



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 19 Meán Fómhair 2013

Thursday, 19 September 2013

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

*Paidir.
Prayer.*

Leaders' Questions

Deputy Micheál Martin: Before the last general election the Tánaiste made a significant commitment in regard to people, particularly young children, with disabilities and special needs. There is an unacceptable situation facing children in terms of the provision of special needs supports in our schools. The deadline for applications for special needs assistants is tomorrow, 20 September, whereas last year it was 15 October. By definition, therefore, the Government is putting far more pressure on schools, parents and children in this regard. We have 71,000 children starting school this month, 10,000 more than last year. The shortening of the deadline is a back-door way of implementing unacceptable cuts. We are witnessing a constant limiting and restriction of support.

I wish to raise a case which illustrates this very seriously. I do not normally like to raise individual cases, but I have the permission of the parents of Kate Crowley, who is aged five and from Cork, to do so. She is a child who was presented at birth with an extraordinary set of challenges. She has had five surgeries and has multiple issues in terms of special needs. She is wheelchair-bound, has spinal rods, severe respiratory conditions and hearing problems, to mention but a few. She has come through her life thus far with a remarkable fighting spirit. She is intellectually very bright and has tremendous support from her parents.

Kate was refused a dedicated special needs assistant and was ultimately told she could have access, with five other children, to the services of one assistant. From my experience in education and health down through the years, this struck me as a case obviously in need of address. I raise it because it illustrates that there is something fundamentally wrong with the system when a child like Kate Crowley is refused a special needs assistant. In my humble opinion it is very obvious that she should have one. She has not yet started school this September despite the multiplicity of conditions she has.

Why is it that the system now seems to be restricting access to education and making parents fight and struggle all along the way? Kate's parents have been through the mill and are happy to be supporting their child, but they should not have been put through this particular struggle.

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There is a need for advocacy at the centre of the system, but it is missing. This case illustrates the problem more than anything I have come across in recent years.

Deputies: Hear, hear.

The Tánaiste: I am not familiar with the details of Kate Crowley's situation, as referred to by the Deputy. The Minister for Education and Skills has likewise indicated that he is not aware of it. I assure the Deputy, however, that the Minister will examine the case, find out what has happened and respond to the Deputy very quickly indeed. It is fair to say that where somebody has a need, that need should be addressed.

On the general issue of special needs provision in our schools, despite the very challenging financial circumstances the country has faced, this Government has protected the budget for special education of €1.3 billion. Government policy has focused on ensuring that all children have access to an education that is appropriate to their needs, preferably in mainstream schools. A child-centred approach to the education of all children with special educational needs is promoted to ensure a continuum of special needs provision. We have protected the number of resource teachers and special needs assistants in schools. There are currently 10,575 special needs assistants in the system and 5,265 resource teachers.

The National Council for Special Education has announced the opening of 118 new special classes this month which will cater for up to 700 pupils at both primary and post-primary level. This is in addition to the 242 special classes already created during the lifetime of this Government, which represents a 50% increase in the availability of such classes since 2011. There are now more than 700 special classes catering for 5,000 pupils. More than 1,100 teachers are being provided in special schools to look after pupils with various disabilities at a much reduced pupil-teacher ratio, PTR. For example, the autism PTR is 6:1 and the moderate general learning disability PTR is 8:1.

In overall terms, 15% of the total education budget is spent on special education. That is as it should be. We all recognise that the special educational needs of children must and should be met.

Deputy Micheál Martin: I am surprised the Minister for Education and Skills is not aware of the case to which I referred, given that I wrote to him about it some weeks ago, as did others. Perhaps he will check that correspondence. The situation is very well known in the Department and in the National Council for Special Education. Rather than go public on this issue initially, I wrote about it. I just could not believe it was happening despite all the official rhetoric.

That rhetoric is part of the problem. I have listened to what the Tánaiste said, but when one talks to parents, teachers and school principals one hears a different story. A few nights ago in Cork a young resource teacher called me into her kitchen at 8.45 p.m. to tell me about the work she is doing and how low she is in spirit as a consequence of the cuts being imposed in resource teaching in her school in the past year or so.

An Ceann Comhairle: Does the Deputy have a question?

Deputy Micheál Martin: The message we are getting from parents, teachers and children is very different from what we are being told officially. There is a problem here. The case of Kate Crowley illustrates more than anything else that the system, at its core, lacks advocacy for the child. It should be about the facilitation of children's constitutional right to an education.

That should be the driving spirit behind how people within the system work, whereas what we are now getting is a shortening of deadlines.

An Ceann Comhairle: The Deputy is way over time.

Deputy Micheál Martin: Will the Minister for Education and Skills agree to extend the deadline? Ms Sheila Nunan of the INTO has warned it will have a major impact. Will the Government exceed the resource teacher cap, for example, if new needs emerge in the autumn? The problem with the deadline is that, with new children starting, needs can emerge through diagnosis and monitoring by teachers in a school. Will the cap be exceeded, if necessary?

The Tánaiste: We are dealing with two matters. The Government has protected provision for special needs education and I have outlined the details, including additional special classes and the measures taken to protect special needs assistants and resource teachers. The question arises as to why we find individual cases or a particular problem in an individual school-----

Deputy Finian McGrath: There are lots of individual cases.

The Tánaiste: -----where a child clearly needs provision and ask why the matter is not being addressed. The Minister for Education and Skills is doing a number of things to square these two points. He has appointed Mr. Eamon Stack to carry out an assessment of the allocation model to discover why the protection of resources does not appear, in some cases, to be translated on the ground. The Minister will have an interim report from Mr. Stack at the beginning of October.

Deputy Micheál Martin raised the issue of the requirement for earlier application for special needs assistants and resource teachers. That is precisely to enable the difference between the making of the general allocation which has been protected and what is happening on the ground in individual schools to be shortened in order that the matter can be addressed quickly and resources can be deployed to where they are needed.

Deputy Micheál Martin: What happens if something emerges after the deadline?

Deputy Mary Lou McDonald: Research published by the *British Medical Journal* has confirmed that this state has seen one of the highest increases in deaths by suicide directly related to the recession. The enormous pressure exerted by household and mortgage debt has literally become unbearable for many families, as was highlighted tragically by the death of former Priory Hall resident Mr. Fiachra Daly. The Tánaiste personally promised to make the mortgage crisis a priority, yet the Government is willing to allow the banks to set the agenda and the number of families in mortgage distress has doubled on his watch. The response of the banks has been to issue 15,000 repossession letters to struggling families. We recently heard on the airwaves worrying statements by a number of personal insolvency practitioners. I have a number of questions for the Tánaiste. Will the Government force the banks to wipe out the outstanding mortgages and allow the former residents of Priory Hall to hand back their keys? Will it give these families a fresh start?

On the broader issue of mortgages, can the Tánaiste guarantee no family will be denied access to a personal insolvency practitioner because of an inability to pay upfront fees of the order of €5,000 or €7,000? Will he guarantee that no family will be excluded from the insolvency process because of a refusal by the banks to engage with the insolvency practitioners because the family simply holds one mortgage?

The Tánaiste: With regard to Priory Hall, the Minister for the Environment, Community and Local Government, Deputy Phil Hogan, has initiated a process and within a short period of time it will work up solutions with stakeholders. The process started this morning and the Minister expects to have a report shortly. The Priory Hall issue is being dealt with quite quickly by the Government and I hope for a solution to the problem within a short period.

The Government has made the mortgage crisis a priority. That is why we changed the law to introduce personal insolvency legislation and why we have introduced, for the first time, non-judicial debt settlement arrangements and put in place the personal insolvency service, which has just begun its work. There is progress being made in that regard. The Personal Insolvency Act was signed into law at the end of last year and the personal insolvency service was formally launched on 1 March. The Central Bank has set targets requiring the main mortgage lenders to offer durable solutions to mortgage holders over 90 days in arrears. The revised code of conduct on mortgage arrears was published by the Central Bank in June and the Department of Finance continues to engage with lenders. The Central Bank's end of June mortgage data indicated the stock of personal mortgage restructures was around 79,000. Some 53% of these restructured accounts are not in arrears, which indicates that the banks are taking some early measures to address mortgage difficulties. It is welcome that the Central Bank stated over 76% of the restructured mortgage holders were deemed to be meeting the terms of their agreement. As indicated previously, the Department of Finance has more recent data from the main banks which indicates that at the end of July some 1,800 split mortgages were in place, 12,600 accounts had been subject to a term extension restructure and that a further 12,000 accounts had had arrears capitalised. Progress is being made on the issue of mortgage restructuring. The whole purpose of the legislation and the means put in place are such that every family in mortgage difficulty will have access to the process and system. The Government will closely monitor what is happening in practice because the outcome we want to achieve is to ensure that, one by one, households in mortgage difficulty and arrears will have their mortgage problem solved using the processes put in place to enable people to put the mortgage crisis behind them and get on with the rest of their lives.

Deputy Mary Lou McDonald: The Tánaiste is demonstrating remarkable faith in the very banks that issued 15,000 legal repossession letters to families that they believe offer a durable and sustainable solution for these families. The people of Priory Hall have heard terms such as process, stakeholders, solutions and Government commitments, but what we need to know is that they will have the slate wiped clean and that after two tortuous years and the tragedy therein, they will have a real opportunity to move on with their lives. Will the Tánaiste tell us whether the option of wiping the slate clean, the necessary solution, is being considered?

The Tánaiste gave us an account of the passage of the personal insolvency legislation, but the difficulty is that we have heard from the horse's mouth, from personal insolvency practitioners, that upfront fees of €5,000 or €7,000 will be required to avail of their services. The Tánaiste needs to tell the public that this is not going to happen and that people will not be barred from the process because of exorbitant fees. Personal insolvency practitioners have said publicly that the banks are already telling them that they will not deal with them in respect of single mortgage holders. The Government has let the banks away with lots as, historically and in contemporary terms, they were allowed to run riot and they hold all the cards. Surely the Tánaiste has something to say when the professionals who will run the service say in public that the banks are already telling them that they will not deal with personal insolvency practitioners in resolving debt issues for families with single mortgages, which represents the bulk of those

in distress. The legislation is all well and good, but that does not mean that the Tánaiste's job is done. We must be sure that, owing to excessive fees or an arrogant stance taken by the banks, people will not find themselves on the wrong end of this. I seek assurances from the Tánaiste that he will make sure that, on the issue of fees and the banks playing ball, these matters will be dealt with adequately.

The Tánaiste: First, the Priory Hall issue is being dealt with. As I have said, the process that has been put in place is intended to be activated quickly. I will not prejudge the outcome of that. It will be dealt with quickly. The residents of Priory Hall have waited a very long time. I accept that there were judicial issues, legal issues, etc., for a period of time. The problems in Priory Hall are being dealt with and there will be an outcome to that without undue delay.

Second, on the mortgage issue, the reason we introduced the legislation, established the personal insolvency service and put in place the various methods for non-judicial debt settlement is to ensure the mortgage arrears problems that many households and families have in this country will be resolved. Nobody will be barred from that process. Neither exorbitant fees nor the attitudes of banks, professionals or anybody else will debar anybody from access to that process.

Deputy Mary Lou McDonald: Has the Tánaiste told the banks that?

The Tánaiste: Our objective has always been to put in place the pathway and architecture to enable households and families to secure a settlement of their mortgage arrears difficulties with their financial institutions. That has to be done on a case-by-case basis. Progress is being made on it. We will continue to monitor it because at the end of the day-----

Deputy Mary Lou McDonald: Will the Tánaiste tell the banks and the practitioners that?

The Tánaiste: Absolutely.

An Ceann Comhairle: Sorry, the time is up. I thank the Tánaiste.

The Tánaiste: Let me tell them publicly.

Deputy Mary Lou McDonald: The Tánaiste should do that.

The Tánaiste: I say to the banks that we want the issue of mortgage arrears with households resolved and we do not want any issue of attitude, arrogance or any other term that Deputy McDonald wants to put on it. We want this problem solved. That is why we passed the legislation. That is why we established the personal insolvency service. That is also why such provision was included in the recapitalisation of the banks at the time.

Deputy Finian McGrath: They told them two years ago.

Deputy Barry Cowen: Labour's way or the banks' way.

The Tánaiste: Let nobody be in any doubt about our determination as a Government. We have put in place the legislation and the method - the personal insolvency service - for persons to resolve their mortgage difficulties, and the banks and everybody else need to get on with that. The Central Bank has set targets and we will monitor it, month by month, until the problem is fully resolved.

An Ceann Comhairle: Before I call Deputy Healy, I ask speakers to respect the Chair and the time limits imposed by this House.

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Deputy Seamus Healy: When will the Government stop terrorising the sick and elderly across this country? The Government's austerity budget of this year has targeted the withdrawal of 40,000 existing medical cards from the sick and elderly across the country. That policy is being implemented on the Government's behalf by the Health Service Executive. It is not possible for me to overstate the fact that the sick and elderly are traumatised and in daily fear of losing their medical cards. The postman or postwoman, who has always been a welcome sight for the elderly, is now a source of anxiety in case he or she is bringing that dreaded white envelope that states that one is under review and gives the threat of one's medical card being withdrawn.

Let us be clear what is happening. The sick and elderly are being targeted by the Government to pay banks and bondholders and to protect the 10,000 top earners in this country, who each earn on average €595,000 per year. These medical card holders are being specially and specifically targeted. They are in their 60s, 70s, 80s and even 90s. Their cards are not due to be reviewed. They hold current, fully valid medical cards assessed and approved by the Health Service Executive with expiry dates up to 2020, but they are now being punished to satisfy the greed of bankers and bondholders. Does the Tánaiste think this is fair, and will he do anything about it? Has he or the Government any compassion for the sick and elderly?

An Ceann Comhairle: I thank Deputy Healy.

Deputy Seamus Healy: Will the Tánaiste immediately instruct the Health Service Executive to desist from punishing and hounding the elderly?

It has always been the case - I will finish with this - that persons with medical conditions that require urgent or ongoing medical treatment have qualified for discretionary medical cards. That practice has now stopped. Persons with cancer diagnoses and with, for instance, motor neuron disease are now being disqualified from eligibility for the discretionary medical card. I am sure the Tánaiste believes that is unfair also. I ask him to ensure that such a practice stops and that the Health Service Executive is instructed to ensure that these patients get their discretionary medical cards.

The Tánaiste: There are more persons today with medical cards than at any time in the history of the State.

Deputy Michael Healy-Rae: Tell that to those who are looking for one.

The Tánaiste: There are currently 50%-----

Deputy Mattie McGrath: Men.

The Tánaiste: -----who have medical cards. This is at a time when, as we are all aware, there has been extreme pressure on the public finances.

It has always been the case that medical cards are reviewed upon renewal. The Government's approach is that medical card applications should be looked at sympathetically. The financial circumstances of individuals and their medical needs are taken into account.

We have all had experience of individual cases that, from time to time, have had to be pursued with the HSE about the issue of a medical card, but I assure Deputy Healy there is no targeting of any medical card holders. The Government is clearly determined that the medical needs of persons in this country are met. That is why we have worked so hard to restore the country's public finances so that we can continue to meet the needs of those who need medical

cards and, as I stated, there are more medical cards under this Government than were ever issued in the history of the State.

Deputy Seamus Healy: The Tánaiste almost boasts that the number of medical cards have increased. So they have, but, of course, that is far from an achievement. That is, in fact, an indictment of the Government. It is an indictment of the austerity policies that have driven employees out of work, that have driven incomes down and that have put applicants under medical card limits that are most stringent and have already been reduced this year. Far from being an achievement, this is an indictment of the austerity policies of the Government and it is certainly not anything to boast about.

The Tánaiste has engaged in the usual practice. He has not answered the question. I asked him specifically about medical cards being reviewed which are not for review and about discretionary medical cards for particular cases. He has chosen not to answer those questions. Of course, that is the usual tactic in this Chamber. The Tánaiste may very well get away with that here in the rarefied atmosphere of the Dáil Chamber but he certainly will not get away with it when he knocks on doors for local and European elections next year.

An Ceann Comhairle: I thank Deputy Healy.

Deputy Seamus Healy: I also want to ask the Tánaiste when the medical card income limits will be reviewed and increased. Whether or not he knows it, they have not been increased since 2006. In fact, some of these limits - including that pertaining to travel to work, which is discriminatory towards those living in rural areas where no public transport is available - have worsened over the past 12 months. I ask the Tánaiste to immediately instruct the HSE to ensure that the sick and elderly are not targeted and that medical problems are dealt with on a discretionary basis, particularly for cancer and motor neuron disease cases.

The Tánaiste: It is perfectly clear that Deputy Healy raised this issue to make a political point and a political charge against the Government, particularly the Labour Party.

11 o'clock

(Interruptions).

The Tánaiste: I want to answer it in that fashion. The Deputy says we have targeted medical card holders. He wants to give the impression that the Government is taking medical cards from people. I have told the Deputy that it is a fact that more medical cards have been issued under this Government than has ever happened before.

Deputy Seamus Healy: The Tánaiste should deal with the specific cases.

The Tánaiste: I cannot deal with specific cases unless the Deputy provides me with the detail. If the Deputy wishes to give me the detail of specific cases-----

An Ceann Comhairle: This is Leaders' Questions. The Deputy can put questions to the Minister for Health.

The Tánaiste: If the Deputy wishes to give specific cases we will deal with specific cases but that is not what he is doing; he is making a political charge. He also has made a wild charge about losing jobs. The jobs were lost by the previous Government at a rate of 250,000 in the three years before this Government took office. In the past 12 months alone, over 30,000 ad-

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ditional jobs have been created in this country and we have a lot more to do. The level of unemployment has dropped for the first time since the beginning of the crisis and it is now down to 13.5% from over 15%. The number of people who are long-term unemployed is also down from 9.2% to 8.1%. We have a lot more to do in that area, including the introduction of the youth guarantee to get young people in particular back to work; increasing investment in our country in order to create jobs and delivering better public services, including the delivery of more medical cards with less money available to the State. That is the achievement of this Government and we are going to continue to do it. I know that every single day the Deputy has an opportunity he will come in here to berate and denounce that achievement because that is the political game he is pursuing. Let us concentrate less on the political charges and more on the needs of the people of this country which this Government is delivering on.

Deputy Barry Cowen: Put on the green jersey.

Deputy Noel Coonan: Even Deputy Mattie McGrath disagrees with Deputy Seamus Healy.

An Ceann Comhairle: I thank Deputy Mattie McGrath for his assistance.

Order of Business

The Tánaiste: It is proposed to take No. 14a, motion re referral to joint committee of the fourth programme of law reform; No. 15, motion re proposed approval by Dáil Éireann of the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 (Commencement) Order 2013; No. 22, Industrial Development (Science Foundation Ireland) (Amendment) Bill 2012 [Seanad] - Order for Report, Report and Final Stages; and No. 3, Gas Regulation Bill 2013 - Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that Nos. 14a and 15 shall be decided without debate; for the purposes of Standing Order 117A, the first Friday of the month for October shall be Friday, 11 October 2013 and that the time and date by which notice of a Bill in connection with that sitting shall be received by the Clerk shall be 11 a.m. on Friday, 27 September 2013 and related Standing Orders shall apply accordingly; and Private Members' business shall be No. 114, motion re mortgage arrears (resumed) which shall be taken immediately after the Order of Business and brought to a conclusion after 90 minutes.

An Ceann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with Nos. 14a and 15, agreed to? Agreed. Is the proposal for the sitting and business of the Dáil on Friday, 11 October 2013, agreed to? Agreed.

Deputy Micheál Martin: The programme for Government contained specific promises on the care of the elderly. It was stated that investment in the supply of more and better care for older people in the community and in residential settings would be a priority for this Government and also that the Government would provide additional funding each year for the care of older people with this funding to provide more residential places, more home care packages and the delivery of more home help and other professional community care services. The opposite has been the case with regard to the implementation of both the legislative commitments in the programme for Government and the policy commitments. There is currently a waiting list of 1,500 for the Fair Deal scheme. So far as I can see, all of the promises and commitments in the programme for Government have been reversed and have not been implemented. I was stunned at the Tánaiste's response to Deputy Seamus Healy when he stated there was no targeting of medical cards because every constituency office is inundated-----

An Ceann Comhairle: Please put your question, Deputy Martin.

Deputy Micheál Martin: ----with people bringing in letters they have received. For example, 69 year olds and people who have cards----

An Ceann Comhairle: This is not in order on the Order of Business.

Deputy Micheál Martin: The elderly are feeling it. When people watching on television hear the Tánaiste saying that medical cards are not being targeted, they wonder are people in this House in the real world because we are all getting the representations. When will the commitments in the programme for Government relating to the elderly be implemented? When can we expect the implementation of these additional hours for home helps and the extra funding for community and residential settings which were promised and committed to?

The Tánaiste: This is an area about which Deputy Martin is knowledgeable because this was the area related to the brief which he did not read.

Deputy Micheál Martin: The Tánaiste needs to read a few briefs.

The Tánaiste: The HSE has committed in the national service plan to maintain the home help and home care package. The Minister of State, Deputy Kathleen Lynch, has brought forward a range of initiatives in this area. I do not think there is any specific area of legislation promised. The programme for Government is being implemented and will be implemented and completed in the lifetime of the Government.

Deputy Mary Lou McDonald: I have two questions, the first of which is about the programme for Government commitment to legislate for collective bargaining. This is the centenary year of the 1913 Lock-out yet, 100 years on, this State is only one of three EU member states where workers do not have enshrined in law the right to negotiate collective agreements. When this matter was raised with the Tánaiste in January by my colleague, Deputy Gerry Adams, he said that there would be progress on this legislation in the course of this year. However, the promised industrial relations (amendment) (No. 2) Bill, is languishing on the C list of the legislative programme, with no indicative date for publication. Is it the case that the Tánaiste has changed his mind? Will legislation on collective bargaining be brought forward and, crucially, when will we see it?

On a second matter, the Taoiseach was asked yesterday about the proposed banking inquiry and he kicked to touch. The Oireachtas must sanction any final arrangements but it would be helpful to us if the Tánaiste could set out how the Government is minded in this regard. Is a new committee proposed? When will concrete terms of reference be announced?

The Tánaiste: The Government has not changed its mind with regard to collective bargaining legislation. The programme for Government commitment on collective bargaining legislation will be delivered on. That is the reason the Bill is listed in the legislative programme-----

Deputy Mary Lou McDonald: It is listed in the C list.

