billion worth of oil and gas below the Irish seabed around the coast of this country. That could do a great deal for the future of this country. It could do a great deal for the economy and it could do a great deal to create jobs. It could do a great deal in providing services for persons with disabilities. In the past three years the Government has ripped €12 million out of St. Michael's House services, and we heard from parents over the summer whose services and transport, and also day-care services, were being reduced. I raise this in the debate tonight because it is important that we say it. We are always fighting over €2 million, €12 million or €3 million, when according to Government figures we are sitting on top of an asset worth €750 billion. That is the reality.

Unfortunately, the sad reality is that the terms under which companies are granted permission to explore for these hydrocarbons are so heavily weighted in favour of oil companies that the benefit to Ireland is almost non-existent. The terms were introduced 20 years ago following heavy lobbying of the Haughey Government by the oil industry. Under these terms, when a company finds oil or gas in Irish territory, ownership and control of that oil or gas is transferred in full to the company; no royalties are paid to the State; the company can choose to export the oil or gas; it does not have to land the resources in Ireland or use Irish services or personnel; even if the company decides to sell in Ireland, the full current international price will be recovered from the consumer; and Ireland has no ability to limit extraction in light of the link between fossil fuels and climate change. The only guaranteed benefit to Ireland from extraction of these resources is a 25% corporation tax on the profits declared from the sale of the oil or gas. Before declaring profits, the company can write off 100% of costs against this tax, including the cost of previous unsuccessful wells drilled anywhere in Irish waters. Following

changes in 2007, in exceptional cases a very large field could incur an additional tax of between 5% and 15% on post-tax profits. However, this does not apply to the many licences granted before 2007. International studies show that State take in Ireland is among the lowest, roughly half the rate of countries with a similar economic approach. These are facts that are not being discussed today.

The Minister, Deputy Rabbitte, is now in this zone. He is a senior Minister in the Cabinet and a member of the Labour Party. Have we not learned from the sell-off of Telecom Éireann, which was a complete disaster? Have we not learned that neoliberalism did not work in this country? The Minister should ask the former Progressive Democrats Minister, Michael McDowell, whether it worked for the country.

People have major concerns about this legislation. They have major concerns about loss of services and loss of revenue. Above all, however, as I stated earlier, they have major concerns about the only game in town in this country today - that is, jobs, jobs and jobs - and that is what this debate is linked into. I mentioned the link between jobs and services, but I am also making the link between jobs and the gas issue and the broader debate.

Bord Gáis Éireann is a major energy provider, supplying gas and electricity to homes and businesses throughout the island of Ireland. Established in 1976, it is majority owned by the Government through the Minister for Finance and the Minister for Communications, Energy and Natural Resources. Bord Gáis Energy is a division of the Bord Gáis Group, operating in both the South of Ireland and the North. It is a dual-fuel, all-island business that services 825,000 gas and electricity customers. I am one of those customers and I am a regular supporter of the company. I like the idea that it is an all-island company providing services throughout the island because I believe strongly that we need to get rid of the partitionist mentality, which exists in this House as well. Even if people do not agree with the beliefs of the 1916 leaders, there are strong economic reasons to end the division of the country.

The Bill addresses legislative amendments to allow for and facilitate the sale of Bord Gáis Energy, the retail arm of Bord Gáis which sells gas and electricity to all market segments and performs related activities. The Bill also provides for the restructuring of BGE in order to establish a gas networks subsidiary company which will remain in State ownership. This is to be welcomed. In addition, it changes the ministerial ownership and control provisions for Bord Gáis Energy.

The sale of Bord Gáis Energy is part of the Government's State assets disposal programme and being pursued as a commitment under the EU-IMF programme. The Government announced its intention to sell Bord Gáis Energy in February 2012 and the sale process was formally launched by BGE on 3 May 2013. It is expected that the sale will be concluded by the end of the year. This is the Government's policy.

I refer to the value of the sale. Reports anticipate that the sale could generate proceeds in the region of between €1 billion and €1.5 billion. I do not believe that figure is possible in the current economic climate. Some more recent estimates have been towards the lower end of that scale and I agree. We need to be careful when dealing with the sale of a very valuable asset. It has been stated half of the sale proceeds will be available to fund employment enhancing projects of a commercial nature, with the other half destined eventually to pay down the debt that is swallowing and ruining the country.

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I welcome the debate. I urge the Minister to beware of fire sales of our national assets because it is a dangerous road to go down.

Deputy James Bannon: I wish to share time with Deputy Peter Fitzpatrick.

I welcome the Minister of State, Deputy Fergus O'Dowd, a Minister who adopts a hands-on approach to any portfolio he holds. He is very approachable for all colleagues in the House.

The Gas Regulation Bill 2013 is part of the process for the disposal of State assets and being pursued as a commitment under the EU-IMF programme which was agreed by the previous Government. The sale could generate proceeds of approximately €1.5 billion, although this has been disputed by some colleagues in the Technical Group. Deputy Clare Daly spoke about vultures hanging around to purchase, while Deputy Finian McGrath put a different valuation on the assets when he undervalued this very valuable asset.

Deputy Finian McGrath: I was good at maths in school.

Deputy James Bannon: Half of the proceeds of the sale will be available to fund commercial employment enhancing projects, with the other half going towards paying down our debt. When the Government took office two and a half years ago, most of the proceeds from the sale of State assets were to be used to pay off the debt, but the Government has negotiated that half of the proceeds would be used for job creation projects.

The Gas Regulation Bill will see Bord Gáis Energy split into two companies, with one company taking control of the physical gas network, while the other will take control of the energy business which could be sold by the end of 2013. I hope the economic climate will be conducive. The last thing anyone wants is a fire sale which would serve no purpose. We want to get all we can for our State assets in order to see consequent benefits for communities and job creation.

The Bill address legislative amendments to allow for and facilitate the sale of Bord Gáis Energy which is the retail arm of Bord Gáis. The Bill will impact on the group structure of Bord Gáis Energy, given that it provides for the restructuring of Bord Gáis by establishing a gas network subsidiary company. Bord Gáis Energy is a major energy provider, supplying gas and electricity to homes, industries and businesses throughout the island of Ireland. Its main stakeholder is the Government through the Minister for Finance and the Minister for Communications, Energy and Natural Resources. Bord Gáis Energy is a division of the Bord Gáis group, operating in both the Republic of Ireland under the Bord Gáis Energy brand and in Northern Ireland under the Firmus Energy brand. It is a dual-fuel, all-island business serving over 825,000 gas and electricity customers.

The Bill addresses the technicalities to assist in the sale of Bord Gáis Energy and does not deal with the wider policy issues such as consumer protection. There is no published regulatory impact analysis to accompany the Bill and no detailed analysis of the potential impact of the sale of Bord Gáis Energy. We need to be cautious with this sale and look closely at the possible implications for the customer. Lessons should be learned from the sale of Eircom, the privatisation of which ended in a very dismal fashion. It was bought by private business for short-term profit. Regulation was lacking and many Members still remember these events. Various owners were allowed to load Eircom with debt so long as the company met technical standards and the markets were happy to keep lending. A successful privatisation is not about looking at how much money a sale raises, rather it is a case of considering how good a service can be provided

by the private sector and how to ensure it delivers.

We need to look after the public. The people of Longford-Westmeath are being bullied by the wind farm development process, of which the Acting Chairman, Deputy Robert Troy, will be aware. They are anxiously awaiting wind energy review guidelines which were to be published in the third quarter of this year, but they have not been released as yet. We need to ensure the process is fair for the men, women and families involved and it is my job to look out for them. From what I have seen thus far, many aspects of the process have not been fair. For example, I am not sure if the Minister, Deputy Pat Rabbitte, is aware of hidden clauses which have been found in contracts signed by farmers whose land is to be used for the construction of wind turbines. We need clarity on the issues involved. For example, people have mentioned to me that a clause in the contract states the farmer who has leased what he or she thought was a hectare of land for the construction of the turbine has, in fact, also relinquished his or her right to sell on his or her land to whomever he or she pleases or, in some cases, subsequently use it as farmland. If this is true, then we have a major problem on our hands. This is an example of an issue that needs clarification and there are many similar issues with regard to the wind turbine process. It would take an experienced solicitor to find these hidden clauses in the contracts. It is a disgrace that hard-working farmers who are the backbone of the economy are subjected to this trickery from big corporations which have been contracted to build the wind turbines. A public consultation process will begin in the next weeks and the big corporations will attempt to address people's concerns about the plans for their land.