The Tánaiste: I understand the Minister for Jobs, Enterprise and Innovation will bring forward proposals for that Bill before the end of the year. The Deputy can be assured that the commitment given in the programme for Government will be delivered on.

When the Order of Business is concluded in a few minutes, the House will be asked to agree

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a motion to approve the commencement of the legislation for the banking inquiry as introduced by the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, to allow for a banking inquiry to take place. That is part of the legislative process. The form of the inquiry and its terms of reference, is a matter for the House. I understand that work is under way on drafting terms of reference but it is a matter for the House. We should approach this issue on an all-party basis because the public wants to see a banking inquiry and to have answers to questions. There is a duty on this House and the Parliament to respond to that and we should do so collectively and in a non-partisan manner. This House has a good track record of doing inquiries and addressing difficult issues, as we saw earlier this year. We should approach this issue in the same spirit.

An Ceann Comhairle: As Deputies can see from the clock there are 12 minutes remaining and ten people are indicating a desire to contribute. I ask Deputies to respect each other and allow everybody get in a question.

Deputy Denis Naughten: I refer to secondary legislation. As we know, the small and medium size industries in the country employ one in every two people in the economy. Last December, the Minister for Finance, Deputy Noonan, announced a ten-point plan specifically targeted at the sector. One of the initiatives was the employment incentive scheme to get cash into businesses that create jobs but it requires EU Commission approval. The Commission has been very quick to tell us where we should make cuts, but it seems to have been very slow in approving an initiative to create jobs. When will we see the commencement order for section 22 of the Finance Act 2013, which will get capital into businesses that create jobs? What is the EU playing at with the delays in the approval of this particular proposal?

An Ceann Comhairle: Deputies should stop making speeches and just ask about promised legislation.

The Tánaiste: The question concerned secondary legislation and I do not have a note on the issue. I will ask the Minister for Finance to respond to the Deputy.

Deputy Dessie Ellis: It is nearly two years since the publication of the report on pyrite-----

An Ceann Comhairle: That is correct.

Deputy Dessie Ellis: -----and the Minister, Deputy Hogan, indicated at the time that he would deal with it fairly quickly. The pyrite resolution board has been set up and a levy was to be imposed on sections of the industry.

An Ceann Comhairle: What is the question?

Deputy Dessie Ellis: We were told legislation was required.

An Ceann Comhairle: Will you respect other Deputies?

Deputy Dessie Ellis: I am asking about legislation.

An Ceann Comhairle: There are other Deputies here.

Deputy Dessie Ellis: I am asking about required legislation. When will it be brought forward?

An Ceann Comhairle: Which legislation?

Deputy Dessie Ellis: Is there a problem in the process of getting the levy from the industry? The word outside is that banks are causing problems.

An Ceann Comhairle: What is the legislation?

Deputy Dessie Ellis: It relates to pyrite.

An Ceann Comhairle: What is the name of the legislation?

Deputy Dessie Ellis: It regards pyrite resolution.

Deputy Micheál Martin: There is a Bill listed.

An Ceann Comhairle: Is there a Bill?

The Tánaiste: There is a pyrite levy Bill due for publication this session. The Minister for the Environment, Community and Local Government is bringing a submission to the Government on the issue next week.

An Ceann Comhairle: Deputy Catherine Murphy is next.

Deputy Catherine Murphy: I was going to speak on the same issue.

Deputy Mattie McGrath: With regard to the Road Traffic (No. 2) Act 2011, will there be an extension of time for people who are endeavouring to tax vehicles which have been off the road? What about vintage clubs and people who own vintage vehicles, which are really part of our heritage? They require understanding of this issue. Will the Central Bank (consolidation) Bill bring real teeth to deal with banks rather than having us discussing inquiries and codes of practice, etc?

An Ceann Comhairle: Is there promised legislation?

The Tánaiste: The Road Traffic (No. 2) Act 2011 is already part of law.

Deputy James Bannon: Nobody can dispute the fact that various tribunals, although costly, exposed a web of corruption in planning taking in developers, bankers, council officials etc. We have had legislation on the clár for some time in the form of a planning Bill that should implement the recommendations of the Mahon tribunal report. When will it come before the Dáil?

The Tánaiste: I do not have a date for the publication of the Bill.

Deputy Brian Walsh: There is a commitment in the programme for Government that we - or rather the Government - will replace the television licence with a public service broadcasting charge. There is anxiety among the public that perhaps the household benefits package will not cover the charge, so will the Tánaiste indicate when the legislation will come forward? Will some clarity be given in advance to the issue concerning elderly people in particular?

An Ceann Comhairle: The issues can be discussed when the legislation is before the House.

The Tánaiste: The Department of Communications, Energy and Natural Resources completed a value-for-money policy review on the proposals earlier this year and the Minister launched a public consultation on the proposals on 27 August. The consultation will run until 8 October, and following that the Minister will bring legislative proposals to the Government by the end of the year.

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Deputy Bernard J. Durkan: When is it expected that all sections of the Charities Act 2009 will be fully operational and implemented? The international tax agreements Bill is proposed but when is it likely to come before the House? I have mentioned my old friend, the bail Bill, on numerous occasions, even when people on the other side of the House were on this side. Could its progress be in any way expedited?

The Tánaiste: I understand the Minister for Justice and Equality, Deputy Shatter, is working on the Charities Act. The international tax agreements legislation is expected next year. The Minister, Deputy Shatter, is also working on the preparation of the bail Bill and it will come before the Government when he completes the preparation.

Deputy Ray Butler: When is publication due of the Garda Síochána (malicious injuries compensation) Bill, which will provide a revised scheme for compensating gardaí who have been maliciously injured during work?

The Tánaiste: The Bill to provide a revised scheme for compensating gardaí maliciously injured in their work is expected to be published early next year.

Deputy Patrick O'Donovan: In the aftermath of last year's budget, the Minister for Public Expenditure and Reform gave a commitment to address the anomaly that is the unvouched and untaxed leaders' allowance for Independent Deputies and Senators. When will the promised legislation to deal with the anomaly come before the House?

The Tánaiste: That legislation will come before the House this session.

Deputy Michael Healy-Rae: When will the new tenant purchase scheme be put in place, as the old scheme operated from 1995 until it ran out in 2012? With regard to the electoral Bills, the Minister for Education and Skills, Deputy Quinn, last night stated that the Government figure of €20 million in savings as a result of abolishing the Seanad is inaccurate.

An Ceann Comhairle: We will not go there.

Deputy Michael Healy-Rae: If the Government admits the figure is wrong or inaccurate-----

An Ceann Comhairle: Not on the Order of Business.

Deputy Michael Healy-Rae: -----and the Houses of the Oireachtas Commission has also indicated it is wrong, should the Government be continuing with the line? It is giving out false information to the public.

An Ceann Comhairle: The Deputy is out of order with that issue.

Deputy Michael Healy-Rae: The Government has said it is inaccurate.

The Tánaiste: I understand the tenant purchase issue is to be part of housing legislation to be introduced next year. There is an electoral (amendment) Bill due later this session but my understanding is it will address boundaries for European elections.

Deputy Michael Healy-Rae: What about the €20 million issue? It could finish in court.

Deputy Patrick Nulty: I join other Deputies in commending the Ceann Comhairle on the initiative he has taken for the rights of Members. No. 122a has been put on the clár today and I

ask the Tánaiste if the Government will provide time to debate it and a similar motion placed on the clár yesterday. People are watching whether the Government's commitment to Dáil reform is real or rhetoric, and the test of democracy is not how it treats friends but rather how it treats people who have disagreed with it on certain issues. Will the Government provide time to debate the motions and allow elected Members, with a mandate in this House, to be appointed to committees? Will the Government continue to keep a veto over the process? I ask that time be allowed to debate these motions in the spirit of democracy and Dáil reform.

The Tánaiste: The Whips regularly consider the various proposals on the Order Paper to see when they can be moved, and that is why we have Private Members' time. Every Member has the right to speak in this House and every Member has the right to attend any committee.

Deputy Timmy Dooley: The Shannon aviation services Bill has been promised for some time and was supposed to be passed in the last session. Will the Tánaiste give some indication of when it is intended to put it into being? It deals with the amalgamation of Shannon Airport and what was Shannon Development.

The Tánaiste: The heads of the Bill were approved by the Government in July and we expect to have it this session.

Deputy Joan Collins: What is the position on the admission to schools Bill 2013?

The Tánaiste: My understanding is the heads of the Bill are being drafted. They are out for consultation and the Minister for Education and Skills hopes to have the Bill early in the new year.

Deputy Brendan Griffin: With regard to the social welfare Bill, will consideration be given to increasing the rate of payment for JobBridge interns, given that it has proved to be a successful labour activation measure? It would encourage further participation.

An Ceann Comhairle: About what Bill is the Deputy talking?

Deputy Brendan Griffin: Could that be considered under the social welfare Bill?

An Ceann Comhairle: That is a separate issue. When will the social welfare Bill be introduced?

The Tánaiste: The Bill will be introduced after the budget. The content is a budgetary matter and nobody could expect me to talk about the detail of it.

Deputy Micheál Martin: The Minister for Social Protection is fighting a rearguard action.

Deputy Timmy Dooley: Pat Leahy is publishing it.

Deputy Peter Mathews: At the end of the Order of Business yesterday there was confusion. I was not at all clear because Deputy Catherine Murphy had pointed out that the Taoiseach's reply to Deputy Lucinda Creighton's request to bring forward a motion on the composition of Oireachtas committees had not been correct. He responded that it was advisable for the Deputies who had sought to be included in committees to make an application to the Technical Group.

An Ceann Comhairle: We cannot debate that matter now.

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Deputy Peter Mathews: Will the Tánaiste ask the Government Chief Whip and the deputy Chief Whip from the Labour Party to reconsider this fair and democratic motion brought forward yesterday and approve it at an early date?

Deputy Richard Boyd Barrett: When can we expect to see the Taxi Regulation Bill 2012?

The Tánaiste: It is going to committee in October.

An Ceann Comhairle: The concludes the Order of Business. I thank Members for their co-operation. It is nice to note that former Ceann Comhairle Sean Treacy will be 90 this weekend. I hope that is an indication of the health one has from being Ceann Comhairle, although I doubt it in my case.

Fourth Programme of Law Reform of Law Reform Commission: Referral to Joint Committee

Deputy Emmet Stagg: I move:

That Dáil Éireann request the Joint Committee on Justice, Defence and Equality, or a sub-committee thereof, to consider the Fourth Programme of Law Reform prepared by the Law Reform Commission, and to report back to Dáil Éireann on or before 1 October 2013.

Question put and agreed to.

Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 (Commencement) Order 2013: Motion

Deputy Emmet Stagg: I move:

That Dáil Éireann approves the following Order in draft:

Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 (Commencement) Order 2013,

copies of which have been laid in draft form before Dáil Éireann on 31 July 2013.

Question put and agreed to.

Mortgage Arrears: Motion (Resumed) [Private Members]

The following motion was moved by Deputy Michael McGrath on Wednesday, 18 September 2013:

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;

— the evidence presented by the banks during the recent hearings of the Joint Com-

mittee 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 30 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 30 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.”

Debate resumed on 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 home owners 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.”

(Minister for Finance).

Deputy Maureen O'Sullivan: I wish to share time with Deputies Finian McGrath, Mick Wallace, Catherine Murphy and Richard Boyd Barrett.

Throughout our history we have had a fractured relationship with land and houses, from the time of the plantations until the 19th century when we got to the point where more than 90% of the land was owned by only 5% of the population. We are experiencing similar difficulties today with mortgage holders, but the terms have changed. Then they were called evictions; now they are called repossession. Then they were called landlords; today they are called the banks. Then it was rack rents; today it is unsustainable mortgages. However, the common denominator is families losing their homes. The Government amendment states the recommendations of the report of the interdepartmental mortgage arrears working group have been adopted as the most appropriate framework for dealing with this crisis, but if they were working, the crisis would not be worsening and in excess of 57,000 would not have been unable to pay their mortgage for a year and an increasing number would not be in mortgage arrears. The only conclusion is that they are not working.

There is no single answer to the crisis, but a comprehensive range of options have been suggested on both sides of the House and the people working closely with those in mortgage difficulty. I refer to organisations such as FLAC, Focus Point and the Society of St. Vincent de Paul. However, instead of this, the tactic used too frequently is a letter indicating legal action. There has to be genuine engagement between the borrower and the bank to find a sustainable and realistic solution.

Repossession might be an option for some, but only if it is negotiated. It is not the answer in all the cases where it is proposed because if repossession is seen as a sustainable solution, it will exacerbate the housing crisis. A flood of repossession sales will destroy current market levels and fuel opportunistic cash buyers who are just looking for investment bargains.

Strategic defaulters should not be tolerated, but there is a need for an independent investigation into and an independent assessment of the reality of this matter. I do not agree with the notion that the State's mortgage arrears crisis represents the greatest social challenge facing it because that confines the issue to mortgage holders. We have a major housing crisis. I witness this in Dublin Central, whether it relates to private rented accommodation, local authority housing, social housing or the increase in homelessness.

I listened to the Tánaiste's fiery words on the Order of Business as he expressed confidence about solving this problem. I hope they become a reality.

Deputy Finian McGrath: I am grateful for the opportunity to contribute to the debate. I support the motion, as it clearly sets out solutions to the huge problems and hardship experienced by families who are suffering pain because of the economic collapse. We have all met people who need our practical support. Now is the time to stand up for them during this debate; it is no time to sit on the fence. Mortgage arrears continue to increase, with 142,892 family home mortgage accounts in arrears at the end of June, of which 57,163 were in arrears for more than one year. The evidence presented by the banks during the recent hearings of the Joint Committee on Finance, Public Expenditure and Reform is that they relied heavily on issuing threatening legal letters to borrowers to meet their obligations under the mortgage arrears resolution targets programme in the quarter ending in June. That is the reality for families and

why action is needed.

Every Oireachtas Member has an obligation to identify solutions and support the motion. I support the call for the Central Bank to report on the performance of the banks to date in reaching the resolution targets laid down. I also call for publication of the targets to be imposed on them in the conclusion of arrangements with customers in arrears. I fully support the establishment of an independent mortgage arrears resolution office to oversee implementation of sustainable mortgage solutions. The motion is about families and people, but, above all, it puts forward sensible solutions.

Deputy Mick Wallace: There is little doubt that the mortgage crisis is one of the major obstacles to economic recovery. The Government parties can speak about growth and recovery, but continuously falling living standards for the majority makes all talk of recovery sound a little bizarre. The people, through no choice of their own, have given billions of euro to Irish banks. In return, they are being failed by the banks, economically and socially. The mortgage crisis has worsened, not improved. The two characteristics that have most defined the performance of the banks in the past few years of the crisis are mismanagement and inconsistency. I have been shocked by the number of people who have contacted me to tell me about their problems with the banks. The inconsistency is frightening. Some people are being treated fairly, while others are not. Those who have equity in their homes but are unable to pay their mortgage are getting the rawest deal of all. Many of them are being threatened with repossession or being offered unattractive alternatives. They believe they are in a poor position. It is beginning to look like as if people would be better off being in serious negative equity, rather than having equity in their house if they are looking for a fair deal from the banks. Will the Government establish a framework to ensure consistency in the way the banks treat everyone?

Deputy Catherine Murphy: I support the motion. We need stronger assurances from the Government and the Central Bank that borrowers will have basic, guaranteed rights in the mortgage arrears process. Each time we debate the issue the number of people in arrears has grown alarmingly. Solutions have been heavily lopsided in favour of the banks and the lending institutions. To date, there is an inherent power imbalance in all of the suggested solutions that strips away the rights of borrowers in basic negotiations.

The code of conduct on mortgage arrears published last June contains really worrying elements. I refer to forcibly moving people off tracker mortgages where no sustainable solution is available. Only the lender's opinion counts and there is no balance between the two sides. The 12-months moratorium on legal proceedings was reduced. Unsolicited home visits by lending officials will be permissible. Banks and lenders control the communications process. People are being hounded by some of the lending institutions. They are already stressed out without that.

The precise definition of "sustainable solution" is defined by the lending institutions. We need a basic appeals process and basic income and living expenses. We have seen the What's Left survey carried out by the Irish League of Credit Unions. The situation must be completely reassessed. Better regulation must be introduced to prevent intimidation and unsolicited visits. The point has already been made about the huge waiting list. If a person's house is repossessed he or she has nowhere to go. Solutions must be provided in cases where that occurs.

Deputy Richard Boyd Barrett: The members of the Technical Group were the first people to raise this issue and to table a motion in the Dáil in April 2011. Nothing has been done about

the crisis since and it has become worse. People have been clinging on for the past two years. It is evident to me and many other Members that the crisis is coming to a head.

The Government's strategy has demonstrably failed. The banks came before the Joint Committee on Finance, Public Expenditure and Reform and played us for fools. We got claptrap about them wanting to engage with people. From the evidence coming through my clinic door I know that the opposite is true; that people are trying to engage with the banks but the banks are not interested in engaging with them at all. They are just interested in sending out legal letters or making threats in order to squeeze as much money out of people as they possibly can.

I wish to underline the point Deputy Catherine Murphy made about the stupidity of repossession. We will pick up the tab if people's houses are repossessed because we will have to provide them with social housing. It will cost us to do that. When we say the banks have to take a hit and write down unsustainable debt the Government says we cannot do that because it would cost the taxpayer but it will cost us if people's houses are repossessed because we will have to pay for the social housing or the funding of it. We must force the banks to provide sustainable solutions for people in the interests of mortgage holders but also in the interests of the wider economy. There is a simple solution, namely, to do what they did in Norway – write down unsustainable mortgages to the market value plus 10%. Nobody's house would be repossessed and one would impose the solution on the banks instead of the banks playing us for fools and terrorising tens of thousands of ordinary families.

An Leas-Cheann Comhairle: I now call Deputy Dan Neville. I understand he is sharing with Deputies Spring, Kevin Humphreys, Barry and Maloney.

Deputy Dan Neville: That is correct. I welcome the opportunity to debate this issue. I wish to examine the situation from another angle. We have had much good debate on the economic side of the issue but I wish to refer to the psychological impact of what is happening in terms of how the banks manage mortgage holders who are in arrears. We must recognise that there is a serious human factor involved. There are many vulnerable people being dealt with by bank officials. We should not generalise as there are good people in banks but we have already heard about people being hounded and who have had unsolicited visits to their house by mortgage lenders.

The banks must be conscious of the psychological impact experienced by someone in mortgage difficulty or debt. Research going back to 1890 demonstrates that suicide and mental illness increase in times of recession. The World Health Organization has recognised that. It said that it should not come as a surprise that we continue to see more stresses, suicides and mental disorders during recession. The potential psychological impact of economic recession on public health is severe. The banks must recognise the impact on people who have lost their jobs, who have job insecurity, economic strain, loss of income and especially those who are under threat of having their home repossessed. One of the most important issues in terms of stress levels is the fear of the loss of one's home.

The current restricted access to credit further reduces the well-being of society and increases mental ill-health problems. During a recession there is an increase in substance misuse, especially alcohol and drugs and an increase in the incidence of intimate relationship breakdown and divorce. That is an aspect of what is happening to the community we are discussing in terms of difficulties with the banks. Financial institutions should recognise that people who are recently unemployed are most vulnerable because research shows that the unemployed are

more likely to suffer mental stress. Those who have mental ill-health in employment are more likely to lose their jobs than those who are not in that situation. The banks must recognise that they have a duty to those people in order to ensure that their mental well-being is taken into account when they are dealing with clients. They have a responsibility towards their well-being. We have heard anecdotally and factually that the way some people in banks handle clients has led to suicide attempts. There has been a big increase in attempted suicide and incidents of self-harm in addition to suicide. That is an issue that must be recognised.

Training is provided within the banks but it is not implemented sufficiently widely. I often see situations where training is given but if the manager is not committed or supportive of such an approach then it does not work. We have seen a similar situation in several other aspects of suicide and mental ill-health. One can give all the training one likes but if a manager is not committed then the situation will not change. The manager is in charge and staff are obliged to respond to him or her. All those working on the front line in mortgages should have special training. I wish to suggest two programmes that are available. One is the applied suicide intervention skills training, ASIST, programme. It is a two-day course in suicide first aid. It is suitable for all kinds of people dealing with the public, for example, health workers, teachers, community workers, gardaí, youth workers, volunteers and people responding to family, friends and co-workers. All aspects of society are covered. The banks should recognise that they have a role in ensuring that their staff are aware of such courses because it reduces the immediate risk of a suicide and increases the support for a person at risk. Completion of the two-day course allows people to recognise the risk factors of suicide and the level of mental stress. More than 70 trainers have been trained to deliver the course nationwide. The banks should have trainers and train their staff.

The safeTALK course is available also. It is a half-day training programme that prepares participants to identify persons with thoughts of suicide and connect them to suicide first aid resources. These specific skills are called “suicide alertness” and taught with the expectation that the learner will use them to help reduce suicide risk in his or her community. Following the half-day safeTALK workshop, a person will be more willing and able to perform an important role for those with thoughts of suicide. I urge the banks to consider this and take advantage of the courses on offer.

Deputy Arthur Spring: It is wonderful to be back. I acknowledge the passing of Seamus Heaney who was a wonderful poet but also a peaceful patriot and a person many of us could look up to.

This is a welcome opportunity yet again. I thank Fianna Fáil for raising this matter in its Private Members' motion. As I have constantly said, there are two issues on which I will work tirelessly, namely, joblessness and the mortgage crisis that has been weighing so heavily on my generation.

Of the first two issues that need to be dealt with, the first is quite basic and I wish to bring it to the attention of the civil servants. It pertains to the fees prescribed by the Insolvency Service of Ireland under the statutory instrument passed on 30 August, the Personal Insolvency Act 2012 (Prescribed Fees) Regulations 2013. The third point on the charging of fees states, “The amount of €500 is prescribed as the fee payable for an application for a Protective Certificate in relation to a Personal Insolvency Arrangement”. The Minister needs to address this issue immediately. So many of the people I encounter daily do not have a bean to their name, not to mind €500 to seek the assistance of a personal insolvency broker. It is inappropriate and,

despite what we heard from one leader of the Opposition this morning, the fee and the scare-mongering to lead people into paying €5,000 to €7,000 are nonsense. It is also inappropriate that €500 is being sought from people who do not have it to their name.

There are a couple of problems that still need to be ironed out. We all have something to contribute and this is a welcome addition. I do not agree with the idea of a veto. I have examined best practice in Australia, New Zealand, Great Britain and Norway and a veto is not necessary as long as we have a position from where we can pressurise the banks. With Deputy Michael McGrath, I have concluded that any entity considering buying a bank will examine the mortgage book and engage in due diligence with a fine toothcomb. If the bank leaves a legacy whereby it does not have a solution, the book will be unsellable. Thus, the share price and value of the bank will be depreciated. Ultimately, the sole responsibility is to the institution, rather than the individual. As a public representative, I represent the individual.

Let me present a different angle. Using the BlackRock stress test, we identified a quantum of money that could be used for the purpose of recapitalising banks holding distressed mortgages. Every single bank should, on a *pro rata* basis, be made to draw down every single penny of the money available and more, if necessary. I realise it is a zero sum game and that comes back to the taxpayer. I insist that the model used be the tabular format that was used for mortgage interest relief in order that those who bought houses at the very height of the market would get preferential treatment. One would work backwards from there. This is important because different banks will treat people with different attitudes. For example, we have more influence on Allied Irish Banks and Permanent TSB as a result of the Government's shareholding. It is nothing I am proud of but it is there. We have a stakeholding of only 15% in Bank of Ireland. It has the ability, therefore, to apply a far more robust attitude to us. The last thing it wants to have is a contingent liability on its balance sheet such that it will have to write down more money for mortgages, thereby shrinking its profitability and compressing the share price once again. It is imperative that we get the banks to draw down and use every single penny identified to relieve my generation, get us out of this quagmire and allow us to be the people who drive the economy and society and help the old and the young. It is imperative that there be a definitive line in the sand. I do not want anybody to get a telephone call in 12 months demanding a chat and more money. I do not want such a call in five years time. I want a definitive solution, a line in the sand, to give people certainty.

I believe and know we are doing the right thing. There are very few people who will argue that the ability to move towards personal insolvency is a problem. However, the person insolvency broker is paid through the institution. The affected individual needs to go in with a robust attitude, put the keys on the table, tell the bank it has a problem on its balance sheet and ask what it proposes as a solution. The broker will not be paid the same amount of money if he or she gets a deal outside the personal insolvency route. It is in his or her interests, therefore, to go in with a softly-softly approach to get the job done; therefore, we need to incentivise him or her to enter the process with a robust attitude, enforcing the idea that it is the banks' problem, that they have money to solve it and that they need to enforce the solution.

International best practice indicates that 70% of cases are dealt with outside the insolvency arrangements allowed. We are also told that 90% of the remaining 30% of cases, amounting to 27%, are signed off on by both the bank and the borrower. This has the potential to be enormously successful. I encourage everybody to engage with the process and consult the website www.isi.gov.ie. People should engage with their Deputies and solicitors. They should not get into a position where they will be held to ransom for money for a consultation. It is

incumbent on the State to get my generation out of the problem. I have stressed this with the Minister for Finance and the Minister for Public Expenditure and Reform and I have also gone to the Tánaiste. I will raise the matter with the Taoiseach. The Government should ensure the banks draw down every penny of the money allocated and pass it on in debt write-downs and providing relief. If we need more money, let us get more. This is one of the key issues for my generation. It is a matter of the liberation of my generation.

Deputy Kevin Humphreys: It is worth returning to what Deputy Maureen O'Sullivan and previous speakers mentioned about the housing crisis. Dublin is very much out of kilter. The housing crisis in Dublin constitutes a serious problem. There is some employment growth, but the cost of renting a two-bedroom apartment in many areas of Dublin is beginning to hit €1,800 per month. This is because little or nothing has been built since 2008. I am thankful there is employment growth, but the demand is increasing very quickly.

Nobody in this House is under any illusion about the scale of the challenge that ordinary families are facing in trying to stay in their homes and pay their mortgages. Deputy Arthur Spring articulated a very strong position on behalf of his generation. I am a few years older than him. During the 1980s I went through a period of unemployment. I had young children and was in negative equity. Interest rates were reaching almost 20%. That was when Mr. Bertie Ahern was Minister for Finance. It was a truly terrifying experience, which is why I can understand very well what Deputy Dan Neville was talking about in regard to the pressure on young people with families and in insecure employment. As with Deputy Arthur Spring, I welcome the debate, but, in all honesty, I must question the credibility of the proposers of the motion. We must remember why nearly 150,000 families with home mortgage accounts are in arrears. Some 97,000 are in arrears for over 90 days. This is because 250,000 people lost their jobs under the watch of the last Government, of which the current leader of Fianna Fáil was a senior member. What occurred was the result of the failures of that Fianna Fáil Government.

Since the Government came to power, we have been at work trying to right the ship of State. We have managed to get the finances of the State under some control. We have managed to go back to the markets and raise money to fund public services. We are only months away from the troika leaving and Ireland regaining our economic sovereignty which was lost by Fianna Fáil when it negotiated a very poor deal. We have put in place the conditions for job creation and I have spoken to some of the 33,800 people who have been fortunate enough to get back into employment. This Government has created the conditions for growth in employment. The policies we have designed have delivered growth and are showing results. Initiatives such as JobBridge are successful and the reduction in VAT for the tourism sector has resulted in the creation of up to 15,000 additional jobs in the hospitality and food areas.

The establishment of the Insolvency Service of Ireland is a very important development. We are moving forward, slowly but surely. I do not agree with Deputy Boyd Barrett's point about the finance committee in the context of holding the banks to account. If one wants to attend meetings of the finance committee and showboat, that is fine but it will not bring anybody to account. If one is prepared to do work such as that done by Deputy Arthur Spring and others on the committee, in asking probing and difficult questions, one can assist in bringing about change within the banks. We will bring the banks under control and in that context, I welcome the recent announcement that a banking inquiry will commence shortly. It is a slow process but change is underway in Ireland. The Labour Party, along with its partner in Government, is committed to fixing the economy, getting people back to work and ensuring the reforms which did not happen over many decades under Fianna Fáil actually happen.

We must have at the heart of our policies the principle that families should be able to stay in their homes. Unsustainable debt must be recognised and solutions must be put in place. The range of options available under the personal insolvency scheme will allow people, over time, to address their problems. That is why we have piloted the mortgage to rent and split mortgage schemes, while extending mortgage interest relief. These schemes must continue to be implemented and the banks must meet their targets on sustainable solutions. I welcome the recent announcement from the Central Bank that the banks must offer sustainable solutions to 70% of those in arrears for more than 90 days by the end of March 2014. I will certainly be working with my colleagues and Deputy McGrath on the finance committee to ensure that we hold the banks to account.

Deputy Tom Barry: I am grateful for the opportunity to speak on this very serious topic. It is a problem that has been with us for quite a while. I wrote extensively on this issue in February 2010. My aim at the time was to promote parked-percentage mortgages, whereby banks would split the debt into an affordable, sustainable amount for the distressed mortgage holder. This was fed into the Keane report, along with the contributions of many others, and came out as a proposal for split or parked mortgages. I met with all of the main banks on this issue, along with many other Deputies, and we spoke with them at length, expressing our genuine concerns about this. As everybody knows, the banks at that time were reluctant to move into this area. It was unknown territory for them. I do not think they actually had the skills to deal with the problem. As someone who has been involved in business for almost 20 years, I saw it as simply a matter of fact that a problem like this cannot be ignored.

Progress has taken time. As with anything that is new ground, it cannot be perfect straight away. People are demanding instant solutions but it cannot happen that way. At the start of this process, mistakes were made but things will improve as we go along. The Minister for Finance, Deputy Noonan pointed out that many people were asserting that we would never get out of the mess we were in. When Fine Gael went into government, there was only funding for six months and then the country was going to fall over the edge of a financial cliff ---

(Interruptions).

Deputy Timmy Dooley: With respect, I have a point of order ---

Deputy Tom Barry: The situation has changed ---

An Leas-Cheann Comhairle: Excuse me, Deputy Barry, but Deputy Dooley wishes to raise a point of order.

Deputy Timmy Dooley: Can I be facilitated with making an interjection and responding to what the Deputy has just said?

An Leas-Cheann Comhairle: If the Deputy accepts ---

Deputy Timmy Dooley: There is a facility, under Standing Orders, to do that.

An Leas-Cheann Comhairle: Yes, but only if the Deputy accepts, as I understand it. I cannot allow it unless Deputy Barry is agreeable, as Deputy Dooley knows.

Deputy Tom Barry: I am sure that Deputy Dooley would not like to make the situation worse than it already is. However, I will listen to whatever he has to say on his point of order.

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Deputy Timmy Dooley: I appreciate the Deputy allowing me to make an interjection. There is a lie or an untruth being peddled by the Tánaiste and other members of this Government, that somehow the Irish State only had enough funding, when the current Government came into office, to sustain itself for five months. That is an absolute untruth.

Deputy Tom Barry: I said six months.

Deputy Timmy Dooley: Whether it was five or six months is not the point. There was a memorandum of understanding in place with the troika which guaranteed funding right up to the end of this year. That was in place when the Government took office. Will the Deputy accept that as a point of fact and get away from the notion that there was not enough funding to sustain the State for a longer period----

Deputy Tom Barry: It is said that when one is explaining oneself, one is losing.

Deputy Dara Calleary: Deputy Barry would know a fair bit about that.

Deputy Tom Barry: I might but I certainly know that when one is wrong, one puts up one's hands and does not deny the facts. I thank Deputy Dooley for his positive engagement.

Deputy Dinny McGinley: The Deputies on the other side are trying to rewrite history.

Deputy Barry Cowen: Deputy Dooley was simply stating a fact.

Deputy Tom Barry: Solving this problem will require positive engagement with all mortgage holders. Those in arrears who do not contribute or engage are leaving themselves open to the threat of repossession. That fact cannot be avoided and mortgage holders must recognise it. There is not a person in this country who does not have some iron in the fire with respect to financial debt, which was also a trademark of the previous Government.

(Interruptions).

Deputy Tom Barry: This is the soft landing, Deputies. This is the soft landing that Fianna Fáil promised. This soft landing is damned hard. The Deputies might like to argue about funding for five or six months but this is the landing their party promised would be soft. If the Deputies do not understand it they should go back and look at a particular apartment block in Cabinteely in Dublin 22, where in 2007 and 2008, people were discussing how it would continue go up in value. Such notions were being fed by talk from the previous Government. I was not going to engage in a slagging match, but if the Deputies across wish to, we can certainly do that. However, it will do nothing for the mortgage holders who are in distress. If the Deputies wish to throw slander across the House that is fine but it will do nothing, apart from making them feel happy.

There is also a problem with regard to core and non-core debt. We should not forget that many businesses in Ireland have a debt anchor based on property. Mistakes were made. Businesses with good cashflow bought into the property boom. The banks are continuing to provide existing credit facilities to them, for which they are grateful. However, businesses need to expand to survive and that is why their non-core debt anchors must be addressed, especially in the context of jobs. The issue of equity must be considered.

I agree that the targets must be met and also that there is no one solution for everybody. I acknowledge the Personal Insolvency Act although I would hate to see situations getting to that

point. We should try our best for those people who genuinely make an effort to engage. Engaging is what it is all about now. It is not about judging people but about trying to improve their situation. However, if people do not engage, that is a different matter. Furthermore, if people are not paying mortgages on second homes, such properties will have to go.

In conclusion, there is no short term solution for what is a long term problem. Mortgage arrears will remain a problem for some time but constructive engagement is the only way forward.

Deputy Eamonn Maloney: I have read and re-read the motion before the House and I welcome this debate because as Deputy Michael McGrath's motion suggests, no-one has all of the solutions.

12 o'clock

All of us should participate in finding a resolution to this issue. While I welcome the sentiment of the motion, I would differ slightly with Deputy Michael McGrath. He referred to the mortgage crisis as the greatest social issue in the country but I would suggest unemployment is in these historic times when the country has been bankrupted and we are at the mercy of English and German taxpayers as we try to keep the day-to-day operation of the State continuing. No one has a monopoly of wisdom on job creation, dealing with mortgage arrears or stopping emigration. For that reason, we should tease everything out.

The mortgage crisis is unprecedented because it has never happened before during our independence from the British Empire. We now deal with issues as independent parliamentarians and we can no longer blame Cromwell, the Vikings or the Normans. We must take responsibility ourselves for what happened. We also have to take responsibility for the solutions to these issues.

The mortgage crisis comes in different levels. Both sides of the House have cited how mortgage arrears affect people not only physically but psychologically. As working politicians, all of us will have dealt with people affected. Every Member, unfortunately, will know of individuals who had to voluntarily surrender their home because of arrears. That is not an easy course of action, particularly if there are children in the household. It can be a difficult and traumatic experience. Unfortunately, I have had to deal with a few of these cases.

While not trying to be partisan but with some sense of pride as a Government supporter, it must be acknowledged that there have been no evictions from homes. This is a good point given the state in which the country is. I have put this point to some of the other free bird Members who claim we do not hear about evictions. If evictions were taking place, there are sections of the Opposition who would let us know about it every day of the week. I have listened to some Opposition Members use the word "eviction" with glee because it conjures up an image from our history. I can only conclude that they are not interested in solving the issue of mortgage arrears. Using terms like "eviction", it would seem they would like evictions to happen to make some political gain. Until they actually see a re-enactment of the Derryveagh evictions of 1861 when families were thrown out of their homes on to the roadside, they will not be happy. It goes back to my point about people being careful about their language and accepting matters as they are. We should not see anyone evicted from their homes. I am not diminishing my responsibility or the Government's but we should not wish for evictions to make some political gain.

There are many issues that need to be solved. The mortgage crisis, as cited in Deputy Mi-

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chael McGrath's motion, has to be faced up to. It is important that all the agencies and different solutions referred to in the motion are addressed. Hopefully, we will not see families losing their homes. Such losses are what we must aspire to prevent. It is a long road we are on in resolving the mortgage crisis. While I do not agree with some parts of the motion, I acknowledge that no one has a monopoly of wisdom in dealing with this unprecedented crisis in the history of this independent State.

An Leas-Cheann Comhairle: I call on Deputy Calleary who is sharing time with Deputies Cowen and Dooley.

Deputy Dara Calleary: I thank my colleague, Deputy Michael McGrath for once again putting this issue on the agenda in a constructive fashion which he has done over the past two and a half years. Since the Dáil last debated this issue, we have had presentations at the Oireachtas finance committee on this matter. It is too early to make a call on the impact of the personal insolvency legislation. As we have stated, when we do have figures on its operation, we will not see it having the impact it could have if it had been more independent of the current banking system and if borrowers had been more empowered to benefit from it.

Over the summer we had some positive economic figures in employment and this morning the positive growth figures which should be acknowledged and which suggest some green shoots of recovery. While Ministers can run around claiming the credit for these figures, the elephant in the room is mortgage arrears. If this is not tackled, we will never have an economic recovery. This morning's Central Statistics Office figures once again show personal expenditure figures are under considerable pressure. This has an impact on our domestic economy, retail and services sector. While they are suffering, they are not in a position to create jobs.

Why is this? Setting aside the second homes to which Deputy Barry referred, 142,892 family home mortgages were in arrears at the end of June. Of this, 57,163 were in arrears for more than a year and nearly 28,000 of them were in arrears for more than two years. These families cannot participate in an economic recovery because they do not have the means to pay their mortgages, never mind getting involved in supporting the recovery of our economy. The notion of a sustainable solution as part of the mortgage arrears resolution target programme sounds great. However, as we all knew when it was announced in haste in Government Buildings earlier this year, the banks claiming credit for sending letters to distressed mortgage holders is not the answer.

This summer I have been inundated with cases of what some banks believe are sustainable solutions. I have the case of a gentleman in his early 70s who remortgaged his house to assist his family. When he fell into arrears of €450, he received a letter from his bank advising him to sell his house. This was the only sustainable solution they could put in front of him. He was told he could pick his own auctioneer subject to the bank's approval. That is not a sustainable solution for a man of that age. The chief executive officer of the bank claimed at the Oireachtas finance committee earlier this month that this case was part of its solution to this issue.

While we constantly talk in this House of the need for people to reskill and reimagine themselves, I have another case of a man who was employed in the construction industry who reskilled to work in financial services. He started at the bottom rung and worked his way up this sector. However, while he was reskilling he did not have the capacity to pay his mortgage. He engaged with his bank during that time but matters slipped. He recently received a letter from his bank informing him his case is now with the bank's solicitors who are moving towards

repossession and he cannot engage with the bank. They are typical of these so-called sustainable solutions. They are not sustainable. Deputy Maloney and other speakers referred to the threat that is used on people, which opens up the other side of this debate away from the macroeconomic figures into the personal stress and distress that has been caused in houses around the country by the banks' push to get the figures so they can come in here and say they have offered 56,000 or whatever number of solutions. However, behind each of those letters is a personal story of distress. Deputy Michael McGrath has consistently proposed a different way of doing this. Bank loan books need to be addressed, but doing it this way is wrong and will not resolve the situation. Deputy Maloney is right. There are many ideas floating around here that can reach where we need to be, but in a different and fair way and that is what we are all about.

Over the summer there was much talk, particularly at the committee hearings, about strategic defaulters. There are those who are deliberately not paying their mortgages in the hope of not having to pay them, but the level of debate it is getting does not reflect the number of people who are making this choice. It strikes me that the banks throw this out there so we can talk about it rather than discussing the real distress to people and families and seeking a sustainable but fair solution to the position in which they find themselves. We heard it again this morning from the Tánaiste. Unfortunately, reeling out figures on sustainable solutions creates a disconnect from the reality of the stress and distress on the ground.

If we are to see economic recovery, this issue must be dealt with. While that level of debt burdens those 143,000 households we cannot move on. If we are to recover socially and recover our sense of collectivity and pride as a country, this issue must be dealt with. We cannot abandon 143,000 families to the wolves of the financial markets, the whims of bank lawyers and the targets of the Central Bank, which have no knowledge of what it is to receive one of those letters. It might be good for the banks to come before the committees and roll out these statistics but it might be worthwhile for the committee to hear from some of those receiving the letters to see the reality of it. This issue must be addressed with a lot more urgency, thought and feeling.

Deputy Barry Cowen: When the Dáil resumed this week, many journalists and commentators asked us what dominant theme we expect to engage with this term. We all said the mortgage arrears crisis stands out, along with the budget, the Seanad referendum, Dáil reform and the preparation for local and European elections on the part of our respective political parties. They are all intertwined with and underpinned by the mortgage arrears situation. It is the major, pivotal and most pertinent issue. The success or failure in dealing with it has an undoubted domino effect on all the other areas mentioned.

An example of that is education, discussed during Leaders' Questions earlier this morning. When I, and others, spoke to our constituents over the summer and previously, one thing was very striking. People are experiencing not only fears about the financial situation caused by the mortgage issue but about their ability as parents to pay for and educate their children, whether at primary, secondary or third level. From speaking to students and the work force we know a primary degree in the present situation is, in many cases, no longer sufficient to enter the work force. A masters degree is the goal of many students and the costs associated with that are excessive. The Government's cuts in all areas of education, not to mention the issues raised this morning, lead us to believe that education and areas such as mental health must be ring-fenced in the budget. This will be in our document.

Deputy Neville mentioned, as he has done on many occasions, the effect this crisis is having

on the mental health of individuals and society in general, and similar comments have emanated from many other members of the Government. That, coming from a member of the Government, must reinforce the intention of the Minister for Finance and the Government to ring-fence funding in that sector to protect the most vulnerable.

The question of housing is causing great grief and consternation among our constituents. If one were to carry out a survey of all Deputies one would find that there has been an obvious upsurge in representations on housing as people seek replacement homes. The conventional methods of dealing with this are practically defunct. There have been no innovations, new initiatives or new thinking by the Government and those charged with responsibility in this area. That is very obvious when one hears people saying there are local authority housing units idle in estates in my county and in many others. Yet local authorities lack the funding and resource capabilities to make those houses suitable for people to take hold of. Does that not say the Government must find ways of generating funding to address these issues?

Earlier Deputy Healy-Rae and others mentioned the need for a new tenant-purchase scheme to allow those who might be able to afford it to take advantage of the fallen prices and give much-needed business in the financial sector that is affordable, real and can have a positive effect on the demands of society in that area, but to no avail. The Government could also examine ways contracts could be innovative in a way which would allow incoming tenants the option of making those houses suitable for their use because allowing houses to lie idle helps nobody and efforts must be made in that regard.

Another issue that will form much of the debate inside and outside the House in the coming weeks, and which we have been discussing, is the Seanad referendum. The Taoiseach charged the Minister for Jobs, Enterprise and Innovation, Deputy Bruton with the responsibility for fighting that campaign. Where would you get it? How crazy is it to think that at a time when the needs in that sector are so great, combined with the needs of the education sector, the Taoiseach has sacrificed that Minister to fight a referendum campaign to abolish the Seanad? Of course, he is fighting a referendum on a pet project that the Taoiseach initiated in 2009. The Taoiseach will win in any event because it will be his victory if the referendum is carried and the poor Minister, Deputy Bruton, will be blamed if it is defeated. I am reminded of Deputy Charles Flanagan's predicament during the Presidential election. There is a common thread.

A reformed Seanad might have been in a better position to critically analyse the insolvency legislation recently passed by this House. As was made evident during the passage of the legislation on the property tax, the cuts to child benefit and the other attacks on the most vulnerable, it is the norm for this Government and its massive majority. The ESRI's independent assessment found that the last two budgets were far more regressive than the last budget introduced by the Fianna Fáil-led Government, which took twice as much out of the economy. The Taoiseach pointed out yesterday that the Government does not engage in debate. Its own way is the only way in town. If Carlsberg did autocratic government, it would do it the Fine Gael and Labour Party way. It is not Frankfurt's way or anybody else's way.

The Opposition may be proved right next May or June. The Government may then appoint an independent mortgage resolution office which can inform the Government about what is as plain as the nose on my face, namely, the failure of any insolvency regime that offers a veto for the banks. That may benefit Opposition parties or condemn the Government to a disastrous electoral defeat, but our success would be at the expense of distressed families in every town, village and city on this island. That is a legacy none of us want, least of all the Government.