Debate adjourned.

Mortgage Arrears: Motion [Private Members]

An Leas-Cheann Comhairle: The new speaking time clocks are being used today and they are intended to assist Deputies in keeping to designated time limits. The time indicated on the screens during the debate will be the slot time as provided for in Standing Orders and the order of the day. If sharing time, all Deputies must conclude within the time indicated. I ask Deputies to comply with time limits for debate as running over the time is very unfair to other Deputies waiting to speak. Deputy Michael McGrath is sharing time with Deputies Ó Cuív, McConalogue, Browne and Moynihan.

Deputy Michael McGrath: I move:

That Dáil Éireann:

notes:

— the continuing rise in mortgage arrears with 142,892 family home mortgage accounts in arrears at the end of June 2013;

— the fact that 57,163 family home mortgage accounts are in arrears for greater than one year;

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— the evidence presented by the banks during the recent hearings of the Joint Committee on Finance, Public Expenditure and Reform that they relied heavily on issuing threatening legal letters to borrowers in order to meet their obligations under the Mortgage Arrears Resolution Targets Programme for the quarter ending 30th June, 2013;

— that the Central Bank has yet to provide an independent verification of the performance of the banks under the targets programme; and

— the banks continue to rely on short-term forbearance measures as evidenced by the fact that only 309 split mortgages and 254 permanent interest rate reductions have been implemented up to 30th June, 2013;

recognises that:

— the mortgage arrears crisis represents the greatest social challenge facing the State;

— economic recovery will not take place until substantial progress is made in tackling the mortgage arrears crisis;

— every political party and Independent member of Dáil Éireann has an obligation to identify solutions to the crisis; and

— a threat of repossession should not be regarded as a ‘sustainable solution’ under the Mortgage Arrears Resolution Targets Programme;

and calls for:

— the Central Bank to report on the performance of the banks to date on reaching the resolution targets laid down;

— publication of the targets to be imposed on the banks in respect of the conclusion of arrangements with customers in arrears;

— a clear definition of a ‘sustainable solution’ under the Mortgage Arrears Resolution Targets Programme;

— legislation, if necessary, to establish the right of a borrower who meets the definition of a sustainable mortgage to a long-term sustainable solution, including for example a split mortgage of at least ten years’ duration or a debt for future equity swap;

— consistent rules to be applied by the banks in the treatment, in respect of interest, of the parked element of a split mortgage;

— the Central Bank to carry out an independent investigation, including an assessment of a sample of individual cases, into claims by the banks that a significant portion of those in arrears are “strategic defaulters”;

— the establishment of an independent Mortgage Arrears Resolution Office to oversee the implementation of sustainable mortgage solutions;

— action by the State-supported banks to ensure that rent in respect of buy-to-let properties is not diverted from payment of the mortgage on the property; and

— a review of the costs associated with accessing the Insolvency Service of Ireland

to ensure that they are fair and reasonable and that the service can be accessed by all those who would benefit from it.”

I will try to keep one eye on the clock. Ministers and Deputies may be wondering why Fianna Fáil is raising the issue of mortgage arrears again, given that it was only a couple of months ago that we dedicated a Private Members’ motion to the issue of how the mortgage arrears crisis is being dealt with. We are raising the issue primarily because of the startling evidence given by the bank representatives before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform two weeks ago. We had three days of hearings with representatives of AIB, Bank of Ireland, Ulster Bank and Permanent TSB. By any measure, the evidence given was absolutely astounding.

The purpose of the motion is essentially to stimulate further debate and, more importantly, action on the single greatest social and economic challenge the country is facing at this time. As I mentioned, the evidence given by the banks two weeks ago took me by surprise, and it took every Government Deputy present by surprise as well. It probably even took the Government by surprise. To be fair to the Government and the Central Bank - I will be critical of both in a moment - when the targets were issued last March, the last thing both the Government and Central Bank expected was that up to 15,000 letters would be issued by banks to those in mortgage arrears. These were either to commence legal action or threatening that legal action would begin. Unfortunately, that has been the result of banks attempting to reach the targets set for them in the quarter ending in June.

The overall number of letters issued is up to 15,000 in the second quarter. In AIB’s case, 74% of solutions offered involved the threat of legal action to repossess the home or its voluntary sale by the home owner. With Bank of Ireland, 49% of sustainable solutions reported to the Central Bank involved the commencement of legal proceedings to repossess the home, whereas with Ulster Bank 80% of so-called solutions for owner-occupiers in arrears was the commencement of legal action to repossess. With Permanent TSB, 36% of solutions amounted to voluntary sale by the home owner or the commencement of legal proceedings. We received that evidence from the banks just two weeks ago at the joint committee hearing, and it startled all the Deputies and Senators present. They certainly did not expect that response to the mortgage arrears targets set by the Government and the Central Bank in March.

Much of the issue goes back to the commencement of the process of setting targets in March. At the time I indicated it was flawed because the definition of a sustainable solution was too vague, and ultimately it was up to the banks to decide what was a sustainable solution to a person’s mortgage arrears problem. Examining the definition given in the mortgage arrears resolution targets programme, the indication was the banks must satisfy themselves that the solution is sustainable, and there is the possibility of a property being voluntarily sold, or failing this, repossession of the property by way of a voluntary agreement by the bank or by way of a court order. In effect, the banks were perfectly within their rights to state that the majority of the solutions offered to borrowers were represented by the threat of legal action or the commencement of action to repossess the family home. That flaw in the process was evident from the beginning.

When the Government and Central Bank put faith in these targets and reaching sustainable solutions, neither envisaged that the repossession of the home would be deemed to be a sustainable solution. Anything that involves the loss of a family home, either by way of voluntary surrender or forced repossession by way of legal proceedings, is not a sustainable solution to

mortgage arrears. It is a termination of the mortgage rather than a solution to mortgage arrears. We should be honest and clear about that. The most depressing element of the hearings two weeks ago is the feeling that banks still do not really get it or grasp what is required of them in the need to engage meaningfully with borrowers who genuinely want to work to keep the family home. I believe that is the case in the vast majority of cases.

There are a number of important points to be made about the motion. We still have no independent verification from the Central Bank of banks' performance against targets set for the second quarter to the end of June. That is unacceptable, and I know the Governor of the Central Bank, Professor Honohan, will come before the committee next week and we will have the opportunity to question him then. Since last March, the Central Bank and the Government knew that the first set of targets related to the period to the end of June, so why did audits of bank performance not commence in July? We are now in mid September but have no handle whatever on an independent verification of the bank's performance, and my understanding is that the process of auditing the bank performance has not even commenced. Why did it not happen in July, when the targets had supposedly been met by the end of June? It is an important point.

A second issue we call for in the motion is for targets to be set for concluded agreements. I welcome that the Central Bank yesterday moved to issue the first set of targets for the conclusion of agreements. This means banks would no longer be merely required to make offers and would instead be required to conclude agreements with borrowers. The Central Bank has deemed that 15% must be concluded by the end of December, with the percentage increasing to 25% by the end of March. That is a step in the right direction, although those targets should have been set long before now.

I assume the Government counter-motion was approved by the Cabinet today but it is out of date already because it makes no reference to the fact that the Central Bank issued targets yesterday. The amendment refers to the targets being set "shortly", and such an omission is lazy and indicative of the lack of priority that the issue has been given. Nevertheless, I welcome that the targets have been provided for.

From early on we have argued that there should be a legal right for borrowers in arrears to a sustainable solution to the problem if they meet certain qualifying criteria. Considering the forbearance arrangements still being rolled out by the banks, there is a marked reluctance to offer the more long-term sustainable solutions. We have advocated for some time the need for an independent mortgage resolutions office, and it could sit within the new Insolvency Service of Ireland, adjudicating and having the final say in respect of mortgage arrears, subject to overarching issued guidelines.

One of the solutions that banks are beginning to roll out is the split mortgage, which has much potential. I participated in a Topical Issues debate with the Minister some time ago which took these in and the banks are still adopting different approaches in this regard. I raised directly with the Central Bank the fact that Bank of Ireland is charging full interest on the warehoused portion of the split mortgage while the other banks are not charging interest. There should be uniformity in the way in which a solution such as a split mortgage is rolled out, and I call on the Central Bank again to ensure such uniformity. This is part of the reason the number of split mortgage solutions is not as high as we would like. The official figures show there were only 309 at the end of June. As Deputy Boyd Barrett said at the committee hearings, the uncertainty as to how the warehoused lump sum will come into play ten or 15 years down the road is a concern for borrowers. I have met people who were offered split mortgages but refused them

because they had no certainty as to how the warehoused portion would be dealt with down the road.