The Taoiseach continues to high-five around the country in his happy-clappy way. It is incumbent on Government backbenchers to get the economic council into a room and make it watch a rerun of the proceedings of the Joint Committee on Finance, Public Expenditure and Reform earlier this month. Perhaps it might then see sense and begin to hold the banks to account or establish an independent mortgage resolution office. We might finally get a clear understanding of what a sustainable resolution would comprise. Sustainable resolutions might involve split mortgages, reduced interest rates or debt for equity swaps. A sustainable resolution is not represented by a bank issuing proceedings to take the house from someone who cannot afford to pay his or her mortgage.

The Government has a responsibility to get to grips with this situation. It gave out about light-touch regulation and the bank guarantee for long enough. It now has an opportunity to address the issue. In regard to the political charges made against us today and in the past, it has put in place a politically charged inquiry. Members of my party, whether current or past, will meet our responsibilities in that regard and answer all the questions we are asked, notwithstanding the benefits the Government hopes to gain coming into the election. Apart from the political game it continues to play, it has an obligation to meet the most pressing demand put on it by the Irish electorate - that is, the mortgage situation.

An Leas-Cheann Comhairle: The Deputy should conclude.

Deputy Barry Cowen: It is time to get down and dirty with the banks. The insolvency legislation refers to sustainable resolutions, but the Government does not appear to know what that means.

An Leas-Cheann Comhairle: Deputy Cowen had a good innings.

Deputy Barry Cowen: The Government has also had a good innings and it is time it played the game properly. We can play politics when the inquiry commences but the people who have been affected must be helped.

Deputy Dinny McGinley: He has a neck to come here and say that.

Deputy Barry Cowen: I have a responsibility to those who put me here to explain the difficulties they face because of the Government's lack of action.

Deputy Dinny McGinley: I have listened as Deputy Cowen's colleagues made constructive suggestions, but his claptrap does not suit him.

Deputy Barry Cowen: It is not claptrap.

An Leas-Cheann Comhairle: I call Deputy Dooley.

Deputy Dinny McGinley: It is claptrap and rubbish.

An Leas-Cheann Comhairle: Can we have order for Deputy Dooley?

Deputy Dinny McGinley: Fianna Fáil was in bed with the banks. I will not listen to that sort of nonsense. I have listened to speakers from every side of the House but that is political rhetoric.

Deputy Timmy Dooley: We should leave bedfellows out of this. I welcome the opportunity to contribute to this debate. The motion tabled by my colleague, Deputy Michael McGrath,

calls for a serious debate that can allow us to identify solutions to the crisis of mortgage arrears. As others have noted, there is no distilled wisdom or solution on any of the benches of this House. I hope we can have a reasonable debate that allows people to bring forward ideas. All of us deal with this issue in our constituency offices. The names and amounts vary but the principle is the same. People are unable to meet the payments demanded from them by their financial institutions.

The State has recapitalised the banks so that they are in a position to deal with the crisis. If further capitalisation is required we should address that issue, but we must begin from the premise that a viable and sustainable economy cannot be created if we burden people with unmanageable debt. There is an onus on all of us to find a solution to that problem. The first approach should not involve taking a house from such an individual. I take Deputy Maloney's point about the emotive language of eviction and agree it is overused by some. However, it is a real and significant fear for the people who present to my office on a weekly basis. While they are attempting to pay what they owe, they are not real participants in our economy. They are not living; they are barely surviving, and in some cases the basics in the household are not provided and children are not appropriately dressed or fed. This is a striking situation to which we must find a resolution. I believe the only way to do this is that set out in our motion, which is a legislative approach. I will not get into tit-for-tat, but the Government made many promises prior to coming into office and has made many promises since. At the time it was going through the House we stated that the insolvency legislation would not work, and I do not believe it will. Last week an insolvency practitioner clearly indicated that from his perspective people would be treated differently based on their class in society. It is an appalling vista if the legislation brought forward by the Government allows this to happen. What is critical is to have an independent arbiter between the borrower and the lender with a set of rigorous guidelines, set down by legislation if necessary, who succeeds in arbitrating effectively between both sides and brings forward a solution which is fair to the individual concerned, the financial institution and, ultimately, the taxpayer, but which is also consistent. We cannot have a somebody getting a better deal because he or she lives on the right side of the road or happens to be from a particular professional class and therefore an accommodation is better for such a person than it is for a blue-collar worker. We cannot allow this to happen in a democracy.

Of course banks must be profitable, and they will be. For a cohort of people this is a real crisis, but there are others, such as younger people coming into the labour market, for whom this will not be a problem. Property is much cheaper and they will borrow in a completely different environment. They will provide an adequate resource for these financial institutions to get back on their feet. We must have a suite of measures which manages the bubble in the middle which needs to be solved. It is only with viable families - living appropriately, paying their way and managing their budgets - that ultimately we will have a viable economy. It is incumbent on all of us to try to find a resolution.

As a member of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform I listened to some of the bankers, and I am concerned that they are overly profit-driven. It is true that financial institutions need to reach a break-even point, but some of those in the upper echelons of the banks came in when the banks were broke and they are trying to resolve the balance sheet while aiming towards a bonus when they get the banks back to the marketplace. This should not be the immediate requirement of the State. Of course the banks should be brought to a break-even point, but this should be done in a way that meets the needs of those who have borrowed to an extent they cannot pay back. We must resolve this, but it must be sustainable.

We cannot just look at getting banks back to a good shareholder position.

I would like to share my final two minutes with Deputy Peter Mathews.

Deputy Arthur Spring: On a point of order, Deputy Dooley stated to one of my colleagues that the country did not have five months' credit, but for record of the House, this is incorrect.

An Leas-Cheann Comhairle: That is not a point of order.

Deputy Arthur Spring: A line of credit was put in place which involved bringing in a foreign body to rule the country and required us to reduce our deficit and budget. It is inappropriate to state that we had money. We had external lines of credit.

Deputy Timmy Dooley: Which we still have, as the Government signed up to them.

Deputy Peter Mathews: I thank Deputy Dooley. It can be shown very simply that the financial crisis and the mortgage and SME crisis that came out of it were caused by six years of dereliction of duty by the banking sector. It is mathematically provable the asset price bubble could only have happened with the credit bubble organised by the banking system, and two thirds of the price bubble is on account of the banks. If they caused the problem they should solve it, but they are not doing so. There is no direction from the Government, or any party in the House, to make them do so. It is about time we parked all partisan politics and stopped taking peripheral actions and having national pedicures and manicures with silly referendums on abolishing the Seanad. We should be concentrating on the heart surgery needed in the banking system, so that the 1 million people in households affected by the financial distress caused by mortgage impossibilities are dealt with, and the same is true for SMEs. It is appalling that there has not been transparency, energy or effectiveness. Recovery inspectors should be going to all of the banks and forcing them to do the work. It must be done on a bespoke case-by-case basis and there is no avoiding this. Legislation does not ever solve a problem; one cannot legislate for brain surgeons to carry out brain surgery, and one cannot legislate for banks to carry out recovery work. It must be done pragmatically by people who understand it and who know the language of finance.

Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Dinny McGinley): On behalf of the Government, I will respond to the motion on mortgage arrears. The debate over the past two days has highlighted the crucial importance, for both social and economic reasons, of addressing this very serious problem. Thousands of over-indebted households are now trying, as best they can, to deal with the economic legacy left by the previous Administration.

Central Bank involvement is fundamental to the resolution of the mortgage arrears crisis. It has the power to require banks to finally start addressing the mortgage arrears cases on their books. It will no longer be acceptable for banks to apply short-term solutions to cases in which there has been a fundamental and long-term change in the position of the borrower. Durable long-term restructures will have to be applied where appropriate. The Central Bank has now set a rolling plan to require the main banks to propose sustainable solutions to 30% of their arrears customers by the end of this month, to 50% by the end of the year and to 70% by the end of March next year. The first targets for concluded solutions have also been set, at 15% by the end of this year and 25% by the end of the first quarter next year. It has been suggested these targets are insufficiently ambitious. While there is a certain sympathy with this sentiment, the most important requirement is to get the process under way and have it operating in an effec-

tive way. It can then be expected to pick up steam as the process continues. There will now be an incentive for banks to provide reasonable offers. If the offers made are reasonable I expect they will be broadly accepted by customers. In this regard, for co-operating borrowers the code of conduct on mortgage arrears requires mortgage lenders to explore all of the options for an alternative repayment arrangement. In addition, if a borrower is not satisfied with a bank's proposal, the new statutory insolvency frameworks are now available where appropriate. The fact that the Insolvency Service of Ireland is now in a position to accept and process insolvency applications is very much welcome.

The Central Bank audit process will be crucial to ensure the banks propose sustainable solutions to mortgage holders. This is an essential part of the overall mortgage arrears resolution process. While the banks state they have met the first targets for the end of June, this must now be independently assessed and verified. It is expected the Central Bank will complete the audit of the first returns under the mortgage arrears resolution process as soon as possible and will disclose the outcome of the audit process.

On an overall level, two fundamental principles underpin the overall Government approach. Most importantly, there is a need to ensure that co-operating mortgage holders who are experiencing real difficulty are, where possible, assisted in remaining in their homes. However, any framework and range of supports for mortgage holders must be able to distinguish between those who cannot afford to pay the mortgage on their primary home and those who choose not to pay. The principle of a fresh start for people facing genuine difficulty in dealing with their mortgage commitments is very necessary. We cannot leave a significant number of families in limbo because they have no certainty about their future financial situation. However, neither can we allow situations to arise in which people who have the capacity to repay their debts renege on their commitments. Any reduction in repayment discipline by debtors who have the clear capacity to meet their obligations will only impose further costs on the wider population.

The Government is dealing with the mortgage crisis it inherited. It has now developed and provided a suite of measures designed to address the problem of over-indebtedness. This strategy will, over the coming period, deal with unsustainable debt situations and do so in a way that is as fair as possible to borrowers and lenders, but also in a way that seeks to minimise the costs involved for wider society.

Deputy Brendan Smith: Issues and queries raised at the clinics of public representatives are generally a good barometer of the concerns of individuals and families throughout the country. Day in, day out, we encounter the many distressed individuals and, in so many instances, heads of households who are experiencing inexcusable and totally unacceptable delays in the processing and finalisation of social welfare claims. In many instances, such households have no income. Such delays cause much stress for families and need to be addressed by the Minister, Deputy Burton. Unfortunately, no progress has been made by the Minister in improving those times. Within the broader public service, there are sufficient resources to deal with social welfare issues and ensure the appropriate personnel are in place to deal with the processing and finalisation of applications so that they are completed within an appropriate period.

I mentioned these concerns for individuals because they arise predominantly from the dramatic changes to household incomes arising in large part from the lack of employment opportunities and loss of jobs. More recently, we have all met constituents who are in difficulty with mortgage arrears. In many instances, the cases I have come across are entwined with the lack of employment opportunities, and a house that previously had two good incomes might now

have none, unfortunately. Such concerns cause great stress to households, whose members fear for the future of their homes. It is a fundamental, strong and very valid viewpoint within Irish society that keeping people in their family homes is an imperative in maintaining a good and progressive social policy, and it also evidently makes good economic and financial sense.

The statistics speak for themselves in regard to the mortgage arrears crisis, which is the greatest social challenge facing the State and our people. From a societal point of view, and also in regard to economic recovery, we need quick and substantial progress in tackling the mortgage crisis. Since early 2011, the numbers in arrears have doubled and more than a quarter of all mortgages are not being paid in accordance with their original terms. It is obvious there are particular difficulties for the 28,000 families whose mortgages are in arrears for more than two years. The importance of this Private Members' motion is also demonstrable in the figures made known at the end of June of this year, which show 142,892 family home mortgage accounts in arrears, with 57,163 of those in arrears for more than a year.

The public at large were shocked to learn through the recent presentations at the Oireachtas finance committee that the banks had issued more than 13,000 legal letters threatening repossession. The discussions at the committee pointed once again to the need to strongly reduce the power of the banks through the establishment of an independent mortgage resolution office or by legislative means, which would mandate the type of resolution the banks would have to offer in certain circumstances. Surely, threats of repossession cannot be regarded as a sustainable solution under the Government's mortgage arrears resolution targets programme, which should have a clear outline and definition of a sustainable solution.

I referred earlier to the need to establish an independent mortgage arrears resolution office whose remit would be to oversee the implementation of sustainable mortgage solutions. I commend our party spokesperson, Deputy Michael McGrath, for putting this motion before the House, and we had a similar type of motion a few months ago, which shows the importance the House in its entirety attaches to this issue. Deputy McGrath has been calling for the past six months for the Central Bank to set out its targets in regard to the conclusion of agreements in respect of customers in mortgage arrears, and, as a party, we welcome the recent Central Bank announcement, belated as it was. I believe many benefits would accrue from measures proposed in the Fianna Fáil Party's Mortgage Resolution Bill, which would remove the power of veto that has been handed to the banks through the personal insolvency legislation. The Bill provides a number of options that could be included in the legislation - for example, split mortgages, interest-only payments for up to four years, extending the period of the mortgage, repayment holidays and debt for equity swaps. Many of the voluntary organisations, such as David Hall of the Irish Mortgage Holders' Organisation and his colleagues, have been doing good work in advocating for and representing people who are under stress and distressed as they find themselves in severe financial difficulty.

In conclusion, I again compliment my colleague, Deputy Michael McGrath. I note Deputy Mathews was very unhappy that he did not have another 30 seconds to finish his comments. I know from him that he wanted to put on the record in particular his viewpoint that the banks need more capital, and that the European authorities will have to step up to the plate in making that capital available. Deputy Mathews has been consistent and very strong on that issue.

Deputy Billy Kelleher: I welcome the opportunity to speak on this very important motion. This is the most serious issue to face society in recent years. When one looks at the context of where we are, I am very disappointed with the response of Government to this difficulty. We

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can argue about the legacy and how we got where we were, but the issue-----

Deputy Arthur Spring: Yes, we can.

Deputy Billy Kelleher: Yes, we can and we will. The issue is that there are now 147,000 people who are in arrears for more than a year, which is simply not a situation we can allow to continue. However, when one looks at how we are addressing it, the difficulty I have is that the Government is almost suffering from Stockholm syndrome when it comes to the banks, in that its expressions of sympathy and empathy lie with the banks. Clearly, what we should be trying to find are sustainable solutions as defined by somebody who is independent.

In the context of the recent finance committee hearings, we now have a situation in which threatening letters are considered sustainable solutions, not only by-----

Deputy Arthur Spring: No, they are not.

Deputy Billy Kelleher: -----the banks but also by the Central Bank, which has approved such a course of action. This was clearly stated in the hearings of the finance committee. I find it completely unacceptable that banks are sending threatening letters in order to meet the targets that have been laid down by the Government and the Central Bank, and that they see this as the way to address the issue.

We cannot have a situation in the coming years in which there is continual drift just because there is a fear that if proper solutions are put in place the banks might need further capital. Let us be quite clear. That is one of the main reasons the Government has been very soft in addressing the issue with regard to AIB in particular. That is, it is very concerned that AIB might need a further injection of capital. The question that arises, as referred to by Deputies Mathews and Smith, is where that capital will come from. Will it come from European funds or will the State be left to pick up the tab again? I believe the Government has taken that decision. It is adopting a “softly softly” approach because it does not want to upset the banks’ move towards profitability and the State’s return to the markets. That approach, however, is at the expense of the 150,000 people who are experiencing huge difficulties in meeting their mortgage payments.

The issue is finding sustainable solutions and the concept of sustainability must be defined by an external independent agency. Let us be clear about this. The Central Bank is not as independent as we would like it to be. After all, it is the licensing authority for banks in the State and oversaw the lending practices of those institutions in the past. We must have an independent oversight entity which can ensure these issues are addressed in a fair way.

The vast majority of people want to pay their mortgage. There is an unknown number of strategic defaulters, with the banks claiming this cohort makes up 20% of all those in arrears. There must be an independent analysis of that claim. It seems clear that the banks are intentionally putting out that figure in order to drive a wedge between various groups in society, including those who are meeting their mortgages payments, those who are unable to do so and those who refuse to do so. The claim that the latter make up 20% of all defaulters must be independently assessed and verified. I am not confident that the Central Bank or the banks are capable of independent and unbiased oversight in this regard.

A mortgage resolution office as proposed by Deputy Michael McGrath is the obvious course of action. However, the Government, with the support of others, has decided that the easiest way to address the issue is to allow the banks the whip hand. These institutions are already

compiling a profile of properties in the State which, although the owners are in arrears, have some equity. In other words, the banks have concluded that the best way to address their impaired balance sheet is to go after homes with equity but where the mortgage is in distress. They are profiling as we speak, focusing on areas where property prices are holding up reasonably well. Threatening letters will be sent to many families in distress in certain parts of this city because their homes are worth something. We must have independent oversight to address these problems, but we will not get it from the Central Bank or the banks.

Deputy Michael McGrath: I thank all Deputies who contributed to the debate last night and this morning. I fully accept that some mortgages are beyond rescue and that there must inevitably be an increase in the number of repossession or voluntary surrenders. Nobody is suggesting otherwise. In fact, some mortgage holders would be better off as a consequence of such action because it would allow them to start afresh.

I acknowledge, too, that the banks must be cautious in safeguarding the capital they have been given by the taxpayers of the State. That is an indisputable fact. I also accept that there are people who are choosing deliberately not to meet their mortgage payments, those who have been described as strategic defaulters. We have called for an independent assessment to ascertain the extent of such practice. It would be very simple for the Central Bank to conduct sample testing of mortgage accounts in arrears and provide independent verification of the scale of strategic defaulting. That would be very helpful to the overall discussion.

However, none of these facts represents an excuse for the banks not making every conceivable effort to rescue mortgages that can be saved. The bottom line is that the vast majority of mortgages in arrears can be rescued if the will is there to do so. The Minister said last night that repossession of the family home should be the very last resort. However, we had categorical confirmation at the meeting of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform two weeks ago, at which Deputies from all parties contributed constructively, that it had not been the initiative of last resort for the banks. I am aware of cases, for example, where no forbearance was offered by the banks and the first action they took was to issue a threatening legal letter. The reality is that the banks have made a mockery of the targets set. Up to 15,000 individual mortgage holders in arrears have had legal letters issued to them or already had proceedings initiated against them. It is a matter of concern that the Government has not responded more strongly to the evidence given by the banks two weeks ago. I am sure that neither it nor the Central Bank anticipated, when the targets were set last March, that the banks' response would be to rely heavily on the issuing of threatening legal letters. Their representatives claimed at the finance committee that they had exceeded these targets. When we probed that claim, however, it became clear that they had been relying on these letters in order to do so.

Any mortgage arrears case which results in the property being handed back to the banks is not a sustainable solution to the distressed mortgage problem; rather, it is a termination of that mortgage. I have acknowledged that there will be cases where a mortgage will have to be brought to an end. In the vast majority of cases, however, such a response is not necessary. It is simply not good enough that we do not have an agreed definition of sustainability in the context of solutions for individual distressed borrowers. It remains a matter for the banks to decide whether an offer is sustainable. It is not good enough that the Central Bank has not even begun its audit of the banks' performances against the targets to the end of June. It should have commenced that audit in July. It is not good enough that the pressure for targets to be set for concluding agreements has come from the troika. RTE broke that story last week and we have since had confirmation of it from the Central Bank. It is not good enough that the banks

are treating people inconsistently, as we have seen in the case of split mortgages, for instance. It is not good enough that we do not have a definition of strategic default, nor an independent verification of the extent thereof. It is not good enough that borrowers are not legally entitled to a solution to their arrears problem where they meet certain criteria. It is not good enough that people who are most in need of the new insolvency service will potentially be denied access because of the structure of the fees being charged by insolvency practitioners.

What is needed are long-term sustainable solutions such as permanent interest reductions, split mortgages and debt for equity deals. I made the point last night that however bad the situation was - it is very bad- it would get a whole lot worse if the ECB decided to increase its main refinancing interest rates. When the thousands of families relying on historically low tracker mortgage rates begin to experience that hike, we must have a proper architecture in place to handle the ensuing crisis. We do not have such an architecture at this time. The Government and the Central Bank must do more in that regard.

I thank Members for their contributions to this useful debate. We will have many questions for the Governor of the Central Bank, Professor Honohan, when he appears before the finance committee next week.