We will also have to face up to the issue of strategic default. This was a common theme to which a number of the banks returned time and again during their presentations to the committee. AIB had previously said approximately 20% of those in arrears are strategic defaulters. We need to get a handle on this issue and we need independent verification of the extent of the problem. I am not burying my head in the sand and saying there are no strategic defaulters. I am sure people have made the choice for whatever reason not to prioritise the repayment of their mortgages, but there is an onus on the Central Bank to get to the bottom of the issue. It is easily done. Staff should examine a sample of the arrears cases and arrive at a conclusion as to whether people are strategically defaulting, because it is unfair to cast a slur on up to 20% of those in arrears and claim they are deliberately not paying their mortgages despite having the means to do so. That assertion should be evidence-based. No evidence whatsoever has been produced so far to substantiate it. There is, therefore, an onus on the Central Bank to examine that claim, agree on a definition of strategic default and examine how widespread the phenomenon is.

I acknowledged during the hearings that some of the banks, particularly AIB, should be more proactive in the appointment of rent receivers. If landlords who receive rental income from their tenants are not passing it on to the bank by way of mortgage repayments, the banks should use their powers to intervene and seize the rental income to put it towards the mortgage. That is accepted by most Members. There has been a dramatic difference, again, in the application of rent receivers by the banks. Bank of Ireland has appointed more than 1,100, while AIB has appointed a few dozen. There is no consistency in the way the issue is being treated. As I said at the committee hearings, if AIB is convinced that one in five of those in mortgage arrears is deliberately not paying his or her mortgage - the bank's representatives said that a high percentage of these involve buy-to-let properties - why has it not moved in to appoint rent receivers to ensure incomes are put against these mortgages? They have not done so and they acknowledged that they have not done enough work on the issue.

I welcome the fact that the new insolvency service is up and running and accepting applications. However, *The Sunday Times* has examined the 37 licensed personal insolvency practitioners, PIPs, and potentially there is an issue regarding access to the new service. Those who need it most may not be able to access it because some PIPs are demanding money up front. The Insolvency Service of Ireland, ISI, is envisaging that they will be paid where an agreement is reached to restructure a person's debts, but where there is no agreement, how will they be paid? The result is that in all likelihood PIPs will cherry-pick the customers they will take on and identify those who have some ability to pay their fees up front. There is a need for the State to ensure that those who most need access to the ISI get it and that the fees issue is not a barrier.

The Minister of State was critical of the banks as recently as this morning and, hopefully, he will repeat some of those criticisms in his contribution, because it is important that they are held to account in a fair way. Nobody is asking the banks to throw away the capital they have been given by taxpayers. They have a duty to guard it closely, but they also have a duty to engage meaningfully with borrowers. Where individual cases merit it, people should be offered permanent interest rate reductions, as Ulster Bank has done through its economic concession, debt for equity swaps should be implemented and split mortgages that do not punish people should be provided. We want to see solutions that are genuinely sustainable.

While the crisis is bad, it could get much worse if the ECB decides to increase its main interest rate, which is currently 0.5%. We are potentially sitting on a tracker time bomb in the context of mortgage arrears. Up to half of those with mortgages have tracker mortgages, with an interest rate of between 1.25% and 1.75%. Heaven forbid the ECB increases its interest rate by 0.5% at a time, because thousands of people will be in difficulty and will join those currently in difficulty. That makes it all the more important that we establish the architecture to resolve the mortgage arrears situation. Any independent assessment will find that we do not have that right yet. There have been steps in the right direction but there is much more to do. The motion is not intended to be adversarial; it is intended to ventilate the frustration felt by all Members at the committee hearings two weeks ago and to bring about improvements in the way the Central Bank and the Government are forcing the banks to deal with this issue.

Deputy Éamon Ó Cuív: I support everything Deputy McGrath said. We face a huge unresolved problem with mortgages. It is a circular problem. The Government parties told the Central Bank that they wanted it solved, but they were in not position to say that if crystallising the losses on the mortgage book meant the banks needed further capital, they would put in the money. The Central Bank told the banks that it wanted the problem solved but it would not give them money and it did not want to impair their capital base while the banks are involved in various non-deals. The number of resolutions to date demonstrates that there is a paralysis in the system because they have no way of crystallising the losses if that is the way the Government wants to solve the problem. Like Liza and the bucket, there will be a hole in the bucket and they will have to return to the Government parties to try to get money, saying what they said at the beginning, which is that they have no money.

We are tinkering away at the edges of the problem but we are not up-front about the scale of the problem, which is fundamentally simple. If we do not do something to help mortgage holders, the banks will potentially face another black hole on their balance sheets because of their reckless lending. In the meantime, ordinary people up and down the country, particularly families with young children, are living a daily hell because they cannot finance day-to-day living and all their commitments, both secured and unsecured. There are approximately 750,000 mortgages in the State. Let us assume 300,000 were taken out between 2000 and 2008. A total of 143,000 are in visible trouble - that is, they are in arrears. However, of the remaining 157,000, a significant number of people are not paying credit card bills and unsecured loans, and they may be a little smarter in terms of prioritisation in realising that the mortgage is the final bill one stops paying. They are also in financial trouble but they are not in visible mortgage trouble because they have prioritised their mortgages, although they are struggling to pay. I do not agree with the theory that everyone who borrowed during that period did so in a reckless way. The majority bought houses at the going rate because there was no choice and they bought them for genuine reasons because they wanted somewhere to rear their families. I speak exclusively of owner-occupied houses. It is simplistic to say everyone borrowed too much money according to their income or income prospects. For two public servants at an executive officer, EO, grade in 2006, it would have been reasonably prudent to borrow on the basis that in the next five to seven years – it is seven years since 2006 – one of the couple would receive a promotion and that their wages would have increased by a modest 5% to match inflation. Therefore, it would have been quite prudent at the time to borrow on that premise. What happened was that wages reduced by 17%, promotions virtually came to a halt and new taxes such as the property tax were introduced. The vast majority of those who are in trouble could not have foreseen the set of circumstances that would prevail in 2013. On the broad scale I have zero sympathy for the moral hazard argument. It does not hold water.

We must ask ourselves what we are offering 143,000 people. As Deputy Michael McGrath said, split mortgages are fantastic. However, when one splits the mortgage in two or takes off one third of it, one must be advised whether it will come back to bite one in the future in terms of whether interest will be accumulated. Split mortgages are no good, unless one parks the interest on the split part and only the capital remains as a liability.

We have between 20 and 30 houses in the mortgage-to-let category. That seems to be a very expensive solution for the State because it must give the money to a voluntary housing body to buy a house from the bank in order to let it back to the person concerned. If one were to do this on a large scale, one would have to come up with a considerable amount of money, which is not tenable.

Many years ago when we introduced the shared ownership scheme, I thought it was a great idea, as people on low incomes could buy half a house and rent the other half, while over time they could borrow the balance. They could buy a house in a housing estate of their choice, rather than seeking social housing. Anyone who ever dealt with the scheme would say it worked out to be a bureaucratic and legal nightmare. There were also incredible delays in obtaining such houses. I do not believe it is a practical solution.

We must examine whether there is another way. The 20,000 to 30,000 people who are in irrevocable difficulty must be dealt with on a once-off basis. The personal insolvency system is required. The Fianna Fáil Party has stated time and again that if the banks have a veto, one is creating a system that cannot work. If one tries to deal with 143,000 people through such a system, one will have the initial proposal made fairly quickly, but it will be months before the person who has the mortgage and the various credit institutions, including banks, come to a conclusion. The negotiations will be endless and it will be like all of the other schemes. The State is awash with bureaucratic delays.

A presentation was made recently to Members by the Phoenix Project. It proposes a different but simple solution that works on the premise that the average person who bought a house between 2000 and 2008 paid 50% more than they would pay if they bought their house now. The proposal is that for the next five years while we reboot the economy, we should increase tax relief at source, TRS, and in one fell swoop - at a cost of €300 million a year which one could take out of the great bounty received because of the deal done on the promissory note - one would deal with the people who are in severe difficulty but repaying their mortgage and allow them to live again. The people who are paying interest only could pay interest and capital. Those who are between 20 and 40 days in arrears could catch up. People who are 90 days in arrears could at least pay the interest and stop the arrears accumulating on it. That would allow us to deal with the problem in a non-bureaucratic way and the underbelly of people with severe problems who require a more complicated resolution could be addressed on a one-to-one basis in the way outlined by Deputy Michael McGrath.