1 o'clock

Amendment put:

| <i>The Dáil divided: Tá, 77; Nil, 48.</i> | |
|---|-------------------------------|
| <i>Tá</i> | <i>Nil</i> |
| <i>Bannon, James.</i> | <i>Adams, Gerry.</i> |
| <i>Barry, Tom.</i> | <i>Boyd Barrett, Richard.</i> |
| <i>Breen, Pat.</i> | <i>Broughan, Thomas P.</i> |
| <i>Burton, Joan.</i> | <i>Calleary, Dara.</i> |
| <i>Butler, Ray.</i> | <i>Collins, Joan.</i> |
| <i>Buttimer, Jerry.</i> | <i>Colreavy, Michael.</i> |
| <i>Byrne, Catherine.</i> | <i>Crowe, Seán.</i> |
| <i>Byrne, Eric.</i> | <i>Daly, Clare.</i> |
| <i>Cannon, Ciarán.</i> | <i>Doherty, Pearse.</i> |
| <i>Carey, Joe.</i> | <i>Donnelly, Stephen S.</i> |
| <i>Collins, Áine.</i> | <i>Dooley, Timmy.</i> |
| <i>Conaghan, Michael.</i> | <i>Ellis, Dessie.</i> |
| <i>Conlan, Seán.</i> | <i>Ferris, Martin.</i> |
| <i>Conway, Ciara.</i> | <i>Flanagan, Luke 'Ming'.</i> |
| <i>Coonan, Noel.</i> | <i>Fleming, Sean.</i> |
| <i>Corcoran Kennedy, Marcella.</i> | <i>Fleming, Tom.</i> |
| <i>Costello, Joe.</i> | <i>Halligan, John.</i> |
| <i>Daly, Jim.</i> | <i>Healy, Seamus.</i> |
| <i>Deasy, John.</i> | <i>Healy-Rae, Michael.</i> |
| <i>Deenihan, Jimmy.</i> | <i>Higgins, Joe.</i> |
| <i>Doherty, Regina.</i> | <i>Keaveney, Colm.</i> |
| <i>Dowds, Robert.</i> | <i>Kelleher, Billy.</i> |

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| | |
|---------------------------------|--------------------------------|
| <i>Doyle, Andrew.</i> | <i>Kirk, Seamus.</i> |
| <i>Durkan, Bernard J.</i> | <i>Kitt, Michael P.</i> |
| <i>English, Damien.</i> | <i>Mac Lochlainn, Pádraig.</i> |
| <i>Farrell, Alan.</i> | <i>Martin, Micheál.</i> |
| <i>Feighan, Frank.</i> | <i>McConalogue, Charlie.</i> |
| <i>Ferris, Anne.</i> | <i>McDonald, Mary Lou.</i> |
| <i>Fitzpatrick, Peter.</i> | <i>McGrath, Finian.</i> |
| <i>Flanagan, Charles.</i> | <i>McGrath, Mattie.</i> |
| <i>Flanagan, Terence.</i> | <i>McGrath, Michael.</i> |
| <i>Griffin, Brendan.</i> | <i>McGuinness, John.</i> |
| <i>Hannigan, Dominic.</i> | <i>McLellan, Sandra.</i> |
| <i>Harrington, Noel.</i> | <i>Moynihan, Michael.</i> |
| <i>Harris, Simon.</i> | <i>Murphy, Catherine.</i> |
| <i>Heydon, Martin.</i> | <i>Ó Caoláin, Caoimhghín.</i> |
| <i>Hogan, Phil.</i> | <i>Ó Cuív, Éamon.</i> |
| <i>Humphreys, Heather.</i> | <i>Ó Fearghail, Seán.</i> |
| <i>Humphreys, Kevin.</i> | <i>Ó Snodaigh, Aengus.</i> |
| <i>Keating, Derek.</i> | <i>O'Brien, Jonathan.</i> |
| <i>Kehoe, Paul.</i> | <i>O'Sullivan, Maureen.</i> |
| <i>Kelly, Alan.</i> | <i>Pringle, Thomas.</i> |
| <i>Kenny, Seán.</i> | <i>Ross, Shane.</i> |
| <i>Kyne, Seán.</i> | <i>Shortall, Róisín.</i> |
| <i>Lawlor, Anthony.</i> | <i>Smith, Brendan.</i> |
| <i>Lyons, John.</i> | <i>Stanley, Brian.</i> |
| <i>Maloney, Eamonn.</i> | <i>Tóibín, Peadar.</i> |
| <i>McCarthy, Michael.</i> | <i>Wallace, Mick.</i> |
| <i>McGinley, Dinny.</i> | |
| <i>McLoughlin, Tony.</i> | |
| <i>Mitchell O'Connor, Mary.</i> | |
| <i>Mulherin, Michelle.</i> | |
| <i>Murphy, Dara.</i> | |
| <i>Murphy, Eoghan.</i> | |
| <i>Neville, Dan.</i> | |
| <i>Nolan, Derek.</i> | |
| <i>Ó Riordáin, Aodhán.</i> | |
| <i>O'Donnell, Kieran.</i> | |
| <i>O'Donovan, Patrick.</i> | |
| <i>O'Dowd, Fergus.</i> | |
| <i>O'Reilly, Joe.</i> | |
| <i>Penrose, Willie.</i> | |
| <i>Phelan, Ann.</i> | |
| <i>Quinn, Ruairí.</i> | |
| <i>Reilly, James.</i> | |

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|------------------------|--|
| <i>Ring, Michael.</i> | |
| <i>Ryan, Brendan.</i> | |
| <i>Sherlock, Sean.</i> | |
| <i>Spring, Arthur.</i> | |
| <i>Stagg, Emmet.</i> | |
| <i>Stanton, David.</i> | |
| <i>Tuffy, Joanna.</i> | |
| <i>Twomey, Liam.</i> | |
| <i>Varadkar, Leo.</i> | |
| <i>Wall, Jack.</i> | |
| <i>Walsh, Brian.</i> | |
| <i>White, Alex.</i> | |

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

Amendment declared carried.

Amendment No. 1 not moved.

Motion, as amended, put and declared carried.

Topical Issue Matters

An Ceann 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 Joan Collins - the need for the Minister of Education and Skills to confirm that he will not increase the pupil-teacher ratio in primary schools;

(2) Deputy Finian McGrath - the need to reverse the cuts to disability services at St. Michael's House;

(3) 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;

(4) Deputy Kieran O'Donnell - the need to develop a national policy on graffiti;

(5) Deputies Thomas P. Broughan, Terence Flanagan, Barry Cowen, Clare Daly and Mick Wallace - the need to address the ongoing serious difficulties being experienced by former residents of the Priory Hall complex in Donaghmede, Dublin 13;

(6) Deputy Michelle Mulherin - the need for the Minister for Education and Skills to make provision for the training of chefs through the VECs to address the shortage of chefs being experienced in the tourism sector by restaurants and hotels around the country; (7) Deputies

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Maureen O'Sullivan and Simon Harris - the HSE service plan 2013 for mental health services, the filling of posts and a breakdown of the spending of the €35 million to date;

(8) Deputy Caoimhghín Ó Caoláin - the need to reverse the HSE-imposed cuts to funding for St. Michael's House;

(9) Deputy Aengus Ó Snodaigh - the proposed privatisation of Dublin bus routes 18, 76 and 76A;

(10) Deputy Robert Troy - the lack of secure custodial facilities for young offenders; (11) Deputy Derek Keating - the need to address the increasing problem of bullying in national schools;

(12) Deputy Dessie Ellis - the funding for the regeneration of St. Teresa's Gardens;

(13) Deputy Barry Cowen - the resolution process for residents of Priory Hall; and (14) Deputy Richard Boyd Barrett - the need to provide financial support for the education of survivors of Magdalen laundries.

The matters raised by Deputies Maureen O'Sullivan and Simon Harris; Kieran O'Donnell; and Thomas P. Broughan, Terence Flanagan, Barry Cowen, Clare Daly and Mick Wallace have been selected for discussion.

**Industrial Development (Science Foundation Ireland) (Amendment) Bill 2012 [Seanad]:
Order for Report Stage**

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): I move: "That Report Stage be taken now."

Question put and agreed to.

**Industrial Development (Science Foundation Ireland) (Amendment) Bill 2012 [Se-
anad]: Report and Final Stages**

An Ceann Comhairle: There are no amendments.

Bill received for final consideration.

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

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Sean Sherlock): I sincerely thank Members for their constructive and positive approach to the consideration of this Bill.

The primary changes extending SFI's remit through this legislation are as follows. As well as continuing to support oriented basic research in accordance with its current remit, SFI will now be able to fund applied research through funding supports via the higher education institutions. Essentially, this will allow SFI to bring research outcomes closer to the market through increased commercialisation, the development of new products and the generation of new services and technologies. Ultimately, this will lead to the creation of new sustainable

quality jobs for the country. The legislation will also enable the realignment of the strategic focus of SFI to cover the strategic areas identified in the research prioritisation steering group and approved by the Government in March last year.

Significantly, the legislation will for the first time also enable SFI to provide funding on an all-island basis, enabling it to fund researchers and institutions based in Northern Ireland linked with institutions or companies in the State, subject to excellence and strategic criteria being met. It will also allow SFI to enter, subject to the consent of the Minister for Jobs, Enterprise and Innovation, collaborative arrangements with international partners and help Ireland leverage significant non-Exchequer research funding into the country. In doing so, it will also enable Ireland to support the wider EU research agenda through programmes being supported under the European Union's Horizon 2020 programme which will have a budget of more than €70 billion in the period 2014 to 2020. I am particularly proud that the Irish Presidency chaired these negotiations and, personally, proud of the work all of our agencies and Departments have done in reaching a successful political conclusion of the negotiations. As former chairman of these negotiations, I am proud that we will potentially have a funding stream of approximately €1 billion which will surpass the target set in the current framework programme.

The Bill also provides a legislative basis for SFI to stimulate the study and awareness of science, technology, engineering and mathematics, STEM, subjects. In addition, there are a number of ancillary provisions in the Bill that are not specific to SFI but which relate to enterprise development functions in the Shannon free zone, amendment of the freedom of information, FOI, Acts specific to the enterprise agencies, and strengthening Forfás's function to provide research data so as to fall in line with international best practice.

The Bill is extremely important for Irish research. It affords us an ideal opportunity to build on a decade or more of sustained and necessary Government investment in research and development. In an Irish context, as a small open economy that is very much affected by outside developments in Europe and the wider world, it is not tenable to avoid substantial research and development investment in the hope of taking advantage of and benefiting from research discoveries elsewhere. The bottom line is that research outcomes generate economic gains and research performing countries are careful to protect their research and development investment. In such a context, Ireland must be equally forward thinking in its approaches to creating improved research and development outcomes. The Bill fits the bill in that regard. I am particularly encouraged by the all-island and international partnerships aspects of the Bill. Such collaborations present the potential for gaining great added value from our research investment in leveraging investment into the country and will simultaneously bolster our capacity to generate programmes capable of attracting Horizon 2020 funding from the European Union. In my role as Minister of State with responsibility for research and innovation I am keen for Ireland to aggressively target Horizon 2020 funding and the extended Science Foundation Ireland legislation will support our efforts to enhance our success rate in this regard.

The promotion of the study of stem science technology, engineering and mathematics subjects is also a great interest of mine in my complementary brief as Minister of State at the Department of Education and Skills. It is essential that our school students receive the right stimuli to encourage their interest in these areas. They are, after all, the pipeline that will produce Ireland's engineers, mathematicians and scientists of the future. Therefore, the outreach and awareness work undertaken by Science Foundation Ireland in these areas is of the utmost importance. This is reflected in the legislation.

I thank everyone who has contributed to the formulation of this legislation. I thank my colleagues in the House for their input into it. I am very confident that the Bill will play a significant role in turning these good ideas into jobs. It is worth noting that the global innovation index 2013 shows that Ireland is ranked tenth out of 142 countries. In July 2013 *Nature* magazine, the eminent scientific publication, cited Ireland as one of five up and coming countries for research. Only last Friday I was extremely pleased to welcome the publication of an innovation indicator which classified Ireland in the highest category of top performers. According to the new indicator of innovation output, Sweden, Germany, Ireland and Luxembourg are the EU member states which are deriving the most benefit from their innovation. We are hitting the right metrics and targets. This legislation will be important in ensuring we can continue on that road.

Deputy Dara Calleary: I welcome the conclusion of the Stages of this Bill. Since its foundation Science Foundation Ireland has made a phenomenal contribution to the country. It has transformed the research and development sector which is one of the quiet heroes of our economic renewal. On that basis many new jobs have been created in recent years, with many more to come. During the course of the debate concerns were expressed about the realignment and remit of the agency. The Minister will monitor these concerns to ensure the value of this significant investment is not lost. In particular, I refer to the independence which accompanies this investment and which must not be lost.

I welcome the all-island basis of the Bill. It would be good to see more such legislation in other areas. When we act to our strengths on the island, we can do so much better in all of the indices referred to by the Minister of State.

It would be inappropriate for me not to note that the Bill was initiated in the Seanad by the Minister, Deputy Richard Bruton, who is trying to convince us that that Chamber is of no use, yet he initiates most of his Bills in it. He would be homeless were he to achieve his aim. No Bills would be initiated by his Department if there were no Seanad. The value of the other House is illustrated when the director of elections for the Government decides to use it to initiate his own Bills. However, this Bill is worthy of support and I look forward to working with the Minister.

Deputy Sean Sherlock: The Deputy is taking a cheap shot.

Deputy Jonathan O'Brien: We also welcome the conclusion of the Bill which Sinn Féin has supported from the outset, although we raised some issues which were addressed. As the Minister of State said, the Bill is vital for the continuation and enhancement of research and development which are very important in these times of economic difficulty. If investment is made in research and development, it is hoped sustainable jobs can be created.

I welcome the all-Ireland aspect of the legislation. For the first time funding can be delivered on an all-Ireland basis and this measure should not be under-estimated. As a small island economy, it is crucial to have cross-Border co-operation. Sinn Féin welcomes this aspect of the Bill and looks forward to its implementation and success in the coming years.

Question put and agreed to.

An Ceann Comhairle: The Bill which is considered to be a Bill initiated in Dáil Éireann in accordance with Article 20.2.20o of the Constitution will be sent to the Seanad.

Gas Regulation Bill 2013: Second Stage (Resumed)

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

Deputy James Bannon: In my contribution last evening I spoke about the possible massive impact the proposed industrial turbines might have. It is a highly controversial issue in the midlands. Those corporations which have the contract to try to build these wind turbines will in the next few weeks begin a public consultation process in an attempt to allay people’s concerns about the plan for their lands. It has been stated at public meetings which I have attended that if the corporations continue with the hidden clause style of doing business, they can engage in all of the public consultations they want, but they will not convince anyone.

While wind energy projects are welcome, wind farms must be located or sited away from people’s homes, schools and areas of natural beauty. On behalf of many people in the Longford-Westmeath region, I tabled a priority question to the Minister requesting a moratorium on the wind farm development process until new guidelines and regulations were in place. In his reply the Minister stated the request for a moratorium was based on a “misapprehension regarding the current planning regulations in Ireland.” The people of the midlands are under no misapprehension; they have shown serious opposition to any process that is rushed and lacks detail. We must send a message that proper planning and sustainability guidelines must be adhered to in any proposed development in the siting of wind farms in the midlands. It is up to every citizen in Ireland to protect the environment. Councils also need to strengthen environmental protection measures and policies on wind energy projects. I am glad to say local authorities in Longford and Westmeath are putting the correct measures in place in as far as legislation allows. These are the only counties I can speak for as they form part of my constituency. There is a need for detailed consultation with local communities at public meetings. There must be public participation in decision-making and all decision-making must be transparent and fair. It is important to send a message that an environmental impact study is necessary for projects of this size. I ask the Minister to ensure this study will be carried out.

The current regulations governing the operation of wind turbines and the guidelines work against the environment and our tourism interests. It is very important that the State ensure the rewards from wind energy projects do not accrue to others at the expense of the people. Further research and policy analysis are essential to get the proposals right and avoid the development of a blight on the Irish landscape for years to come.

Europe and Ireland’s comparatively high energy costs are increasingly a source of concern for those working in industry. They will say the high cost of energy is a real problem, and I fear we will lose our competitiveness, particularly in energy-intensive sectors. Last year in the US, gas prices were about four times lower than in Europe and electricity prices were about 50% lower. We should be concerned about that because we are currently attracting American industry to the country and we must not have prohibitively high energy costs affecting other costs associated with development and industry.

Critics have stated that two factors are driving the divergence: the US shale gas revolution, which has lowered natural gas prices for US industry and, more controversially, European climate and energy policies, including emissions trading and renewable energy subsidies. In

a recent Accenture study approximately 58% of business leaders surveyed were pessimistic about whether European industry will still be cost-competitive from an energy standpoint in three years compared with rivals such as the US, China or Russia. Ireland's ability to attract and retain foreign direct investment and support fresh enterprise depends on guaranteeing energy supplies at a competitive price at all times.

The Longford and Westmeath areas have shamefully been disregarded in respect of the natural gas scheme. Ten or 12 years ago, when gas pipelines were being brought from the west coast to Dublin, there was a proposal that the route should run through Edgeworthstown in Longford and Mullingar but, following political intervention, the gas pipeline was brought via Athlone. I have no difficulty with that but I am of the view that a spur line could have been built to Longford. The gas line was also quietly and mysteriously run through a place called Clara in County Offaly, the home village of a former Taoiseach and Minister of Finance at the time. That was political opportunism at its worst.

An Ceann Comhairle: The Deputy should not make allegations like that in the Chamber.

Deputy James Bannon: There is an urgent need for innovative proposals to counteract the neglect of smaller counties such as Longford by State agencies, particularly IDA Ireland, especially given the increasing number of people on the live register and the loss of economic stability in the region arising from the closure of several industries and businesses.

Ireland has gone through a raft of changes in the last few years, with many in financial hardship due to the recession that hit following the 2008 banking crisis. The last thing a family needs is rising energy bills, which force them to spend more than they can afford simply to keep the lights on and house warm. We need to reduce our society's exposure to energy bills.

Deputy Peter Fitzpatrick: This Bill addresses legislative amendments to allow for the sale of Bord Gáis Energy, a division of Bord Gáis Éireann. It also provides for the restructuring of Bord Gáis Éireann through the establishment of a gas network subsidiary company. The Bill also facilitates the sale of the Bord Gáis Energy business and changes the ministerial ownership and control provision for Bord Gáis Éireann.

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 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 more than 825,000 gas and electricity customers. The sale of Bord Gáis Energy is part of the Government's State assets disposal programme, and is being pursued as a commitment under the EU and IMF programme.

The Government announced its intention to sell Bord Gáis Energy in February 2012. Reports anticipate the sale could generate proceeds of between €1 billion and €1.5 billion, although some of the most recent estimates have been towards the lower end of that scale. Half of the sale proceeds will be available to fund employment-enhancing projects of a commercial nature and the other half is destined to eventually pay down debt.

The Gas Regulation Bill sees Bord Gáis Éireann split into two companies, one of which will take control of the physical gas network, while the other will take control of the energy business, with the possibility of its being sold by the end of 2013. The Bill provides for the

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reconstruction of Bord Gáis Éireann through the establishment of a gas network subsidiary which will remain in State ownership, and it deals with the technicalities of establishing those two companies. The Minister for Communications, Energy and Natural Resources will be the majority shareholder of the gas network company.

The Irish gas market was opened fully to competition in July 2007 following implementation of the necessary legislation, meaning that alternative supplies compete in all market sectors, including the residential sector. The Commission for Energy Regulation is responsible for the regulation of the Irish gas network and the supply or retail market. It regulates revenues recovered and network tariffs charged by the network operators and owners. Many large customers, such as power stations, avail of the options of connecting to the network and purchasing gas on the international market directly. The majority of small customers, including residential customers, are still supplied by Bord Gáis.

Bord Gáis Networks develops, operates and maintains the natural gas transmission and distribution network in Ireland and provides gas transportation services to suppliers and shippers, including Bord Gáis Energy. The natural gas network consists of 13,150 km of gas pipeline, including two sub-sea interconnectors with Scotland, from where Ireland gets over 93% of its gas supplies. This work is carried out on behalf of Gaslink, the independent gas system operator for Ireland.

Bord Gáis Networks is also responsible for new gas connections and for work on service pipes and meters at customer premises. It manages a full 24-hour emergency response service and handles over 20,000 call-outs per year. Bord Gáis Éireann is also a major employer in Ireland, with over 1,000 direct employees.

Deputy Mary Lou McDonald: Am I sharing my time?

An Ceann Comhairle: If the Deputy wishes she may do so.

Deputy Mary Lou McDonald: I will give ten minutes to Deputy Martin Ferris.

Deputy Martin Ferris: I shall take five minutes.

An Ceann Comhairle: The Deputies can have ten minutes each.

Deputy Mary Lou McDonald: There is a slight dispute among the Sinn Féin Deputies. That is very unusual.

Deputy Fergus O'Dowd: Give the Deputy three minutes.

Deputy Mary Lou McDonald: Sinn Féin's position on the sale of State assets has been well voiced over months and years. Selling what is left of the family silver does not amount to a strategy and it is a decision of a Government that is all out of ideas. We know the sale of State assets is a policy being pursued by the Fine Gael and Labour Party Government and not one that is enforced by the troika, as the Minister and his colleagues would have us believe. Representatives of the troika have told us categorically that this is a decision of the Government alone.

To sell a successful, self-financing commercial State company such as Bord Gáis Energy makes no sense, either in good times or bad. The Minister is aware that last year Bord Gáis Energy had gross operating profits of €79.4 million, up from €44.3 million in 2011. The profitability of the company is not in question. Instead of flogging the last of the State's wealth for

a quick buck, the Government should make commercial State companies part and parcel of the solution for creating jobs and delivering growth. The myth that privatisation and deregulation bring automatic improved competitiveness and efficiency has been well and truly debunked internationally.

Ireland is a small, open economy, and State control of strategic and valuable assets is central to the future prosperity of the economy and society. Our arguments against this course of action by the Government have been well rehearsed, not least in this Chamber, and it is now time to turn our attention to what will happen after the Government's sale of Bord Gáis Energy. What will happen to the workers who wish to remain as employees of Bord Gáis? If these hundreds of workers wish to return to their original employer, what will become of them? I ask this because I questioned the Minister for Public Expenditure and Reform on the fate of the An Post National Lottery Company. He told the Dáil that the welfare, transfer and safeguarding of lottery personnel must and will be encompassed in the process. Unfortunately, this has not come to pass. Will the Minister of State clarify what discussions have taken place with the workforce over the past number of months? What options have been presented to employees? Has the Government along with management simply served up a *fait accompli* to them? If they wish to remain Bord Gáis employees, will the Government support them in that ambition? For those who are forced to make the move, will their current terms and conditions be maintained? What will become of their pensions? What about the Bord Gáis pension scheme in its totality? If workers move to the new company, will they be forced to park their original pension scheme and join a new scheme? What impact will this have on the workers transferring to the new company but also for the current pension scheme? Have those matters been considered? By any stretch, a potential loss of 300 contributors to the pension pot could have a significant impact. Has the Government measured that and considered it? Crucially, what impact might that have on the dividend to the State from the sale? Has the Government thought this out? Ministers have front-loaded their public commentary on the revenues and the amount that will be taken in from the sale of this State asset. They have boasted that some of the money will be used for job creation with the balance used to pay down debt, which is truly outrageous. Has the Minister quantified other matters within the margin, not least the pensions issue?

He has quite a challenge on his hands with the ESB's pension fund crisis. The ESB group of unions will present their case to Members next Wednesday at an all-party briefing in Leinster House. I hope the Minister and his colleagues might set aside some time to hear what the ESB workers have to say.

What of Bord Gáis's debts? The company has sought external assistance in the reorganisation of its capital structure, including its €2.2 billion debt. My understanding is that this debt will have to be divided between the energy and networks businesses. What will the ratio be? What impact will that have on the State's dividend? The ESB's dividend to the State from the sale of its 50% share in two power generation plants in Britain and Spain will only be paid after the company first pays down some of its own debts. Presumably, this will also be the case with Bord Gáis.

What will happen to the Bord Gáis brand? Will the brand be retained by the remaining holding in State ownership or will it be sold along with the retail side of the business currently known as Bord Gáis Energy?

The OECD report on privatising State-owned enterprises has reflected that restructuring and privatisation result in job losses even in cases where sectors are expanding and the economy is

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creating new employment opportunities. Has this been considered by the Government? Reports indicate that the sale of Bord Gáis Energy could generate proceeds of between €1 billion and €1.5 billion, although more recent estimates have been towards the lower end of that range. The Minister of State and his colleague have boasted about this revenue and the fact that half of this money will be used to fund employment projects and the other half to write down debt. How does he defend selling the family silver and using half of the proceeds to write down the debt, which any citizen on the street will remind him is not the people's debt? Experience in other European jurisdictions, for example, Greece has shown that the sale of state assets has not returned the expected proceeds and projections have continuously been revised down considerably. My fear is that this sale, about which the Government boasts, will have a similar result in this jurisdiction.