Deputy Charlie McConalogue: I join my colleagues in supporting Deputy Michael McGrath's motion to ask that the Government take account of its failure thus far to address the severe mortgage crisis. Deputy Michael McGrath outlined some actions for the Government to take with immediate effect in order to address the growing mortgage crisis.

A total of 142,000 family homes are in mortgage arrears. That is double the figure when the Government took office. That means that approximately 500,000 people are living under a roof where the mortgage is not being paid regularly and is in arrears. Many of the people who

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are struggling to pay their mortgage are at a stage in their lives where they are trying to raise a family and have the attendant bills and stresses that go with it. In the past week a Behaviour and Attitudes poll of people in the 25 to 49 year age group was published. That is the section of society which is most stretched and finds life most difficult in this country. A total of 33% were either unable or found it exceptionally difficult to pay their mortgage on a monthly basis. A total of 66% found it very difficult to get by day to day. They are also the people who have been impacted on most by the rising costs of raising a family and increased daily living expenses. In addition, they are impacted on by the increased cost of many of the measures the Government has introduced since it took office. In the past week it was revealed that inflation in the education sector was particularly high. In the past 12 months inflation in that sector increased by 5%. That is due to measures taken by the Government such as the €250 increase in the annual registration fee for third level students in September. That is on top of a similar increase last year and the Minister has indicated there will be a further increase next year. The same sector is affected by cuts to many payments such as the back-to-school allowance.

8 o'clock

This is the biggest crisis facing many families. The motion tabled by Deputy McGrath asks the Government to take specific action to ensure this will be addressed with the authority that it deserves. The fact that the Central Bank has not carried out any audit of the types of offers that have been provided must be noted. We want results and not just targets pertaining to what will actually be delivered to families in arrears.

The whole country and many politicians were shocked by what occurred. Some members of the Government did not realise in advance of the deliberations of the finance committee last week that, in the vast majority of cases where offers were made, they constituted threatening letters to the households and persons in arrears. That is simply unacceptable and we need to see a change of approach.

We need a clear definition of a sustainable solution. It is not acceptable that it is left to the banks to implement solutions on a case-by-case basis, and that those in arrears cannot have the assurance that there is a guideline and direction given to the banks in terms of what constitutes a fair deal for them. We ask that the Minister take on board the details of the Private Members' Bill put forward by my party last year. It called for an independent mortgage resolution office that would offer backup to and an independent arbitrator for people in arrears when negotiating with their banks. I commend the motion to the House.

Deputy John Browne: I welcome the opportunity to say a few words on the motion tabled by our spokesman, Deputy Michael McGrath. It gives us an opportunity to highlight the problems faced by people with mortgage arrears. The number in mortgage arrears continues to rise. There were 143,000 family mortgage accounts in arrears at the end of June 2013 and some 57,000 family home mortgage accounts have been in arrears for more than one year. Last week, the Oireachtas Joint Committee on Finance, Public Expenditure and Reform met representatives of the banks and they spoke about the threatening letters that the latter sent out. I am sure all politicians meet in their clinics people who have received threatening letters and who are begging for support and help when negotiating with the banks. Obviously, the threatening letters are adding seriously to the burdens already placed on families with mortgage arrears. The families are experiencing severe hardship and stress, causing depression, family break-up and, in some cases, suicide. A resolution needs to be found to deal with the problem.

Banks are not being very helpful; they issued the letters. Many people making interest-only mortgage repayments are meeting their commitments but are now getting harassed by the banks, which are stating that is just not enough. The banks want the full payment, despite the fact that people are not in a position to make full payments. If families are meeting agreements to make interest-only payments on a monthly basis, they should be allowed to continue in that regard until a reasonable and final solution is found. Interest-only payments are certainly a way forward in that they help the mortgage holder, who may have lost his job or have a lower income than he or she had previously. Obviously, different banks have their own ways of dealing with customers. As I said, these include frightening letters and abusive and demanding phone calls. People do not have the means of meeting the mortgage payments.

It is time that the banks seriously considered finding solutions. Threatening letters are one thing but finding a long-term solution is what people are looking for. Split mortgages are certainly a way forward. We need to consider mortgage repayments that could be spread over two generations. This scheme was introduced in Canada some time ago and was found to be very reasonable.

Many people who come to my clinic are seeking debt relief or a write-down of the loan so they can make the repayments. Those who paid €200,000 or €300,000 for their houses now find themselves no longer in a position to make the repayments agreed when the mortgages were first obtained, perhaps because of job losses or reduced wages. In many cases, there was reckless lending by the banks. Many people should certainly not have got loans in the first instance based on their income. Some never had a hope of making their repayments. Banks have a certain responsibility in this area. They made loans available to people who were never in a position to make repayments. This was the position with 100%, 110% and 120% mortgages, which were ridiculous.

The time has come for the banks and the Government to take action and for solutions to be proposed by the various interested bodies in order to help people to remain in their homes. Keeping people in their family homes makes for good social policy and makes sound financial sense. I compliment Deputy Michael McGrath on tabling the motion. It affords Deputies on all sides of the House an opportunity to put forward ideas and suggestions. I hope we can come forward with a reasonable solution for families who are finding it very difficult to make ends meet and make repayments at present.

Deputy Michael Moynihan: I commend Deputy Michael McGrath on his timely motion. I have a couple of issues to raise. Let me pick up on Deputy John Browne's point on reckless lending. I dealt with a case recently in which a man in his early 50s received a mortgage of in excess of €200,000 although his only source of income was an invalidity pension. That demonstrates the level of crazy lending by the banks. This is an issue to be considered.

Let us consider the issue of negotiations with the banks at stressful times of the year, particularly when children are going back to school. A family I have been dealing with had in its current account approximately €2,000, which was saved during the year to meet the cost of sending children back to school. The car insurance premium and motor tax had to be paid. When the family sent its documentation to the bank, the bank was looking for the €2,000 it had saved. Would the family be classified as a strategic defaulter? Are the banks talking about people who cannot meet their mortgage repayments in any way but who are trying to make provision for their families as they enter an expensive period of the year? The individuals concerned are making sure they are giving what they can towards their children's education, for

example. Over the next few years, when people in trouble with their mortgages encounter very expensive times, such as when children are going to college, they will not have a hope. This must be realised.

Deputy John Browne referred to ensuring that mortgage repayments could be spread out over several generations. In years gone by, a provision was made whereby several generations could repay the moneys owed on transferred land, including Land Commission land. When land was passed from parent to child, repayment conditions were enclosed in the transfer documentation. Something of this nature needs to be done. We have seen evidence that there has been no full audit of what is actually taking place with regard to the mortgage crisis in the major pillar banks. Something needs to be done in that regard. Evidence suggests that there is no full audit of what is going on in the major pillar banks in terms of the mortgage crisis. There is no audit which shows the true figures. We also do not know the truth about the deals being done and whether the banks are really making a serious dent in what is an enormous problem.

A huge number of families are in arrears and Deputies are meeting them every day of the week. Such families are under frightening and appalling stress trying to deal with this problem. It affects children, parents and grandparents. Deputies will all have heard stories about the repossession of vehicles, of threatened repossessions, threatening letters and so forth. Some people cannot see any way out of their difficulties, which has led to people taking drastic action.

I take issue with the use of the term “strategic default”. I would love to challenge the banks on that. As I said earlier, in many cases people are putting aside some money to provide for their children returning to school or other expensive times of the year, like first communion, confirmation, Christmas and so forth.

An Leas-Cheann Comhairle: I must ask the Deputy to conclude now.

Deputy Michael Moynihan: Are such people regarded as strategic defaulters?

The seriousness of the situation is such that we need to examine whether there is another way of dealing with it, perhaps along the lines of what was done years ago in the context of the land commission. It is so serious that we really need to do something like that.

An Leas-Cheann Comhairle: I now call on the Minister for Finance, who will move an amendment to the motion.