I have put a series of questions that are of concern to company employees regarding the pension fund and questions about the extent to which the Government has measured impacts, particularly on the dividend to the State from the newly cannibalised company. I hope the Minister of State has answers to them because in selling off part of a successful commercial semi-State company, the Government parties are taking a step into the largely unknown. I hope they have properly considered and measured the consequences of their action.

Deputy Martin Ferris: The purpose of this legislation is to allow for the sale of Bord Gáis Energy, a division of Bord Gáis Éireann. Sinn Féin is totally opposed to this. We also oppose splitting Bord Gáis into two companies, one of which will be the network company in control of pipes, maintenance, etc., which will be retained in State ownership while the second is the energy company which is to be sold. We do not believe that this makes economic sense and it is clear that is only being done because the sale of Bord Gáis Energy is part of the troika programme of sale of State assets, which is clearly ideologically driven. While many in Fine Gael may support such an ideology, I remind the Minister for Communications, Energy and Natural Resources that his own party voted at its annual conference to oppose any such sale.

Bord Gáis Energy comprises the following businesses - an energy supply business in Ireland, servicing more than 825,000 customers in the gas and electricity markets, North and South; a 445 MV combined cycle gas turbine plant at Whitegate, County Cork; a large scale portfolio of onshore wind assets; and Firmus Energy, an energy company operating in the Six Counties. It is clearly, therefore, not only a valuable asset but one with significant prospects for the future and could, if retained as a single entity, play a significant part in economic recovery. Bord Gáis Energy is a profitable company. In 2012 it reported an EBITDA, gross operating profit, of €79.4 million, compared to €44.3 million in 2011. These are substantial profits. Bord Gáis is by far the biggest player in the domestic gas market at present with a 60.97% market share in June 2013.

We should also learn from the history of privatisation in other countries, much of it also driven by right wing ideology. Over the past two decades, close to \$1 trillion worth of state-owned enterprises have been privatised in more than 100 countries. Restructuring, privatisation and deregulation of the energy market began as a political ideology in Chile, New Zealand and Britain, but has spread to the EU, the US, and the rest of the world. The troika's promotion of privatisation is a clearly ideological approach in support of an evermore 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 opportunity, European citizens have voted against privatisation, 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 expanding and the economy is creating new employment opportunities, according to an OECD report on privatising state-owned enterprises. Reports indicate that the sale of Bord Gáis Energy could generate proceeds amounting to between €1 billion and €1.5 billion, although some more recent estimates have been towards the lower end of the scale. Half of the proceeds could 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 profits which were expected and projections have been revised down considerably.

I remind the Minister and all of his Labour Party colleagues that the Labour Party conference in 2012 voted to reject totally the sale of State assets. In going ahead to do that not alone is he doing a terrible disservice to the citizens of this country but he is also turning democracy on its face within his own party.

An Ceann Comhairle: I call Deputy Kevin Humphreys. He is sharing time with Deputy Buttmer. Deputy Humphreys has five minutes and Deputy Buttmer has 15 minutes. Is that correct?

Deputy Kevin Humphreys: That is correct.

An Ceann Comhairle: Is that agreed? Agreed.

Deputy Kevin Humphreys: None of us wants to see the sale of State assets, but that is the legacy of the agreement Fianna Fáil reached with the troika when we were bailed out on its watch in November 2010. I listened carefully last night to the comments of Sinn Féin Deputies, especially those that concerned my party. I commend them on the conformity of their speeches. The scriptwriters were excellent. The approach has continued in today's contributions. However, they neglected some key facts and I wish to focus on two particular points in my contribution, namely, the sale of State assets, and investment of the money raised in jobs, and the importance of keeping the network in public ownership.

As Deputy Finian McGrath said last night – the dominant debate in the country is about jobs, jobs, jobs. This sale will provide a windfall that will enable us to invest in jobs. As has already been stated by the Minister, Deputy Rabbitte, it is important to put on record that while the troika expects us to raise €5 billion from the sale of State assets to pay down debt, that figure was reduced to €3 billion by the Government. It was pointed out on many occasions by Fianna Fáil that the sum could not be reduced through negotiation. Through further negotiations with the troika it was then agreed that half of the money raised would go towards investment in the economy, which would create jobs and build the infrastructure we need to encourage future growth. That was a significant political achievement by the Labour Party and Fine Gael in government, as the assets were originally to be privatised to pay down debt as the price of the bailout. It was then agreed early last year that half of the money raised would in the long term go towards retiring debt but in the short term the potential €1.5 billion would be put into a fund to support lending in the economy to assist SMEs and job creation. Projects that will benefit from such funding include a new campus for DIT at Grangegorman in Deputy McDonald's constituency. I repeat again, none of us want to see the sale of State assets, but that has been the cost of the bailout that has paid for vital public services and supports. The fact that the proceeds

can be ploughed into job creation in the economy is important.

One of the reasons I can agree to this sale is that the State will retain the most important part of Bord Gáis Energy, namely, its gas pipeline transmission network. The book value of property, plant and equipment at the end of 2009 in Bord Gáis was €3.5 billion. A total of €2.5 billion of that was attributable to the gas pipeline according to Colm McCarthy's report on State assets. That means more than 70% of the State assets in Bord Gáis would remain in State ownership and we would have €1 billion to invest in jobs. When the Minister responds to the debate, could he confirm the up-to-date position on the value of assets in Bord Gáis that will remain in public ownership?

If we learned anything from the disastrous privatisation of Telecom Éireann where both the customer side and the network were sold, it is that the transmission networks – a natural monopoly - should remain in public ownership. That would guarantee that the Government would have the power to maintain and invest in supply networks to improve competitiveness and contribute to growth. That is critical for long-term economic growth. The failure of the privatisation of Eircom to develop a national broadband network is a lesson we have learnt the hard way.

Deputy Jerry Buttiner: Hear, hear.

Deputy Kevin Humphreys: As recommended in the report on State assets, core transmission networks in gas and electricity should not be sold. That is exactly what we will have achieved along with an investment of billions in the economy. It is important to remember that the ESB and its power plants, the dominant player in the energy supply market, will remain in public ownership as a vertically integrated company.

Deputy Jerry Buttiner: I concur with Deputy Humphreys that State assets are important. I am sorry Deputy McDonald is leaving the Chamber because I would like to hear how we should create employment and sustain a modern economy. I have never heard that from Sinn Féin and other speakers opposite.

Deputy Richard Boyd Barrett: I will explain it to Deputy Buttiner in a while.

Deputy Jerry Buttiner: Sometimes I wonder if I am in a recurring nightmare. The politics of protest and condemnation is very easy.

Deputy Mary Lou McDonald: I stayed because I thought Deputy Buttiner was going to say something interesting but now I am leaving.

Deputy Jerry Buttiner: The political focus that is required is to find a solution and to get people back to work. At times I wonder whether certain Members opposite want to see the country fail completely so that they can go out with their flags and drums and organise protests and state they were right. I hope that is not the case. This is about getting people back to work, ending the scourge of emigration and generating a stimulus to create jobs.

Deputy Catherine Murphy: This is about selling gas.

Deputy Jerry Buttiner: I know Deputy Murphy believes I am right, because that is what we are trying to do. The Minister, in reply to a parliamentary question, underlines what I said by stating that it is important that a significant proportion of the proceeds would be ring-fenced for reinvestment in the economy to underpin jobs, investment and growth. That is very important. That is why we are here today and that is what we are trying to do. That is what the

Minister of State, Deputy O'Dowd, and the Minister, Deputy Rabbitte, are trying to do, namely, get the country back working again.

We must learn from the Eircom debacle. Those of us who were not involved in politics then as public representatives who saw what happened with Eircom are wary, have questions and want to see this process done in a different way to that sale. I am amazed that the former Minister, whom I will not name in the House, is now seen as a genius by all commentators. When one turns on local radio stations across the country the former Minister is to be heard. Yet, let us look at the legacy the Minister left behind in terms of Eircom. We must learn from the sale of Eircom. That is why this sale is different to what transpired then.

The Bill is to provide for the restructuring of Bord Gáis to allow for the sale of the retail arm of the business and Bord Gáis Energy and to establish a gas network subsidiary company that will remain in State ownership. That is very different from what happened previously and what has been said by others. It is important that the Government has secured the agreement of the troika to allow half of the money obtained from the sale of Bord Gáis Energy to be invested in job creation. The biggest task that faces all of us in public life today, irrespective of ideology or how we achieve the outcome, is to get people back to work. We must create stimulus in the local economy and get rid of the stigma of the troika. In addition, we must get banks to work with small and medium enterprises, families and mortgage holders in distress. I accept we had a Private Members' motion earlier on the latter issue. It is time the banks in particular listened to those of us in public life who deal with constituents every day of the week. I hope the Central Bank will take on the banks.

The sale will secure between €500 million and €750 million for investment in jobs. That is something we should all support. I encourage the Members opposite to support the creation of jobs and investment in infrastructural development and stimulus that will get people back to work. That is what we are about.

2 o'clock

In America yesterday, everything Mr. Ben Bernanke of the Federal Reserve said was underpinned by a belief in job creation and sustaining the economy. That is what this Government is about.

Selling the retail arm of Bord Gáis and ensuring the network and physical infrastructure will remain in State ownership were recommended by the Review Group on State Assets and Liabilities. It is important to keep the network and physical infrastructure in State ownership. That demonstrates that we have learned from the failure of the Eircom privatisation. When every asset of Eircom was sold, no provision was made for the future development of the telecommunications network. Deputy Humphreys is correct in respect of Wi-Fi and deficits across the country. The Government has learned from the Eircom debacle.

We have seen a lot of scaremongering by political opportunists regarding Irish Water and its privatisation. This Bill demonstrates again that it is not the Government's intention to privatise Irish Water. The only arm of the Bord Gáis group that will be sold is the retail arm, Bord Gáis Energy. All the other sections will be kept in State ownership. It is a question of ensuring that strategic infrastructure remains in State ownership so it can be used and retained for the public good. I hope the Members opposite will acknowledge this point. It is a question of securing funding for investment and growth in the economy.

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A recent survey carried out by the Commission for Energy Regulation showed that gas prices for the average householder have increased by 12.1% in the past 12 months or more. In 2012, the average household spent almost €990 - almost €1,000 - on gas. This year, the figure will be €1,100. Almost two weeks ago, the regulator gave Bord Gáis permission to further increase residential gas prices from 1 October. This will amount to a price increase of 2.04% over the figure for October 2012. Bord Gáis Energy requested a 7.2% increase but I am very happy it did not get its way. I am disappointed that the regulator acceded to the request to increase the price of gas for the home owner. An increase of 2% might seem modest to the regulator and some social and economic commentators, but it is difficult to imagine it at a time when an increasing number of people are struggling to pay bills. Householders are now deciding not to put the heat on.

I question not the motivation of the regulator but the rationale for the decision to increase energy prices. I am not criticising the regulator personally or the office, which is independent. I accept its independence. In this case, it is a matter of the householder being asked again to pay more for gas when we see the profits Bord Gáis Energy has made. It really forces one to question such price increases. The energy price increase at this time contrasts with the decision of the regulator to reduce prices on two occasions during 2009. The unit rate for the standard domestic tariff fell to €4.27 in October 2009 but since then we have seen a 24% increase. From 1 October next, it will cost €5.29. If we are talking about money to stimulate the local economy and jobs, which are necessary to sustain and grow the economy, and money to invest in infrastructure, the householder or home owner needs to be included in the equation. I am disappointed by the increase. Operating profits increased by approximately 19%. This is a huge figure by any standards. For the Bord Gáis Energy section of the business, the increase in profits has been even greater. Between 2011 and 2012, operating profits increased by almost 80%, from €44.3 million to €79.4 million. At a time when the profitability of the retail arm of the business is growing, it is very difficult to understand how the regulator can decide to increase costs.

Will the Minister of State tell us whether there has been a change in policy since 2009, when the regulator acted in the interest of consumers and reduced prices? Why are we seeing an increase now? The Minister of State may argue that the increase is because of extenuating circumstances in certain parts of the world, strife, the transportability of certain fuels, etc., but we need to give the home owner a break. According to the regulator's survey this year, the average household will spend €92.50 per month. We need to encourage householders to consider not just switching providers in order to save money but also to give them a meaningful break.

I renewed my car insurance in recent weeks. Let me give an example of how the whole system is skewed against the consumer. I received a quote of €590 in the post. I spent half a day ringing various brokers and agents and then got a quote of €400. If I had accepted the initial quotation from my broker, I would not have saved €190. Where is the action on behalf of the consumer, the citizen, the ordinary person who deserves a break? We need to return to considering how we can look after the ordinary person. In supporting this legislation, I am mindful that we need to consider looking after the citizen while saving money as a State. The regulator has approved two websites, www.uswitch.ie and www.bonkers.ie, which allow one to compare the prices of various providers to determine whether it is possible to save money. The system should be transparent and open so one will not have to take a whole week making endless telephone calls to renew a policy. For the average person paying the standard Bord Gáis tariff by direct debit, it is possible to switch and save up to €145 per year. For the average householder

on standard rates receiving gas from Bord Gáis Energy and electricity from Electric Ireland, up to €254 can be saved over the course of one year by switching providers. It is important that these issues be highlighted.

Most importantly, we should focus on the consumer. That is why I was very pleased with the remarks of the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, on the issue of Bord Gáis staff. Bord Gáis has been a very strong employer in the Cork region since it first came to the county. The employees are key to the continuing growth of the company. That is why it is important that, in the transfer, any issues regarding pensions, entitlements or staff conditions should be addressed in the affirmative for the staff and others who have given great service to our State.

This is very important legislation. Its aim is to demonstrate that the Government has the ability to renegotiate with the troika. If one had listened to “Six One News” some nights ago and heard the former Minister whose various Ministries included education, foreign affairs and health, and another that I cannot remember, one would have sworn he had never been in government, because he maintained that the current Government could never renegotiate successfully with the troika. It has done so.

It is important that the aim of the sale of the energy business, Bord Gáis Energy, will be to ensure we invest in job creation and getting people back to work. Every single week in my office I meet people who are seeking to go back to work. They do not want to be dependent on social welfare. They were self-employed or worked in many parts of the private sector. They want to see the Government creating more jobs. They acknowledge that we have made progress in the two and a half years during which we have been in government. They see that the foundation is being rebuilt properly, but they believe it must be underpinned by a stimulus to create sustainable jobs that will not be built on just one arm of the economy, as happened before.

That is why this Bill is important. That is why today we are saying to the Irish people and the rest of the world that this Government is serious about job creation and about Irish citizens. Having said that, there is an onus on the Government to recognise that it is not good enough for the cost of energy to the householder to be increased as it has been. I am worried about that issue.

Deputy Richard Boyd Barrett: I have to say that Deputy Buttner deserves ten out of ten for brass neck and loyalty to the party line when it comes to trying to put a positive spin on what is, frankly, a scandal and part of the looting of public resources. There is no other word for it. The Deputy said that most of Bord Gáis is going to stay in public ownership, but this Bill is about putting public resources into private hands and starting a process of picking apart Bord Gáis. The Government is trying to claim that it has saved part of Bord Gáis but this Bill is about selling a very profitable part of that company and beginning the process of the inevitable full-scale privatisation of Bord Gáis. An elementary point will bear that out. If we sell off the profitable parts of Bord Gáis, the pressure will become all the greater ultimately to privatise the less-profitable parts. That is basic arithmetic.

Bord Gáis Energy produced €79 million in profits last year, as has been said and has, year on year, given tens of millions in dividends directly to the State. How anyone could possibly construe that it is good for us to give away a profitable asset when the country is beggared and when that asset is actually putting money, year on year, into the Government’s coffers, is be-

yond belief. Not only that, if the profitable part is gone, the subsidy that those profits would provide to the other parts of the company to maintain the infrastructure that will be retained in State ownership will also be gone. It will be more costly for the State to maintain the network infrastructure and eventually the pressure will come to privatise that as well. That is always the way it works. One begins by privatising the profitable part and then one ends up having to privatise the rest. That has been the experience everywhere in the world. There is no counter example. Once privatisation starts, it is a slippery slope and the process continues.

Of course, there are other parts of Bord Gáis that are being privatised by stealth in what is an unbelievable sleight of hand and, frankly, a heist being facilitated by this Government. The recent awarding of the contract to install water meters to Sierra, owned by Mr. Denis O'Brien, is a scandal. That company had €110 million of debt written down by Anglo Irish Bank, that is, by us. People who are in mortgage distress cannot get a write-down on their debt but one of the richest men in the country can get €110 million written off by Anglo Irish Bank which was headed up at the time by Mr. Alan Dukes, former leader of Fine Gael. Now, lo and behold, he gets the contract for installing water meters, out of which he will make a pretty penny. It is a startling repeat of what happened with the selling off of the second mobile phone licence. It is just a scandal. We are being robbed and the Government is facilitating this robbery.

Who will suffer? Consumers will definitely suffer. As the company has been geared up for privatisation, we have had year-on-year price increases and the latest one will add €20 a year to the average household bill. How is that going to be a stimulus for the economy, when householders who already cannot pay their bills have another €20 added to their annual gas bill? Will that not be depressing for the economy? Of course it will. What damage will be done to small and medium enterprises which are clinging on for dear life, as prices are jacked up by private companies which have a captive market handed to them, courtesy of this Government? It is an absolute scandal.

I wish to illustrate how this connects with the so-called “good news” figures from the CSO suggesting that Ireland is coming out of recession. What a load of nonsense. I have just attended a briefing by the CSO and if one looks carefully at what is happening one sees that the domestic economy is continuing to flatline, investment is down and GNP is down. The one area that is growing is the multinational sector. At the same time that this sector is growing there is a massive increase in the outflow of profits from multinationals, which are hardly being taxed at all. We are being sucked dry by these multinationals as the domestic economy goes down the toilet. Not happy just to facilitate the multinationals in the areas of financial services, pharmaceuticals and IT, the Government is now proposing, with this Bill, to give them our natural resources which could be used for the benefit of the people and to generate desperately needed employment. The Government is going to hand over those resources to the same multinationals to suck out the profits from them. One could not make it up. It is a scandal.

What will happen to the workers? The same thing that has happened in all of those places which have been privatised - they will lose their jobs and their pay and conditions will be attacked. How will that help the domestic economy? It will not; it will do the same damage it has done in every other case where there has been privatisation. It is an absolute, unmitigated scandal.

It is a pity that there is not the same public sense of urgency and attachment to our gas resources as there was to our forests, which we did stop the Government from selling because we were able to mobilise widespread public opposition to it. Sadly, this is going under the radar for

most of the public and they do not understand what is at stake. I certainly hope that the workers in Bord Gáis will fight this with every fibre of their being because their jobs and livelihoods are at stake, not to mention a vital natural resource.

It is not just gas that is being sold off, it is even worse than that. Bord Gáis Energy has massive wind portfolio assets. Years ago I used to joke at public meetings that if the corporate vultures had their way, eventually they would make us pay for fresh air but that is what will happen. Wind, or air, is a massive resource in this country which could be used to develop energy and to create thousands of jobs. The Bord Gáis wind assets are now going to be handed over to private interests so that they can profit from our resources rather than us. Again, it is an absolute scandal. It is a heist and a robbery which should be opposed and resisted.

The Government asks what the alternative is but the alternative is very simple, namely, to keep a profitable asset in State hands and invest in the development and expansion of that asset. We must invest in wind energy, in our gas resources and so forth. We should use the profits generated to invest in the real economy to create jobs. How the Government Deputies cannot see that is beyond me or maybe they do see it and they know what they are doing, namely, facilitating their mates in the private sector. In that context, I must say a final word about the Labour Party. I sort of expect this from Fine Gael because of its ideological commitment to privatisation but for Labour Deputies to stand up here and defend the privatisation of State resources is absolutely shocking. It is particularly shocking that the senior Minister in the Department that is doing this is someone who wrote pamphlets in the 1970s, as part of a resources protection campaign, warning against the privatisation of our resources. He actually led popular campaigns and protests against the sell-off of our natural resources and now that same Minister is facilitating the asset stripping of a vital resource when we need it most. How the worm turns. It is revolting.

Deputy Thomas Pringle: This Bill is about the privatisation of an important State asset which should be retained as an asset for the benefit of the people. Much has been said by the Government that this is not a fire sale of the family silver but the sale of non-core assets needed to generate revenue for the State. This legislation, however, must be in place by the end of the year to make this sale go through. The European Commission has given the Government a deadline of 2014 to have this sale completed on foot of the EU gas directive which provides for the breaking up of gas suppliers across the EU.

Having a deadline has a serious impact on the potential price that can be achieved for this asset, however. The Government expects between €1 billion and €1.5 billion from the sale of Bord Gáis Energy but it has been reported that it could be less. I expect that to be the case because anyone looking to buy this company knows the troika and the European Commission have a gun to the Government's head. Accordingly, any potential buyer can sit tight and run down the clock with the Government ending up having to accept a deal which might not be the best. Even if the €1.5 billion price tag is achieved, €750 million of that will go against writing off our debt. That equates to six weeks interest payments on the national debt. We are selling off this vital public asset for the benefit of six weeks interest. This does not make any difference to our debt. It will simply reduce it from €200.7 billion to €200 billion, a reduction of 0.4%. The sale of this asset will not make any impact or improve our debt position.

Why then is the sale of this asset happening? It is because the overall agenda in the European Union and the Government, although the Labour Party is part of it, is to use this crisis for the benefit of multinational energy companies to avail of a fire sale of state assets in Ireland,

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Greece and other programme countries. Angela Merkel was not joking when she said some years ago that we should not waste the opportunity of this crisis. This is not about making life better for European citizens but making opportunities for big business.

The Government also claims half of the sale price will go on job creation and a stimulus package. If we keep BGE in semi-State ownership, could it not have been used to train workers for the energy sector and be part of a recovery stimulus? No private sector company will be interested in pursuing such a programme when it takes over the company. Members have pointed out the example of the ESB which took on 400 apprentices. Bord Gáis could be doing that on behalf of the people. There are significant deficits in maintenance personnel for the renewable sector across Europe. In Ireland alone it is estimated there is a requirement for 10,000 jobs just to maintain existing renewable energy sites. Keeping Bord Gáis in semi-State ownership could give us the potential to train workers for this area. However, this will be all lost when this Bill is passed and the sale of BGE is completed.

If the company is left with the management of the transmission network and reliant on the subsidy of energy retail companies, what will happen to the extension of the transmission network? Extending the transmission network into the north west would have been a significant stimulus for Donegal, Letterkenny and Sligo. This will not happen after this sale goes through. For all these reasons, I believe this sale should be rejected as well as this legislation.

Deputy Catherine Murphy: I was intrigued by Deputy Kevin Humphreys's contribution earlier in which he started off by claiming the Government was forced into selling off Bord Gáis by the previous Government and that the Labour Party would not have sought to privatise vital services. He then went on to talk up the benefits of this privatisation. That is somewhat paradoxical.

Along with health and education, energy infrastructure is one of the critical areas of strategic interest. One cannot create economic wealth or build an industrial sector without a good energy infrastructure.

Although I generally do not agree with wholesale privatisation, I am not opposed to the sale of some State assets. However, I need to be convinced that problems will not be created down the line through a sale. It is not good enough to suggest there will be no consequences of the sale of BGE. If the company is left with just a network of pipeline but it has no income coming in, how will it maintain it? If we have a significant gas find, what is there to say it will not be exported for the higher price? There are many issues which could be potential strategic risks down the line. For example, there was the great sell-off of the railways in the UK under Margaret Thatcher. Essentially, the short-term financial gain from this sale has been more than wiped out by the long-term failure of the privatised rail network. In the case of Eircom, we lost a serious opportunity to be ahead in broadband provision, an infrastructure equally important as a decent road or rail system.

When the Minister for Communications, Energy and Natural Resources was leader of the Labour Party in opposition, he was a vocal opponent of privatisation, particularly in the case of Bord Gáis and its potential to lead to rising energy prices. Every Member is concerned about the impact of high energy prices not just on households but on the industrial sector.

Bord Gáis is one of the most profitable semi-State companies. It is in a position to borrow itself on foot of that profitability. That, in itself, can stimulate the economy. It is unfair to say

that selling this asset is the only way additional resources can be leveraged. The key issue is that it is of strategic importance that we have a secure energy source that we can use to our benefit and guarantee that we will have in terms of creating wealth through building an industrial sector. While I am not ideologically opposed to the sale of some State assets, to sell one as strategic as our energy supply has serious potential downsides which I am not sure are being considered properly.

Acting Chairman (Deputy Ann Phelan): I call Deputy Anthony Lawlor who has ten minutes.

Deputy Anthony Lawlor: I only have five. Deputy Tom Barry who is sharing time with me has 15. He comes from the energy sector in Cork. I am from a little county called Kildare. We only have water and a bit of turf.

Deputy Catherine Murphy: It has wind turbines.

Deputy Anthony Lawlor: Is the Deputy putting in a turbine?

Deputy Catherine Murphy: No, the Deputy is.

Deputy Anthony Lawlor: This is probably the first opportunity many of us here have to discuss the sale of a major State asset. The fascinating aspect of previous arguments is that people said we were selling a strategic asset. A strategic asset is an asset such as railways, gas or electricity lines. Unfortunately, we sold a strategic asset, our telecommunication lines, when Eircom was privatised several years ago. I have no problem with the sale of this asset. From a business perspective, from where I come, when one is in financial difficulty and the wolf is at the door, one must always examine actions one can take to keep the business going.

The money from the sale of this asset is crucial, but the most important question is how we will use the money to be generated from this sale. I welcome the negotiations that happened a couple of years ago when the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, in negotiations with the troika secured agreement that 50% of the proceeds from the sale of assets would be used for job creation in the country. That is the key point. Ireland's major asset is its people and the most important thing we can have for the people is work. That is why I hope the Minister will argue further that we allocate more of the funding for strategic job creation.

I always look at the small end of job creation. While it is lovely to see the capital projects going on such as the provision of road infrastructure at Newland's Cross, I am a firm believer in the small construction company that may have three or four people working for it and which needs to be helped in some way. If we can use the money to provide a stimulus for house improvements, extensions or improving the energy efficiency of houses through a tax rebate or by increasing grants, it will stimulate the construction industry, taking people who are long-term unemployed off the dole queues. It will also target the black economy. By giving sufficient tax relief or grants to people to invest in their own properties there is a real chance of doing this.

I have heard Sinn Féin speak before about not wanting to sell any national asset. Viridian, which may be one of the main bidders for this company, is a Northern Ireland-based company operating in the free market. It was part of Northern Ireland Electricity which was privatised a number of years ago, yet I have never heard anyone from Sinn Féin from the North of Ireland jumping up and down about re-nationalising Viridian. I find it extraordinarily strange that its

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Members can come in here and be highly critical of what the Minister is doing on the sale of this asset and not jump up and down in Northern Ireland where a former state asset was privatised. They are not talking about re-nationalising it again.

Deputy Michael Colreavy: When was that done?

Deputy Anthony Lawlor: It was done in 2007, not long ago. Who was in power in Northern Ireland at the time? I do not have to elaborate any further on that matter. Whatever negotiations take place on the use of funds from the sale of this asset, the Minister should return to the troika to try to generate as much as possible that we could use on our major asset, namely, the people, to generate as many jobs as possible.

Deputy Tom Barry: I welcome the opportunity to speak to this Bill. It is the first time we have had to sit down and discuss the sale of State assets. For many people this brings trepidation, but that is only natural. Any person in business will say selling an asset for long-term strategic gain is something that always happens. Our gain will be creating jobs which we must keep doing. We are doing it now.

I will bring Members back in time to when the Government came into office. Our first initiative was the jobs initiative, of which one of the larger points was the 9% VAT rate to stimulate tourism. It has worked very well. I am a great believer in planning and this initiative was brought forward early. People criticise this, but they always criticise things. Some would criticise the sun rising in the morning. The Gathering has happened. Our tourism numbers should not have dropped in the first place, but they are up again. All of this was planned; it was not accidental, and these initiatives cost money. JobBridge has been a very good success, although people criticise it and there have been issues with some employers. I have availed of it in my business and the quality of people coming through is excellent. With JobsPlus which came through last July a person who has been unemployed for three months can move to JobBridge and receive training. This is a great time for small businesses such as my own to build a loyal workforce that will see us through many tough and good times. A person who has been unemployed for three months can move to JobBridge with a sincere and decent company. He or she can move from that position to JobsPlus. A person participating in JobBridge receives an extra €50 per week with his or her unemployment assistance payment. As an employer, I would have no problem adding another €50 per week because the programme is of huge value to us. JobsPlus offers financial assistance to companies of up to €7,500 for a person who has been unemployed for a year. That means that a person can be unemployed for three months, join JobBridge and then JobsPlus. One can see a pattern of people returning to work, which is very important.

These programmes all need to be funded; nothing comes for free. That is why I am spending some time on it because these programmes are forgotten. For small businesses like my own, it gives one an extra person who goes out to look for more work and jobs are being created. I have done it. There is quiet confidence. I am not ignoring the issues, but there is no point in living with one's glass half empty. The figures show that there is job creation. Anyone can see this, although there are difficult sectors. I am in the agriculture sector which was described only a few years ago as a sunset industry - God help us. How times have changed.

Retention of a strategic distribution network is incredibly important, but selling the energy business is not critical. We are already paying the highest prices for energy in Europe. There is no such thing as cheap fuel and I doubt that people will be queuing up for our dear energy.

We need to get our targets on renewables in line. The future of energy generation will not be based on fossil fuels. We are junkies for fossil fuels because they are easy to use but we need to reduce our reliance on them. Several years ago, when I was promoting the development of our sugar industry into the production of both sugar and ethanol, a certain Deputy announced at a meeting that there was plenty of oil and that all we needed to do was to drill another hole in the ground. It was like throwing a cluster bomb into the middle of the meeting. How can we argue with someone who thinks in that way? The price of diesel fuel has increased continuously since then and, unfortunately, it is catching all of us. We have plenty of biomass in this country and using biomass and other renewable resources is a way of creating employment. It is a busy industry because it involves bulky materials. There is no one-size-fits-all solution to renewable resources because every area has to be considered separately. I acknowledge the productive work that members of the Joint Committee on Agriculture, Food and the Marine have done in this regard.

We must be strategic in investing in job creation because we cannot afford to lose the money. I use more fossil fuels than any other Member of this House and most other people in my county because I dry a large volume of grain. That is not a boast, because it pains me that I send 300,000 litres of diesel heating oil up to the sky every year. It is a dreadful way to use diesel fuel that can never be created again. Diesel gives us what we need for our industry but it also gives us high costs. The direct fire-drying of grain creates dioxin risks, about which we must be vigilant. I would like that risk to be removed altogether. Every summer I also face the risk that, for some reason, Egypt or one of those countries will go bananas - which is a funny word to use - and I will be unable to get any fuel. That would leave us in a dreadful situation. Someone has to pay for it. Some in this House take the attitude that we should renege on all our debts, but we would only get away with that once. It is not a solution, because businesses live on their reputation.

It is easy to be lazy on this matter because conventional fuels have been tried and tested. I ask the Minister to consider the renewable incentive scheme offered in the UK, which offers a financial rebate on a kilowatt-hour basis for industries and households replacing fossil fuels with renewable energies. It is, for example, possible to get a financial rebate for switching from oil to wood. I recognise the significant burden on our finances, but this scheme would be acceptable if it offered returns in the form of tax rebates. The people who install these expensive renewable systems will have money to spend because they will hopefully be earning extra money and they would appreciate a tax return as much as cash in hand. This scheme could generate significant employment. I have done a lot of work in this area and I think it will work over time if we put our heads together.

We must ensure any assets sold off are properly separated in order to avoid creating an unfair burden. The lifetime of the network also needs to be established to ensure charges levied on new users are fair to the new tender company and the taxpayer. In my game, maintenance is everything. Maintenance and replacement costs of existing networks need to be thoroughly examined and the extension of the network should be considered because we will have gas for some time to come and we need to factor it into the transfer planning. We are only too aware of the mess created by a previous Administration with the sale of Eircom. Flags were flown and shares were sold on the basis that we could get wealth by not earning it. Perhaps the assumption that one could get wealth without earning it was the start of the mess. One has to earn wealth, because it does not appear out of thin air. I was going to say wealth does not grow on trees but wealth can grow from trees if they are managed properly. Our broadband infrastructure has

been curtailed since then. The concept is correct and simple but the detail needs to be worked out carefully.

The sale of State assets was initially prompted by the financial mismanagement of the State, but we have restored our reputation and moved on from that unfortunate point to discuss job creation. We would have to consider this issue even if the State was not dealing with a financial mess, because we would have to balance our books through job creation. There is an onus on all of us to work in this direction. All businesses sell assets when they consider them non-core.

I share a personal interest in renewable energy with the Minister for Health. Both of us espouse the virtues of wood gasification boilers. For the past five years I have heated my home with renewable energy. While the initial costs were significant, the system has already paid for itself. I get great satisfaction in being able to heat my home without forwarding money to the Arab states or elsewhere. It is a mentality. It requires more effort and sometimes it can be a hassle but it works very well. Sometimes one even finds that the heat levels are higher than one would expect because people turn up the dial too much. I challenge people to engage with renewable energy. It is easy to preach about the sale of State assets but people should live as they preach. Those who criticise our plans vociferously should ask themselves what they are doing in their small way to increase their use of renewable energies. Grant schemes are available for insulating houses and reducing waste. Every business has to reduce waste.

This Bill provides for the sale of State assets but, more important, it deals with job creation and a change in mentality. We need people to start thinking about energy use over the long term. In the early part of the last century my grandfather and his friends entered a ploughing match in County Carlow. They had a good day admiring others' ploughing skills and as they were leaving they noticed several of the new gadgets known as tractors in a corner of the field. As it was a considerable distance for some of the elderly men, they decided to head home instead of walking over to see them in action because they did not believe they would ever come into use. I assure Members that time stands still for nobody and renewable energy will come into use. We need to forge ahead by putting renewables at the forefront of what we do. We must also follow through with our educated young people in order to sell the new concepts in renewables worldwide. I have no doubt about our ability to do this and I look forward to this discussion.

Deputy Terence Flanagan: I thank the Ceann Comhairle for the opportunity to contribute to the debate. I also thank the Minister of State with responsibility for this area, Deputy O'Dowd, for being in the House. I know he works extremely hard. The Bill provides for the restructuring of Bord Gáis Éireann and allows the generation and retail part of the business to be separated from the network, which is not being sold and will remain in State ownership. The Bill will allow Bord Gáis to be split into two companies. One will take control of the physical gas network and another will take control of the energy business. Bord Gáis Energy employs a sizeable number of people and serves more than 825,000 gas and electricity customers. The programme for Government commits to a sale of State assets as a means of funding jobs and growth, which is to be welcomed. The sale of Bord Gáis Energy is also a commitment in the EU-IMF programme. The Government has initiated the sale process, which was formally launched in May 2013 and will be concluded by the end of the year.

The gas networks and the two gas interconnectors will be retained in State ownership as national strategic infrastructure. This is vital for the continued delivery of the nation's energy supplies. It is the lesser of two evils to sell the energy business rather than the network itself.

Half of the proceeds from the sale of Bord Gáis will be allocated to fund employment-enhancing projects of a commercial nature. The other half will help to pay down the national debt. However, the Minister has confirmed the money will serve to underpin additional lending into Ireland by the European Investment Bank - for example, to support continued investment in job creation initiatives. More information on this would be appreciated. The sale of Bord Gáis is expected to generate €1.5 billion but some commentators estimate it will be closer to €1 billion. Concerns have been raised about the timing and that we may undersell a State asset. Other speakers referred to the debacle with Eircom, which was flipped and sold on for huge profits to the detriment of the taxpayer.

In advance of the sale it is important that the potential loss of jobs be fully assessed, and employees need to know and have a right to know where they stand and whether they have a future at the company after the sales process is completed. Many concerns have been raised by various parties. Sinn Féin states that the Government should invest to a greater extent in the energy market rather than offloading it onto the private sector, but the economic situation is not ideal. The Government does not want to sell State assets, but we must deal with the real world. Concerns have also been raised about significant job losses, and I ask the Minister of State to refer to this. There are also concerns that control of the water system could be affected by the change. What regulations will be put in place to monitor the new owner and ensure water charges are not increased year on year and hospitals and schools are not charged for their water usage? The Government has been accused of lacking the courage to hold onto the assets, but the national accounts are in a difficult situation.

From a consumer's perspective, what effect will the sale have on gas prices? It will be preceded by the deregulation of gas prices charged by Bord Gáis, which means the new owners will be able to charge whatever they want for gas. We have seen increases from the ESB and Eircom.

Deputy Fergus O'Dowd: It is a regulated sector.

Deputy Terence Flanagan: It will not be an issue.

Deputy Fergus O'Dowd: No.

Deputy Terence Flanagan: In general, there is an issue with increases, particularly the standing charges included in bills. Deputies receive many queries about the fixed charges included in bills over which customers have no control, particularly from hard-pressed people.

Media reports have stated that Bord Gáis staff could receive a potential windfall of between €40,000 and €60,000 depending on the sale price, which is to be welcomed from the point of view of long-standing employees. It has also been reported that this is not finalised, as negotiations are continuing between the unions and the Government over how the employees' stake will be treated once the company is split in two. I ask the Minister of State to comment on this. The Bill only deals with the technicalities of selling Bord Gáis Energy and does not address wider policy issues, including consumer protection.

A portion of the proceeds of the sale will be used to fund employment-enhancing projects. What projects does the Government have in mind? Has any decision been made on where the money will be allocated? Has any estimate been made of the number of people for whom these projects will be available to help them get back to work? For what other areas will the money be earmarked?

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A positive aspect of the sale is that the money will be ring-fenced and will be invested in Irish jobs and the economy. It has been suggested that some of the money could be used to fund the national broadband plan. Broadband is a major reason Ireland has lost competitiveness as compared with other countries, particularly because broadband can be haphazard in rural areas. Will the Minister of State comment on this? The Government published a plan in August which stated that significant investment would be made in broadband and that a review was under way to determine the level of Government involvement needed and the areas that may need to be targeted with State-led investment. Is broadband an area which could benefit from this asset sale?

Deputy Denis Naughten: I welcome the opportunity to speak on the Bill. I congratulate Deputy Flanagan on his maiden speech in the new allocated slot for Others. We hope to use it frequently.

The issue of broadband is close to my heart and I am surprised no mention of Aurora Telecom, which is owned by Bord Gáis, is made in the legislation. It owns a huge fibre-optic cable network throughout the country and is a major strategic asset. I hope we can revisit it before the legislation is passed. It is my firm belief that we need to knock heads together quickly with regard to the fact that we have five State-owned public fibre networks but they are not connected to one another. If they were connected we would have a half-decent broadband network.

3 o'clock

The onus and responsibility lies on the Minister of State's Department to get all of those people around the table and ensure there is one semi-State company that can wholesale the fibre network. I would hope that fibre network remains in public ownership, along with Aurora Telecom. It is an issue we will be debating later this year with another piece of promised legislation, and I hope this can be incorporated into that forthcoming legislation.

I welcome the opportunity to speak on this Bill and I do not have a difficulty in principle with where the Government is going in this regard. I have a number of concerns, some of which I will raise today and some of which I hope to raise at committee. However, I do not disagree with the principle because the objective behind it is to generate money that we can invest back into jobs.

One issue that came to light in recent days, which I hope the Minister of State, Deputy O'Dowd, can take up, is an initiative which is in place across the Border in Northern Ireland and in Britain. The initiative provides interest-free business loans where a company is investing in new equipment which has low carbon emissions. This gives a huge incentive to businesses to reduce their carbon footprint and increase their efficiency. I have been talking recently to one energy user in my constituency, a business which employs 60 people. It could increase its job numbers by ten tomorrow morning if it could have access to a similar loan scheme on this side of the Border. That is just one business. There would be a huge knock-on impact, not just in regard to job creation but also in regard to carbon emissions. As we know, carbon taxes are increasing incrementally, which is a further cost on doing business in this country. Pretty much every country in Europe except this jurisdiction has a similar mechanism. Many businesses, when they go abroad or are dealing with companies that sell such equipment, cannot understand why we have not got an incentive scheme like this here. I urge the Minister of State to look at the 0% business loans scheme for carbon reduction that is in place in the UK, to go across the Border to see what is happening and to take that initiative on board.

The main reason I want to speak on the Bill is that I believe we need to see a clear plan for the investment that is to be generated from the disposal of this asset. Much, or at least some, of that investment needs to be ring-fenced to invest back into infrastructure, in particular gas infrastructure. I hope the Government will ensure, before the passage of this legislation, that a portion of the dividend from the sale of Bord Gáis Éireann is ring-fenced specifically for the expansion of the gas network. I mention this on behalf of some of my colleagues, including Deputies Joe O'Reilly and Michael Colreavy, who come from a part of the country which does not have access to gas - the north west.

If one looks at the Bord Gáis Éireann network, one will see a big vacant area in the north west where there is no access to gas. In my own constituency, when an assessment was carried out, the town of Carrick-on-Shannon was marginally outside the requirements for getting gas. It would save businesses in Carrick-on-Shannon €7 million every year if gas was available in that town. Consider the boost that would give employment in the town of Carrick-on-Shannon alone. It would have a similar impact in Sligo and, again in my own constituency, it would save €2.5 million each year for businesses in Ballaghaderreen, €200,000 for businesses in Boyle, €1 million for businesses in Roscommon town and some €125,000 for businesses in Strokestown. That is a direct incentive to maintain employment in those regions and also to create new employment.

At the moment, thankfully, some 625 jobs a week are being created, and the Government is to be commended on that - well done to it. The difficulty, however, is that they are being created on the east coast, particularly around Dublin. All one has to do is go outside of this building any day of the week we are here, such as a Tuesday or Wednesday night, and one will see that this city is hopping with young people who are in employment. That is great to see but, sadly, when one goes outside of the Dublin catchment area, one sees that every other town in the country is literally being decimated. This roll-out of the gas network would help to equalise that and would help to maintain existing jobs in the provincial towns across the north west, and it would be an added incentive with regard to bringing new investment to those regions.

It is of the utmost importance that part of the funding from the disposal of this company is specifically ring-fenced for that purpose. If we could get gas into the north west, it would save industrial and commercial users there about €17 million every single year, it would save domestic users about €5 million every year and, based on a carbon tax of €20 a tonne, it would save a further €1.2 million every year.

The difficulty at present is that the criteria laid out by Bord Gáis Éireann through the Commission for Energy Regulation, CER, do not take issues such as those I have articulated into account. I believe these issues are very important, in particular the impact this has on regional development and on the viability of businesses. It is about ensuring equality of treatment across the country and about the impact of emissions on those businesses and those regions. These issues are not taken into account. CER has to try to balance the issue of, on the one hand, the competitiveness of the gas market and, on the other, the maintenance and rollout of the grid. Sadly, issues in regard to regional development are not a concern of CER, which is a fundamental flaw. This should form part of the weighting and part of the consideration of any assessment. Even a small change would, literally overnight, make Carrick-on-Shannon viable for a gas connection and, of course, a number of other towns would benefit from that.

I urge the Minister of State to look at the legislation and draft an amendment that makes provision for the issues I raise. It is wrong this is happening to our part of the country, which

is actually supplying the energy to the country as a whole. For example, we have what is happening off the coast of Mayo, which we all welcome, and we have a huge debate in my region at present on the issue of fracking. While I do not know what will happen in that regard, we want to have natural gas in our region now to sustain existing jobs. I have raised this issue on numerous occasions in the House with the Minister, Deputy Bruton, in regard to the MBNA jobs in Carrick-on-Shannon. Straight away, it would make that businesses viable in the long term if we could get a concession in this regard.

The final point I want to make is not just in regard to Bord Gáis Éireann but to all of the utility providers and is based on my own experience of electricity providers. The electricity providers, by law, have to take a meter reading twice a year, as I understand it. However, the electricity bill comes out every second month and, between meter readings, the bill is calculated on an estimate. I personally had a meter reading at the start of the winter and one after the winter, but it was an estimated bill over the winter period and I received an astronomical bill. While that is grand for me as I am a Member of Dáil Éireann, there are many families who are struggling to make ends meet. Something needs to be done to ensure they are not receiving massive, prohibitive bills that are putting them in arrears and forcing them into a situation where they cannot pay those bills.