Minister for Finance (Deputy Michael Noonan): I move amendment No. a1:

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

“acknowledges that this Government inherited a severe mortgage arrears crisis from the previous Government;

accepts that the mortgage problem is a significant economic and social challenge for the State and that the Government is aware of the significant difficulties some homeowners are facing in meeting their mortgage commitments;

notes that this Government published the Report of the Inter-Departmental Mortgage Arrears Working Group in October 2011 and that the key recommendations of that Report have been adopted by Government as the most appropriate framework to address this major problem;

accepts that the Government is committed to advancing appropriate measures to assist those mortgage holders who are experiencing real and genuine difficulty with their mortgage repayments;

recognises that Central Bank interaction with mortgage lenders is key to addressing mortgage arrears and in particular to ensure that, where appropriate, lenders put more long-term and sustainable solutions in place for their customers in mortgage difficulty;

notes that the Central Bank has now set performance targets for specified credit institutions requiring them to 'propose' sustainable solutions to 20 per cent of their mortgages in arrears of more than 90 days by end June, to 30 per cent by end September and to 50 per cent by end 2013;

notes that the Central Bank is building on this and will shortly indicate an end 2013 target for 'concluded' solutions and 2014 targets in respect of both 'proposed' and 'concluded' solutions;

supports the Central Bank in this work as it now commences an auditing process to assess whether the mortgage modifications proposed and put in place by lenders under this framework, are in fact sustainable solutions;

notes that the Insolvency Service of Ireland is now in a position to accept applications from authorised Personal Insolvency Practitioners and Approved Intermediaries on behalf of debtors under the Personal Insolvency Act 2012;

notes also that a comprehensive mortgage advisory service and a Mortgage-to-Rent scheme has been put in place;

accepts that the vast majority of mortgage holders are meeting their repayment commitments and that, in the best overall economic and social interests of the State, such debtor discipline should be supported and that appropriate public assistance should be targeted only at those mortgage holders in genuine difficulty; and calls on the Government to continue and intensify its work across the relevant Departments and agencies to deal with this significant problem."

I will be sharing time with Deputies Michael McCarthy, Áine Collins and Dara Murphy.

I welcome the opportunity to speak on this important issue and to set out recent developments. This Government inherited a severe mortgage crisis from the previous Fianna Fáil Government. Like the economic, fiscal and jobs crisis that we inherited, this Government has resolved to tackle the issue head on. We have prioritised actions to deliver real and sustainable solutions.

There is no doubt that families across the country are experiencing real and genuine difficulties in meeting their monthly mortgage payments. This Government is fully aware of the impact this is having on these families and their lives. As I have said on many occasions in the past, we cannot have a situation where so many families are living under the stress of mortgage arrears, are excluded from participating in the economy and from living their lives because they cannot pay their mortgage.

The Government is deeply committed to addressing the failures of the last Government in this area. The personal insolvency legislation was outdated and in need reform. There were

no measures in place to help families who had excessive debt levels. The banks did not have the operational capacity and expertise to deal with the scale of the problem facing them. At an overall economic level, the previous Government did not do enough to address the drivers of mortgage arrears, namely job creation and the overall high level of indebtedness. This inaction has taken time to unwind.

In the past two and a half years we have taken a number of significant steps to address these problems and I would like to update the house on actions in this area. The measures that have been introduced are innovative and incorporate stronger protections for the family home than in other countries. We want to produce an environment where mortgage holders can pay for and stay in their home, and where those who have genuine difficulty in meeting their financial commitments are provided with an opportunity to resolve their problems and begin again to contribute to society. The framework is now in place for banks to reach solutions with their customers who are in arrears, targets are in place and we expect the banks to deliver.

The Members opposite will be aware of the Keane report. The recommendations of that report are the blueprint for Government action to address this problem. The great majority of its recommendations have been already acted upon and are being implemented. The resolution of this problem is a priority. At the highest level of Government we have a sub-committee, chaired by An Taoiseach and comprising all relevant Ministers in this broad area of public policy. In addition, a high-level steering group, chaired by the Department of Finance, is overseeing the implementation of the various actions across Government. All relevant organisations are members of this group, including the Central Bank.

The main conclusion of the Keane report is very clear, namely, that the Government should focus its attention on providing appropriate supports to people who have genuine difficulty in repaying their mortgage but that mortgage holders who have the capacity to meet their financial commitments should be encouraged, supported and indeed, expected, to meet those obligations. Most mortgage holders can and do meet their financial obligations. More than 80% of mortgage accounts are fully up to date on their repayments and that practice should be maintained to the fullest possible extent. In particular, the Government will not and cannot support any attempt by people to renege on financial commitments where there is a clear ability to meet those commitments. Nor can it agree to any general write down of debt for people with the capacity to meet the commitments they entered into. The costs of this would be too great, and the effect would only be to impose a wider burden on others in society. It would not be a fair nor an effective use of taxpayer resources to provide assistance to those who can afford to pay their mortgages.

The Government's strategy, therefore, is focused on those who are in genuine difficulty in repaying their mortgage. This is built around the four pillars for action as recommended by the Keane Report, namely engagement with the banks to develop appropriate measures for their customers in mortgage arrears; personal insolvency law reform and implementation; mortgage to rent schemes and; a mortgage advisory function. A key lever in this overall approach is the engagement by the Central Bank, in its capacity as statutory regulator, with mortgage lenders. Since the publication of the Keane report, the Central Bank has had ongoing and detailed engagement with the lenders on their mortgage arrears situation and resolution strategies. At an early stage in the process, it became clear that banks did not have the operational capacity and expertise to deal with the scale of the problem facing them. Also, there was a requirement for them to become more focused in the area of pre-arrears to stem the inflows into mortgage arrears in the first place. The initial focus of the Central Bank, therefore, was to ensure that

the main banks were in a position to develop and deploy the necessary resources and strategies to address the problem. This admittedly took some time, but the decline in the level of early mortgage arrears suggests that the development and enhancement of operational capacity by the banks is bearing some fruit.

The key indicator of success, however, will be the development and application, where appropriate, of long-term solutions. Short-term forbearance can be a worthwhile response to people experiencing mortgage difficulty. However, the Keane report made clear that this will not be a sufficient response to mortgage difficulty and that it will be necessary to develop more restructuring responses to more long-term mortgage difficulty. Lenders must develop practical solutions tailored to individual circumstances for people in the most difficulty with their mortgage. Banks initially were slow to act on this and while they may have had to deal with operational deficiencies, it was not clear that they had a sufficient commitment to deal with problems in a durable way. It was less difficult for them just to keep rolling over short-term solutions. This, however, does not solve a more fundamental problem where the issue of the long-term affordability of the initial mortgage has arisen.

The Central Bank, therefore, decided that the time had come to require the main mortgage lenders to systematically work through their mortgage arrears book and to provide sustainable long-term solutions or otherwise resolve cases of mortgage difficulty. The time had come for the banks to deal with this issue in the best interests of both their borrowers and the banking system more generally. Last March the Central Bank set specific performance targets for the main banks - ACC Bank, AIB, Bank of Ireland, KBC Ireland, Permanent TSB and Ulster Bank - requiring them to propose sustainable solutions to 20% of their mortgage customers who are in arrears of over 90 days by the end of June, to 30% by the end of September and to 50% by the end of this year. The Central Bank also made it clear last March that these were only the first round of targets and that further targets would be set for this and next year. I therefore welcome the announcement yesterday that the Central Bank has now agreed further mortgage arrears resolution targets with the troika. The main banks will now be required to propose solutions to 70% of their mortgage arrears customers by the end of the first quarter in 2014. Even more importantly, given that the primary objective is to put agreed and durable solutions in place, the first targets were also set for concluded agreements. These require the banks in question to have concluded arrangements with 15% of their arrears customers by the end of December 2013 and 25% by the end of March next year. This initiative should see the establishment of more obvious long-term restructured arrangements. The end of June Central Bank statistics show some progress on this. For example, 309 split mortgages on primary dwellings were in place at the end of June, compared to 144 at the end of March. A further 2,300 restructures were classified as "Other", which the Central Bank has indicated mainly comprises accounts that have been offered a long-term solution pending completion of a short trial.

As members of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform will be aware, the banks have indicated that since June they have proposed further long-term restructures to deal with mortgage difficulties. For example, based on information provided to my Department, around 1,800 split mortgages were in place at the end of July. I commend all the members of the committee on the very useful engagement they recently had with the chief executive officers of the four main banks. They helped in putting into the public domain very useful information on the individual banks' progress in dealing with their mortgage arrears cases. However, members of the committee and Deputies will accept from the exchanges with the banks' senior management that it will also be necessary to have a thorough audit of the returns

the banks are making under this process of mortgage arrears resolution targets, MART. While the banks have indicated they have all met the end of June target for proposed solutions, the evidence presented would suggest this needs to be very closely assessed, particularly to ensure the mortgage modifications proposed and provided are in fact sustainable.

The Central Bank has provided guidance on the issue of a sustainable solution, but that can only be assessed and verified in any particular case based on the individual circumstances of the case. While the Central Bank is not mandating any particular model of restructuring and while sustainable solutions will be arrived at on a case-by-case basis, there are some fundamental principles that must be respected. The affordability assessment of the borrower needs to be based on both their current and prospective future servicing capacity for all borrowings. Lenders need to apply a realistic valuation of borrowers' assets, particularly their property. Lenders need to use an appropriate interest rate when discounting future income flows, which should take account of the lender's cost of funds.

As we are essentially in a green-field situation, this first supervisory audit is likely to take some time and certain issues may need to be teased out. As the ongoing MART process evolves over the remainder of this year and into next year, however, it can be expected that this work will become more efficient and that greater clarity on the issues involved will be apparent to all sides. As this is a prudential, supervisory audit, the Central Bank will be fully independent in the performance of its work on this matter. However, this is a very important part of the Government's overall mortgage arrears strategy. The setting of performance targets and auditing of whether they are being achieved is a mechanism to ensure there will be a focus on the delivery of real and sustainable outcomes for genuinely distressed borrowers. Durable solutions must be offered for these families to offer them hope of emerging from their difficulties and moving on with their lives.

Moving on to the difficult topic of repossessions, the strong view of the Government is that, in respect of co-operating borrowers under the mortgage arrears resolution process, MARP, repossession of a person's home should only be considered as a last resort. The policy measures adopted by the Government make that quite clear. The code of conduct on mortgage arrears places an onus on the banks in respect of a co-operating borrower to explore all the options for alternative repayment arrangements to address mortgage difficulties before any legal action is considered. Any proposal to a cooperating borrower by a bank under the MART process will have to comply with the code of conduct. In addition, the Land and Conveyancing Act also provides an important power to the court to adjourn a repossession hearing to allow a personal insolvency arrangement to be proposed and considered as an alternative option to the continuation of repossession proceedings.

Regrettably, it will have to be accepted that not all mortgages, due to the individual circumstances, will or can within reason be made sustainable and that there will be circumstances in which a person will have to lose ownership of his or her home. In such cases it may be in the best overall long-term interests of all parties. Where appropriate in such circumstances, the mortgage-to-rent option is now available to allow a family, their lender and the housing authority to agree a solution that will allow the family to remain in their home as a social housing response to an unsustainable mortgage.

In circumstances in which a borrower does not engage with a lender to address a mortgage difficulty and, subject to full compliance with the code of conduct on mortgage arrears, the lender cannot secure a constructive engagement from the borrower, then there may be no other

option for the lender but to commence legal proceedings. If the lender fails to take appropriate action in such cases, it may incur even more losses and this could have further costs for wider society. In that regard, I have a concern about reports that suggests that banks may be presented with obstacles to selling properties legally in their possession, either by way of a voluntary arrangement or upon the conclusion of the legal process and a judgment from the courts.

Where efforts to find a mortgage solution have failed or are not viable, it is unfortunately the case that in some instances the ultimate resolution will involve a sale of the property. In such circumstances, it is difficult to see that unsustainable cases can be better served by prolonging and extending the circumstances and indebted situation of the borrower, impeding properties' ultimate sale and restricting the normalisation of the property market by having such homes in a transient state. In my view, the wider interest is better served by enabling these limited cases of sale following repossession to proceed. The overall approach of Government is to assist people in genuine difficulty to remain in their homes where possible. This can and will be achieved in the majority of cases of mortgage difficulty.

Personal insolvency reform is another key area of action. The Keane report clearly stated without an effective insolvency system the mortgage arrears problem will not be solved. The radical Personal Insolvency Act was put in place at the end of 2012. It provides for three new statutory debt resolution frameworks to allow insolvent debtors and their creditors to resolve positions of unsustainable debt. This was considered to be the fairest and most efficient way of resolving debt difficulty having regard to the legitimate interests of both debtors and creditors. However, if all the relevant parties cannot come to a fair resolution to resolve the matter by way of a debt settlement arrangement or a personal insolvency arrangement, bankruptcy will remain as the ultimate appeal and resolution option. The parties also need to be aware that they will have less control in such a situation and the likely return to creditors will be lower. Accordingly, debtors and creditors will be incentivised to utilise these new frameworks.

Some concerns have been raised about the cost of personal insolvency practitioner, PIP, fees and whether this will prevent some debtors from utilising these new debt resolution frameworks. Generally, PIP fees will be deducted from the amount of money an individual debtor is calculated as having available to pay his or her creditors during the term of the arrangement. Several practitioners and prospective practitioners, however, have indicated they will not charge an up-front fee for an initial consultation. While the Insolvency Service of Ireland does not have the power to set the fees of PIPs, it has indicated it will monitor the position, keep it under review and advise the Minister for Justice and Equality as necessary.

The Government is focused on what it needs to do to deal with the mortgage arrears problem. This is the primary target and responsibility on which the Government has to deliver this year. The banks, the Department of Finance and the Central Bank know that. Whether additional measures will be required is, obviously, an issue that we will keep under review. That is the sensible course of action. However, we need to get to a point at which individual mortgage arrears cases are moved on and addressed. The appropriate suite of resolution options is now available. It is now a matter for the banks to deliver. The Central Bank and the Government will be monitoring the situation closely to ensure sustainable solutions are found.

I recommend the amendment to the motion.

Deputy Michael McCarthy: I welcome the fact that we are discussing this issue on the first day back from the recess. Nobody is under any illusion as to the scale of the crisis that

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has occurred, the extent of which is still being sorely felt throughout society, not least by those who are held over a barrel by the banks. I agree with the Minister when he pays tribute to all members of the finance committee who dealt with this issue during the recess, particularly those who questioned the heads of the banks in recent weeks.

I will not go into the historical analysis. We are all well aware of how and why it happened and why it should not have happened. We must acknowledge what has been done but we must also reflect on the exchanges between the CEOs of the banks and the members of the finance committee. Sending out legal letters threatening legal action is not a remedy or a proposal to constructively engage with people who are in debt. I acknowledge the creation of the Insolvency Service of Ireland and the guidelines from the Central Bank but the Governor of the Central Bank needs to bring those bankers in and knock heads together. They have caused mayhem and misery in most households in this country. They were bailed out by the Exchequer. They got away with blue murder and it is high time they were hauled over the coals. The attitude of some of them at the finance committee hearings was deplorable, sending out threatening letters and pretending that was a realistic engagement in terms of trying to restructure the debt.

Many people would qualify for insolvency and would have a comprehensive slate of advice available to them because of initiatives introduced by Government, but there is a significant cohort of people who are just about paying the mortgage and who have no money left for anything else. Although the arrears issue is very significant, we must widen the debate beyond arrears in terms of requiring the banks to enter into realistic and constructive arrangements with people. The solutions offered by the banks are inconsistent, for example the split mortgage. Some banks are not applying interest on the split portion, while others are. It is not being realistic to halve the mortgage and then lump interest on the other half. It is not even kicking the can down the road; it is kicking the can around the room. There must be uniformity in the banks' approaches. There must be a realistic rearrangement of some of the arrangements that people are involved in.

It has a wider dampening effect on the economy. If most of somebody's household income is going to a bank there is money left for little else. It is extremely frustrating for Members of the Oireachtas who deal with constituents who are in trouble with their banks. It is extremely difficult for the ordinary citizen to look at what has happened and balance it in terms of senior bankers who destroyed the economy and who still have not been brought before the courts of law. Meanwhile ordinary domestic households are doing their damndest to stay alive and keep their heads above water with no meaningful dialogue with the banks.

I acknowledge what has been done, but there is a significant job of work to be done. Can we get the Governor of the Central bank to pull these people in, knock their heads together and work out sensible and constructive arrangements so we can get this country back to where it should be?

Deputy Áine Collins: Every member of this House recognises that the mortgage crisis and the huge level of indebtedness is the next big problem that must be solved. Fianna Fáil now seems to have all the solutions but it must never be forgotten that it was Fianna Fáil that caused this problem in the first place by its inability and unwillingness to rein in the housing and building boom because of its close association with developers. It must also be remembered that this is not the first time a Fianna Fáil Government has brought this country to the verge of bankruptcy because of its close association with questionable business interests. Initially this was done through the establishment of Taca, a secret society of friends of Fianna Fáil which

continued for many years and in many forms such as the infamous Galway Races tent. From 2000 to 2006 Fianna Fáil put the interests of these friends ahead of the interests of the country creating unaffordable budget deficits and robbing this country of its sovereignty, resulting in Ireland's entering a bailout programme. It also pushed up the cost of development land and houses to an unsustainable and unaffordable level which has created massive negative equity.

Having clearly stated the origins of the problems we must move on to solving the problems. There is no easy or quick fix solution. Every action taken is a double-edged sword. Every mortgage written down reduces the capital ratio of the bank. Many people say the banks have already been capitalised by the taxpayer to achieve this, but if this is not done in a careful way the banks will require extra taxpayers money to maintain their capital ratios. The banks will, rightly, face another stress test next spring. The European stability fund is not operational yet but we hope it will be sometime early next year after the German elections. Until this is achieved there will have to be a balancing act between the amount of mortgages and debts the banks can write off and their requirements to maintain proper capital to stay within European guidelines. Otherwise the taxpayer will have to step in again to bridge the gap.

To clearly understand the extent of this problem it should be noted that the outstanding balance on residential mortgage accounts in arrears over 360 days was over €11.4 billion at the end of June 2013. In the buy-to-let sector the number of accounts in arrears of more than 90 days was 29,369 and the outstanding balance on these accounts was €8.6 billion at the end of March 2013. There is no magic bullet and each case would have to be looked at on a case-by-case basis.

As a nation we intend exiting bailout programme this year. We are on course to achieve this, however to be successful the market assessment of creditworthiness is crucial. We must be very diligent to ensure our level of personal debt does not interfere with this process and work with our European partners to establish the ESF, which will complete the separation between sovereign debt and banking debt. This Government, during the first half of its term, has concentrated on dealing with our huge sovereign debt, which we inherited from Fianna Fáil. We renegotiated the troika deal, ended the bank guarantee and rebuilt Ireland's reputation in Europe and globally. During our very successful Presidency of the EU we advanced the policy of separating bank and sovereign debt which will, hopefully, be quickly finalised after the German elections. Meanwhile this Government has begun the process of dealing with the crisis and key policy issues such as the Personal Insolvency Act, the Insolvency Service of Ireland, a set of Central Bank targets, the review of the code of conduct published by the Central Bank, the mortgage-to-rent scheme, split mortgages, sale by agreement and trade-down mortgages have all been implemented.

We are very disappointed with reports from the banks to the finance committee. It is obvious from their response that many banks relied on letters threatening repossessions in the solutions offered to customers to meet their targets. This is not good enough and I am glad to see the Central Bank is working with the banks to ensure 15% of their customers in arrears must be dealt with by the end of this year and 25% by the end of March. There are inherent dangers to this approach. We can already see how the buy-to-let business sectors the banks are going after low-hanging fruit and calling in loans where assets exceed the borrowings, not allowing the insolvency solutions time to work through. I am confident this Government and the Minister for Finance, Deputy Noonan will get this balance right.

Deputy Dara Murphy: My colleague very capably pointed out the hypocrisy of parts

of this motion from Fianna Fáil. Having attended last week's finance committee hearings as a member, there was cross-party frustration with the banks. They came in and they had all achieved their targets. One of the main criticisms I have of this motion, and even this debate which, as the Minister said, is ongoing, is that many of the questions we had after last week will be answered next week when Professor Patrick Honohan of the Central Bank comes before us. The banks, which have different products, are also using different solutions and definitions. It proved impossible for the finance committee to compare the apples and oranges that were put before us. I welcome what the Minister for Finance, Deputy Noonan said about the ongoing audit process the Central Bank will be undertaking. Along with the political failure there was also a very severe regulatory failure in our country and that cannot be allowed to be repeated. I hope we will get some answers to those questions next week from Professor Honohan. I welcome the Minister's commitment on targets for concluded negotiations between lenders and borrowers. That is what we are striving to achieve, but it is only the second round of targets for the banks. Considering the less difficult options is a human response to being given a target. Nobody in severe mortgage arrears could be described as being in an easy situation, but we are approaching the point in 2014 when we will be left with the most difficult cases. I would like the Central Bank to make an assessment of the number who will never be able to pay their mortgages. A broad range of solutions is available, including forbearance or deferral for persons currently out of work. Clearly, some people have invested in mortgage properties and cannot continue to keep them. There will be a cost to society if we have to provide housing for people who cannot afford their mortgages. The targets for dealing with the latter group will be most important in determining how we reach a solution. We will find out next week whether the Central Bank has put in place the rules that will allow them to audit the progress made to date.

Deputy Pearse Doherty: I will be moving an amendment to the motion.

An Leas-Cheann Comhairle: The Deputy may speak to his motion, but he cannot move it until amendment No. 1 has been disposed of.

Deputy Pearse Doherty: While previous speakers spoke about hypocrisy, there cannot be enough debate in the Chamber about the mortgage arrears crisis. The more we debate the issues involved, the more we can come up with solutions. There is no perfect solution, however, because the crisis is too big, but by focusing on it I hope the Government and the Central Bank will be encouraged to act. It is welcome that the motion has been tabled on the first day of the new Dáil session.

A couple of weeks ago I was lighting a fire in my house with some old newspapers when my attention was caught by a half-page advertisement placed by Sherry FitzGerald. The advertisement contained a picture of a young girl of about five or six years who was sitting on a swing with a big smile. The headline read "investing in the next generation" and it was proclaimed in bold lettering that in 25 years the girl could need €329,000 to make a deposit on a new home and suggested that if property continued to perform in the way it had over the previous 25 years, the average price of a new home in Dublin would be €3.29 million. The advertisement went on to argue that, while there were no guarantees in life, the economic indicators suggested residential property would continue to be a safe, sound and lucrative investment.

I refer to this advertisement because it is important to put into context what was happening eight years ago. Although we lived through that period, when we look at current property prices, the collapse of the economy and the issue of mortgage distress, we can forget that people were bombarded with this type of advertising to persuade them to get on the property ladder.

These advertisements exploited their fears. Three years after that advertisement was published, 3.3% of family homes had mortgages in arrears for more than 90 days. When the Government took office in March 2011, the figure had almost doubled to 6.3% and it has increased to 12.3% in the first two years of the Fine Gael-Labour Party Government. There is no doubt that the Government and its predecessor buried their heads in the sand and ignored the problem. The reports were commissioned and ignored. The crisis has escalated to the point where it has gone out of control. We need to consider the future for the families who cannot sleep at night because of the fear of repossession or simply not being able to pay their way in life. I am aware of families in which husbands have emigrated in order to earn a better income that will allow them to afford their own house. I have met couples who have emigrated to Australia because they can find better jobs with higher incomes to repay their mortgages in Ireland and allow them to return in five or six years time when the economy picks up.

When the Minister announced the targets last March, I stated in this Chamber that while I was not convinced they were the right solution and that we needed to take a carrot and stick approach, I hoped they would work. However, they have not worked thus far. We will resolve the crisis at some stage, but will it be this year, next year or 2016? In the meantime all of that mental anguish and suffering will continue. The economy will also be affected because spending power will remain constrained.

When the fourth quarter figures were published, the Minister expressed disappointment at the banks' inaction. There is no doubt that the targets he set have since resulted in action on the part of the banks. However, the action took the form of 14,721 letters from the four main banks threatening repossession. That is how they have met their targets and they boasted that they had surpassed them. They fiddled with the figures by using the threat of repossession on a massive scale to fulfil the targets set. When I put this question directly to a senior representative of one of the banks, he replied that a board of a bank would take the easy option when it was faced with serious regulatory sanction. The easy option in this case is repossession. It is galling that the Minister has not stated letters threatening repossession of family homes do not represent a sustainable long-term solution which meets the targets set. Given that the Minister of State at the Department of Finance, Deputy Brian Hayes, has said they are wrong, it is regrettable that the Minister has not made similar comments.

Some of the people who have received letters have not engaged with the banks for lengthy periods. That is wrong. However, others have engaged with the banks. Yesterday I received a letter that Permanent TSB had sent to one of its customer. I outlined examples to Permanent TSB in regard to how it was asking for the voluntary surrender of houses on the basis of arrears of €300. Permanent TSB told one customer who had arrears of €1,000 that a voluntary surrender of the family home would be the best outcome. That is how it is meeting the targets. Yesterday we heard from a Deputy that Permanent TSB had issued a letter to somebody who was €100 in arrears. These are examples of what they are doing. It is a tick-the-box exercise.

When he announced this plan with Matthew Elderfield, the Minister stated progress would be monitored closely by the cross-Government mortgage arrears steering group and the enhanced Cabinet committee on mortgage arrears and credit availability and that the Government would take any further action it deemed necessary. This evening, the Minister praised the members of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform for getting information from the banks, and I believe we did a good job with regard to trying to get as much information as possible from the banks. He also stated there is a requirement for an audit. We know there is a requirement for an audit; it was announced in March. What aston-

ishes me is that the Minister told us in March the committee chaired by the Taoiseach on which the Minister and the Central Bank sits would monitor this closely. Did the Minister have to wait for me, Deputy Michael McGrath and other Deputies to extract from the banks that they met the target through issuing 14,721 letters threatening repossession? This is not the confidence he portrayed when he made the statement in March that not only the steering group but the Cabinet committee would monitor this closely, and that the Government would take any further action it deemed necessary. The Minister is completely and utterly impotent on this issue and his failure to state that issuing these letters is not a way to reach the targets is simply wrong.

Earlier we heard Government Deputies giving out that issuing threatening legal letters is not a long-term sustainable solution, but we also heard the bankers very clearly tell the committee that the Governor of the Central Bank told them it was okay. We are in a charade; the Minister of State goes on the radio to huff and puff and say it is wrong, while the Minister with the calm cool head who judges his words very carefully will not say it is wrong. I am sure he knows the Central Bank told the banks the letters issued by AIB, Bank of Ireland, Permanent TSB and Ulster Bank are allowed under the code of conduct. The Minister should be truthful and up-front with Members of the House about this. If the Minister does not know, he should send a very clear message to the banks today stating it is simply wrong. They were very bolshie and stated the Central Bank told them it was acceptable.

On one occasion when he came before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, Mr. Honohan stated if targets are set the banks will find a way to meet them, and this is what they have done. One problem with the targets is that they lack ambition. The target for the end of next March is that 25% of those in arrears for 90 days or more will have a sustainable solution offered to them, agreed and completed. This seriously lacks ambition. A year from the day the Minister addressed the more than 140,000 people in mortgage arrears and stated targets were being set and that the Government would crack down on the banks and monitor the situation, the Minister's biggest ambition on mortgage distress is that 75% of them will not have concluded an agreement with the banks. This seriously lacks ambition.

The problem is that because the Minister allows repossession as an option, the banks will take the easy option and repossess family homes and buy-to-let properties. They will take the easy option and will not engage with those who are genuinely struggling to pay their mortgages, who know they are unsustainable and want one of the solutions available. Numerous people have come to my office or phoned me from throughout the State to tell me they have phoned the banks but could not get a response. What is happening is unbelievable. I am aware of letters that state that the bank has examined a person's circumstances and wants to repossess. The person is told he or she has 30 days in which to take independent advice, for which the bank will pay €200. This is absolute nonsense if a person is in arrears of €300. When such a person finally gets to speak to the bank he or she is told the bank will do another type of deal. Many such letters are sent in error and I believe the audit will show this. Families are being put through mental torture; the banks holding the title deeds of their houses, where they have children, tell them they must agree within 30 days to vacate and sell their houses. It is absolutely pathetic and the banks are making a mistake.

The strategy on which the Government has embarked has serious problems. Interest should not be charged on split mortgages and the residual debt needs to be written off. Sinn Féin has been very consistent on this. There must be partial debt write-down for people who simply will not be able to pay their full mortgages over a long period. We must allow people a clean break. Personal insolvency practitioners have clearly stated on the radio that if the only debt a person

has is a mortgage with AIB or Bank of Ireland, this person should not to go to them because they are for those with multiple debts with various institutions. The problem is that people with mortgages have been left at the mercy of the banks. Even after a few weeks it is clear there is a need for a public personal insolvency service, which should have been established from day one. The Minister should continue to monitor the situation and allow this. The Sinn Féin amendment includes the introduction, even at this late stage, of an independent mechanism which could arbitrate between the banks and mortgage holders and make and impose adjudications. It is clear from all of our discussions and everything we have seen from the banks they will do the bare minimum.

The banks have taken the Minister on a merry dance, or perhaps the Minister, along with the banks, is taking us on a merry dance. He stood here and told us all about the Mercer report and said the bankers would pay. I asked all four banks and not one of the 2,700 officials in any of the four banks who earn above €100,000 has taken one cent of a reduction in base salary. Changes have been made across the board to pension schemes and there have been large redundancies, which have reduced the payroll by the 6% to 8% target set by the Minister, but not one individual at the very high levels, including Mr. Boucher, has taken a pay reduction. This is simply wrong. We discussed this at the same time as the Government discussed public sector workers taking pay cuts through the Haddington Road agreement. I am sure the Minister will also dish out pain in the budget next month.

Deputy Shane Ross: There is a gloomy sense of *déjà vu* about this motion because there is so little sign of a solution to the problem which has been haunting us for many years. Not only the previous Government but also this Government have been extraordinarily dilatory in attacking it when it was recognised a long time ago by virtually everybody. This is because those dictating the pace have consistently been those who caused the problem. This morning it was reported in the media, and I believe it was mentioned in the Minister's speech, that the Central Bank had issued new guidelines, deadlines and targets for mortgage arrears solutions. My guess is that the Governor of the Central Bank saw the meetings of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform last week and freaked. He saw the truth that this problem is nowhere near resolution, that the targets would not be met and that once again a big fudge is going on. He also saw the Government appears to be fairly passive in the face of what is happening. Deputy Pearse Doherty touched on this when he said it was good that the committee had extracted some information from the bankers who came before it last week. It was vital that it did so. It was bad news for the Governor of the Central Bank, however, because it indicated that the bankers were making monkeys of him and the Government. The lesson of what has happened will be seen when the Governor comes before the committee next week.

9 o'clock

There is a spectator in this particular saga, and on the whole the spectator is, unfortunately, the Government. The Government has been responsible for not pushing the solution to the mortgage arrears fast enough, for delaying, for depending on reports and quoting reports, for allowing the banks to tell it lie after lie about mortgage arrears and for allowing phony solutions.

The latest is one that virtually everybody on all sides has mentioned here tonight. While I am not a member of the finance committee, I was staggered when I was there last week to hear the chief executive of AIB say that one of these sustainable solutions is to send out a legal letter. It then emerged that 14,000 legal letters were sent out - problem solved. He did not really expect anybody to believe it but, unfortunately, he had already told a bit of a porky a few

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weeks earlier, which he had to justify, because he had said that 20% of those in arrears were strategic defaulters. When he was asked to produce evidence for it, there was none. It is very difficult if we are continuing to allow the banks to set the pace, to set the agenda and to tell us what is happening when they are not going to tell us the truth, particularly if they are not being challenged enough by the Government. I do not know, nor does the Minister nor anybody else, what percentage of those in arrears are strategic defaulters.

An Leas-Cheann Comhairle: The Deputy has one minute remaining.

Deputy Shane Ross: However, I guess the banks are simply saying that anybody who does not pay and is making a choice not to pay is a strategic defaulter. In other words, if they do not pay their health insurance, put food on the table or pay for other necessities such as the petrol in their car, that is okay, but if they choose to pay for the petrol in their car or pay for necessities when they have a choice, they are strategic defaulters because they chose not to pay their mortgages. I do not know what happens if they choose to pay their property tax and not their mortgage - are they then strategic defaulters?

Many of these strategic defaulters are people who have a choice as to whether to go into debt to one creditor or another creditor. Let me put it very squarely in the time I have left: I do not blame those people in arrears who get a legal letter from their bank telling them to come in and see the bank if they do not engage with the bank. Why would they be enthusiastic about engaging with those who have stung them before and are now threatening to sting them again?

An Leas-Cheann Comhairle: I ask the Deputy to conclude.

Deputy Shane Ross: I have just one more sentence. It must be remembered that the blame for this crisis lies principally in one place, and those individuals and those institutions who should be shouldering that blame are the ones now being put in charge of its solution.

Debate adjourned.

The Dáil adjourned at 9.05 p.m. until 10.30 a.m. on Thursday, 19 September 2013.