Deputy Joe O'Reilly: It merits brief repetition that the Bill facilitates the splitting of Bord Gáis Energy and Bord Gáis Networks and allows for the sale of Bord Gáis Energy. The sale arises from what is called the troika deal, or the deal between this country and the EU-IMF, and it is a condition of that deal that we have a sale of State assets. We will certainly seek to get the best deal possible for the country, in the context of the concession we obtained that a portion of the moneys can be retained, but the sale is not an optional extra. It is a condition of the deal we agreed with the troika.

To the Members who spoke against these proposals from an ideological or any other perspective, I challenge them to produce a menu of alternative fund-raising options for providing the moneys that must be repaid as part of the bailout agreement. The reality is that we made a commitment under that agreement, which was sadly necessary to keep our public services running, that part of the moneys to be paid back will be raised through the sale of State assets. The onus, therefore, is on Members on the Opposition benches - notably the Independent benches - to come up with alternative money-raising measures. If the assets are not sold, we must offer the troika an alternative means of raising the funds, most likely through taxation. I challenge Deputies opposite to present their proposals in this regard.

The Government won an enormous concession in securing the agreement of the troika that a portion of the proceeds of the sale of the State assets will be retained by the State for the purposes of job creation. It would be churlish of anybody on the other side of the House to refuse to acknowledge the magnitude of that achievement. It is a major concession that was won on the back of competent Government performances, concentrated diplomacy and an upping of Ireland's game internationally. It is a great tribute to the relevant Ministers and we must use it wisely. As I said, the sale of State assets is compulsory under the bailout deal which followed years of wanton wastage of public moneys. Within that deal, however, we have won the right to use a substantial portion of the moneys for job creation.

In the case of Bord Gáis, it is important to note that the network will remain in State ownership. We have learned something, after all, from the sale of Eircom. There was some perspicacity in the reference by a Member opposite to the importance of the maintenance of the network.

It is a fair point. The Minister of State, Deputy Fergus O'Dowd, is a person of tremendous ability and I know he will do his best in this regard. I urge him to work with the Minister, Deputy Pat Rabbitte, to secure a commitment from the eventual purchaser of Bord Gáis Energy in regard to the maintenance of the network while it remains in State ownership. There should be some type of contribution or undertaking sought in the context of the sale. It is not an unreasonable proposition that there be such a linkage.

Part 3 of the Bill offers legislative protection to the 1,000 employees of Bord Gáis Energy as part of any sale. That is an important provision of which we should be proud.

The profitability of Bord Gáis Energy has increased from €44.3 million in 2011 to €79.4 million in 2012. That makes it an attractive prospect and offers the likelihood that it will make in the region of €1 billion to €1.5 billion. Despite the degree of pessimism expressed by my good friend and erudite colleague, Deputy Terence Flanagan, I am confident we will achieve close to the higher figure on the basis of the company's profitability. I agree with Deputy Jerry Buttiner's well articulated point that there should be no increase in the retail price of gas in the context of those profit levels. While acknowledging the primacy of our system of independent regulation, I echo his point that this issue does merit closer scrutiny by the Oireachtas.

We must create sustainable jobs from the portion of money to be retained by the State from the sale of Bord Gáis Energy. There should be an emphasis on shovel-ready projects that are not merely follies, to use an ancient historical term, but which actually create enduring employment. I am sure the Minister and his civil servants will devise a range of options in this regard, but I take this opportunity to recommend suggestions of my own. There is great scope in the area of energy conservation, with potential, for example, for a national insulation programme. Retrofitting grants for owners of older houses are an option that is in line with the desired focus on green energy. It is also worth examining options such as micro-generators and community and private wind farms. Community wind farms are a particularly interesting concept, and I understand the Minister opened one the other day in the midlands. Blanket provision of high-speed broadband throughout the country is a vital requirement which certainly merits consideration in the context of these moneys. Gas exploration is another area for consideration. I also agree with Deputy Denis Naughten's point that extending the gas network would offer the advantage of being labour intensive while also having a positive impact for domestic industry and in terms of attracting inward investment.

The Irish Presidency won a significant success in securing in the region of €6 billion to €8 billion from the multi-annual financial framework for the youth guarantee fund. Under the scheme, young people aged between 18 and 25 who are unemployed for more than four months will now receive critical intervention and support in the form of training and so on. The experience in Finland and elsewhere shows that such schemes can have a significant impact in terms of youth unemployment. I other speakers in applauding the creation of 625 jobs per week in this country. Of course it is not enough, but it is nevertheless an enormous achievement in the context of the loss of more than 275,000 jobs in the three years before we came into government. The country was effectively in a position that was beyond bankruptcy. This and other signs of a revitalised economy are indeed to be applauded.

A major difficulty that must be addressed is that because so many construction companies have collapsed, there is no opportunity for young people to do apprenticeships, as I have found through my constituency work, in carpentry, plumbing, electrics and so on. There are simply no local contractors to take them on. In the context of the moneys to be retained by the State

from the sale of State assets, the youth guarantee funding and the Government's broader job creation initiatives, might consideration be given to creating simulated environments in third level settings which would allow young people to complete their apprenticeships? In so far as is possible, such training should include work that activities that are constructive and have a long-term sustainability, such as constructing new schools, for instance. That would be all the better. However, even if that is not possible and the things they build must be destroyed, there would nevertheless be merit in such a scheme. We cannot have young people denied apprenticeships because of the dearth of contracting employers. It is a real issue in my constituency and, I am sure, throughout the country.

Another problem is that the vocational sector in this country has became excessively academic over the years. We went over the top in trying to push training into the third level sector instead of focusing on what could be done in secondary or community schools in local parishes. The result is that we have lost much of the vocational ethos and dimension of second level education, an aspect in which we contrast greatly with Germany, for example. It never does one good to ignore what is being done in that country, given its economic success. The vocational dimension has been retained there; likewise it retained its manufacturing industry at a time when that industry was being destroyed in Britain. There is much to consider in that. In the context of spending these moneys, the Minister should look at opportunities for young people to develop traditional apprenticeships. I commend the job creation considerations to the Minister and I applaud the achievement of the Government in securing discretion for us in that respect. I applaud the wisdom of maintaining the networks in public ownership and I commend the sale once we are using it strategically. Whether I commend it or not, there is no escaping the reality that we owe the truth to the public - the taxpayers who fund this operation and who own this House, the people's assembly. The truth is that a sovereign agreement was entered into by this country in the bailout. The nonsense talk that we can avoid it is not sustainable.

Deputy Michelle Mulherin: I join in the welcome for the commitment to unbundle Bord Gáis, remove the energy generation aspect of the business and sell it in the public interest, as eloquently described by Deputy Joe O'Reilly, for job creation and badly-needed investment in strategic infrastructure, such as water, broadband and energy. Not too long ago, Deputy Colreavy's party tabled a motion suggesting that money should be obtained from the European Investment Bank and the National Pensions Reserve Fund to create a stimulus package for jobs. Everyone in these Houses would like to see such a package and this is a real way to do so. We are on course to do it and, from that point of view, it should be welcomed. The budget of the Department of Communications, Energy and Natural Resources is paltry compared to its potential to build our way out of this economic turmoil. The jobs of the future are in that Department but the budget does not match it. We know why that is and the role of the troika and other elements has already been explained.

I understand why there can be much emotive language about privatisation. Considering the situation of energy generation and supply, whether gas or electricity, having semi-state companies in competition with one another in this realm is not good for the Government as a stakeholder. This means that ESB, Bord Gáis, Coillte and Bord na Móna are at the same job of energy generation and, in particular, electricity generation. We witness this on the supply side when they are competing for customers. These companies spend millions on marketing campaigns and paying people to knock on doors, with Electric Ireland asking consumers to move from Bord Gáis and Bord Gáis asking people to move from Electric Ireland. A number of years ago, Bord Gáis paid €2.4 million for the naming rights to the Bord Gáis Energy Theatre.

All of this is reducing dividends to the taxpayer and the shareholder, the Government, and the consumers' interest on the generation side is not best served by the State competing. We should not confuse the sale of Bord Gáis with the sale of a natural resource. Some 98% of our gas, on average, is imported. Bord Gáis takes in a commodity and converts it into energy. Private companies in the market are doing the same thing so it is not a Holy Grail as far as I am concerned.

To get the best value, the State should not be competing with itself. That position is borne out in the McCarthy report, which points to another State company, ESB, which is in control of more than 60% of generation. This introduces complications to the energy market, with energy rules requiring adjustments and equalisation exercises to reduce its generation share to 40%. This all comes at a cost. There is a problem with competition on the energy generation side. The best interests of taxpayers, consumers and the State mean that this must be addressed. It is well documented but it does not grab the headlines like privatisation does.

Eircom has been mentioned many times in the House. I understand why, because it was a disaster. Adding Government involvement means it is like oil on a bad fire. We must be more discerning in respect of what happened at Eircom. A private company purchased Eircom, stripped assets and loaded the balance sheet with debt. When the generation side of Bord Gáis is being sold, we must get a company that is prepared to grow and invest in the business and compete in the Irish market in the interests of the consumer. If we learn nothing else from what happened at Eircom, we must learn that that is a prerequisite. It can be done right.

I am perplexed about the following matter and perhaps the Minister of State, Deputy O'Dowd, can provide an answer. It is generally agreed that there are benefits to competition. The wisdom is that the consumer is best served when no one has a dominant position and where no company has a market share in excess of 40%. ESB has in excess of 60% of generation and Bord Gáis has 50% of the gas market. My bewilderment arises from the decision of the regulator to deregulate ESB at 60% and to deregulate Bord Gáis at 55%. Once the market share of each company drops below these levels, the companies can control their own prices. In excess of it, the energy regulator controls the prices. That does not fit with common sense. There is a lot of talk about the burden on consumers in respect of energy prices, but the decision of the regulator does not help consumers. I would like to know why the regulator made such a decision.

Deputy Bernard J. Durkan: I understand that matters will be brought to a conclusion in six minutes. However, I will do my best to address a major subject such as this in six minutes. As already indicated by speakers, and most recently by Deputy Michelle Mulherin, the importance and cost of energy is a serious issue in the context of our economic recovery and performance. The points the Deputy made are relevant in the present context. For example, the emphasis now is on privatisation. I am not a great supporter of privatisation if the same service can be delivered by the public sector. Unfortunately, in times past, there were flaws in both systems and we must now start again.

Eircom is a classic example. There is a lot of emphasis now on not-for-profit companies. Public companies were only required to deliver a service, to break even and to provide sufficiently for future infrastructural requirements. That did not always happen and we had problems. We now face a situation that requires careful monitoring. With a multiplicity of companies, all in the same business of providing energy at one level or another and at some cost or another, the tendency is for the regulator to intervene and to regulate the price in such a way as to create difficulties for the consumer. This may be an issue we will have to revisit. From past experience, in my lifetime in this House we saw a change in the banking system to bigger

banking institutions, the removal of smaller institutions and the amalgamation of others. Now there is a change in emphasis again. The large corporations are no longer regarded as fit for purpose and we are going to change back to the old system, having regard to the experiences we have had. That is interesting because we have the old system already in the energy sector, but the question then arises of whether we can achieve the level of efficiency required to deliver the service by a multiplicity of companies with individual administrative costs right across the board which the consumer must meet at the end of the day. That is the issue that needs to be examined in the future.

I have often commented on regulation in the past. It is harsh for the consumers to be told with regret that the regulator has decided that their gas or electricity bills are going up. It is a serious issue. There were many occasions in the past when we in this House had to comment on the regulatory system and how it affects the consumer. Let us not forget for one moment that these issues never go away.

The other pressing issue is economic recovery. We must utilise our energy system in every way possible to assist economic recovery. That means, in the case of exploration, generation and transmission, that we must ensure we arrive at a juncture at which we achieve the maximum efficiency so that in the course of our thrust towards economic recovery we are competitive with all others throughout Europe, because that is where our market is. We must be competitive on production and administrative costs with our colleagues throughout Europe who, in turn, are selling their product to their consumers. In fact, in the past we have not fared all that well in that area and it is an issue with which we must deal in some shape or form in the future.

Energy is most important to economic development and performance. The cost of energy is equally important, as it is a major input. There is a tendency nowadays for us to become concerned about the environmental impact of many of our energy providers, whether it be ESB generation, wind farms, gas exploration or whatever. There is a need to do more in terms of bringing information to the public that is reassuring and of a sufficient level to enable people to make an objective decision about its attitude to what we are trying to do. There is nothing to be gained from sticking our heads in the sand and pretending that we object forever to the promotion of our energy sector. We must develop our energy sector quickly. We must get our energy into the grid and to the consumer and we must avail of the economic benefits accruing therefrom.

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd): I thank all of the Members who spoke and who raised important and constructive points. I noted the presence of Sinn Féin Member throughout the debate and I want to acknowledge that. I acknowledge the important points raised by that party and others. The Department officials who are here with me have taken note of all the significant points that were made and any questions that I cannot or will not have time to answer today will be responded to by the Minister, Deputy Rabbitte, on Committee Stage.

There are a couple of points I want to clarify. The first is the question of why the company is being sold. In November 2010 the memorandum of understanding agreed between the then Government and the EU-IMF - that is, 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 an bord snip nua, a review which was then ongoing. The troika initially mentioned a figure of €5 billion at its first meeting with the new Government, and all of that money was to pay down debt. The figure committed to in the programme for Govern-

ment was €2 billion and, following further discussion, a figure of €3 billion was agreed after the troika agreed that a proportion of the proceeds would go towards reinvestment for job creation. Subsequently, the current programme of asset disposal was agreed with the troika.

I agree with all the Members who said that Bord Gáis Éireann is a valuable State company. It is a dynamic, successful company which has delivered real benefits for Irish consumers and it has invested and grown in the competitive electricity generation and supply business. A number of Members also underscored the importance of avoiding a fire sale. There will be no fire sale. I can confirm that this accords with our intention. The position we held in negotiations with the troika is that there will be no fire sale, that assets will be sold on acceptable terms and at a price that achieves fair value, and that key strategic assets, such as our electricity and gas transmission and distribution systems, are not for sale and will be retained in State ownership. There is no question of key transmission assets being sold. Neither is there any question, as raised by a number of Members, that Irish Water will ever be privatised. I want to assure all of the Members in the House that such will be the situation. Clearly, some of that arises from the lessons learned by the sale of Telecom Éireann, when the network itself was sold, which was a disastrous decision made by a previous Government.

In his opening remarks, the Minister, Deputy Rabbitte stated the Government's "overriding objectives of Irish energy policy remain security of supply, competitiveness and sustainability." These objectives resonate well with the proposal within this Bill. The current reality is that we are heavily dependent on gas for electricity generation. This Bill will support Bord Gáis Éireann's strategic gas network business and will ensure absolutely that it remains in State ownership. The Bill specifically provides that Bord Gáis Éireann may not sell the gas network subsidiary and it is vitally important to remember that this is the intention of the Bill.

Finally, I want to state that energy is a vital issue for the country and the community. There are many controversies about energy infrastructure. There is controversy about hydraulic fracturing. There are controversies about oil and gas. Everybody agrees it is critical that there be competition in energy. When John Murphy turns on his cooker or light switch, it does not matter to him who is making the profit on the gas. What he wants is to have it as cheap as possible for him. If we have an open competitive market, the regulator will decide the price. It is the regulator who decides the price of the energy. It is not the case that a company, whether private or public, can do whatever it wants. It cannot and it will not, and that is why the regulator is there.

I affirm that Aurora Telecom will remain with Bord Gáis Networks in State ownership. That company is not being sold. A question about industrial relations issues was raised by Sinn Féin. The party made a balanced contribution in that regard. I affirm that negotiations on industrial relations issues are ongoing between the Bord Gáis Éireann management team and the group of unions and no final decisions have been taken, but I want to assure Members that the Bord Gáis Éireann pension scheme remains fully funded.

I ask Members to submit their amendments, if this Bill is passed today, as quickly as possible for Committee Stage and I thank Members for their contributions.

Question put:

| <i>The Dáil divided: Tá, 60; Nil, 37.</i> | |
|---|------------|
| Tá | Nil |

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| <i>Bannon, James.</i> | <i>Adams, Gerry.</i> |
| <i>Barry, Tom.</i> | <i>Boyd Barrett, Richard.</i> |
| <i>Burton, Joan.</i> | <i>Broughan, Thomas P.</i> |
| <i>Buttimer, Jerry.</i> | <i>Calleary, Dara.</i> |
| <i>Byrne, Catherine.</i> | <i>Collins, Joan.</i> |
| <i>Byrne, Eric.</i> | <i>Coltreavy, Michael.</i> |
| <i>Collins, Áine.</i> | <i>Cowen, Barry.</i> |
| <i>Conway, Ciara.</i> | <i>Crowe, Seán.</i> |
| <i>Coonan, Noel.</i> | <i>Daly, Clare.</i> |
| <i>Costello, Joe.</i> | <i>Doherty, Pearse.</i> |
| <i>Daly, Jim.</i> | <i>Donnelly, Stephen S.</i> |
| <i>Doherty, Regina.</i> | <i>Dooley, Timmy.</i> |
| <i>Donohoe, Paschal.</i> | <i>Fleming, Tom.</i> |
| <i>Dowds, Robert.</i> | <i>Healy, Seamus.</i> |
| <i>Durkan, Bernard J.</i> | <i>Healy-Rae, Michael.</i> |
| <i>English, Damien.</i> | <i>Kelleher, Billy.</i> |
| <i>Farrell, Alan.</i> | <i>Kitt, Michael P.</i> |
| <i>Feighan, Frank.</i> | <i>Mac Lochlainn, Pádraig.</i> |
| <i>Ferris, Anne.</i> | <i>McDonald, Mary Lou.</i> |
| <i>Fitzgerald, Frances.</i> | <i>McGrath, Finian.</i> |
| <i>Fitzpatrick, Peter.</i> | <i>McLellan, Sandra.</i> |
| <i>Flanagan, Charles.</i> | <i>Moynihan, Michael.</i> |
| <i>Flanagan, Terence.</i> | <i>Murphy, Catherine.</i> |
| <i>Griffin, Brendan.</i> | <i>Nulty, Patrick.</i> |
| <i>Hannigan, Dominic.</i> | <i>Ó Caoláin, Caoimhghín.</i> |
| <i>Harrington, Noel.</i> | <i>Ó Cuív, Éamon.</i> |
| <i>Harris, Simon.</i> | <i>Ó Fearghail, Seán.</i> |
| <i>Heydon, Martin.</i> | <i>Ó Snodaigh, Aengus.</i> |
| <i>Hogan, Phil.</i> | <i>O'Sullivan, Maureen.</i> |
| <i>Humphreys, Kevin.</i> | <i>Pringle, Thomas.</i> |
| <i>Keating, Derek.</i> | <i>Ross, Shane.</i> |
| <i>Kehoe, Paul.</i> | <i>Shortall, Róisín.</i> |
| <i>Kenny, Seán.</i> | <i>Smith, Brendan.</i> |
| <i>Kyne, Seán.</i> | <i>Stanley, Brian.</i> |
| <i>Lawlor, Anthony.</i> | <i>Tóibín, Peadar.</i> |
| <i>Lyons, John.</i> | <i>Troy, Robert.</i> |
| <i>McLoughlin, Tony.</i> | <i>Wallace, Mick.</i> |
| <i>Maloney, Eamonn.</i> | |
| <i>Mitchell O'Connor, Mary.</i> | |
| <i>Mulherin, Michelle.</i> | |
| <i>Murphy, Dara.</i> | |
| <i>Murphy, Eoghan.</i> | |
| <i>Neville, Dan.</i> | |

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| <i>Nolan, Derek.</i> | |
| <i>Ó Riordáin, Aodhán.</i> | |
| <i>O'Donnell, Kieran.</i> | |
| <i>O'Donovan, Patrick.</i> | |
| <i>O'Dowd, Fergus.</i> | |
| <i>O'Reilly, Joe.</i> | |
| <i>Phelan, Ann.</i> | |
| <i>Reilly, James.</i> | |
| <i>Ring, Michael.</i> | |
| <i>Ryan, Brendan.</i> | |
| <i>Spring, Arthur.</i> | |
| <i>Stagg, Emmet.</i> | |
| <i>Stanton, David.</i> | |
| <i>Tuffy, Joanna.</i> | |
| <i>Varadkar, Leo.</i> | |
| <i>Wall, Jack.</i> | |
| <i>White, Alex.</i> | |

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

Question declared carried.

Gas Regulation Bill 2013: Referral to Select Committee

Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd): I move:

That the Bill be referred to the Select Sub-Committee on Communications, Energy and Natural Resources pursuant to Standing Orders 82A(3)(a) and (6)(a) and 126(1) of the Standing Orders relative to Public Business.

Question put and agreed to.

Topical Issue Debate

Mental Health Services Provision

Deputy Maureen O'Sullivan: We tried to have this raised as a topical issue in July and as our chance has been quite a while coming, I am grateful for the opportunity to discuss the matter today. I am glad that the Minister is here to discuss it.

In 2008 we were told that one in seven people had a mental health issue. We know recent figures suggest the number is now one in four. A recent report from Headstrong indicates that

19 September 2013

almost one third of young people are experiencing mental distress. We all experience some mental distress, but it is much more severe for some people and we need services to help such individuals.

The cross-party group in the Oireachtas is made up of representatives from all of the political parties. I am the Independents' representative. We have made our own pre-budget submission which I am sure has been passed to the Minister. Such action is indicative of the seriousness of the issue and the way in which we are treating it, regardless of our political background. Supporting the mental health of the population before it reaches crisis point makes very good economic sense.

The crux of the issue is that 414 staff were promised for recruitment in 2012, as well as 477 in 2013. The numbers look fabulous on paper and they amount to almost 900 posts. Nevertheless, it was alarming to read in the July HSE staff census that the net increase between December 2012 and July 2013 was just 192. I raised an aspect of this matter as a topical issue in March when the Minister of State at the Department of Finance, Deputy Brian Hayes, indicated that the HSE aimed to fill the remaining posts by the end of March 2013, but that has not happened.

What is the net increase in the number of posts? Of the 414 and 477 posts, how many mental health service posts are being taken up by people who were previously employed in mental health services? Who is doing their work if they are to be moved to a new post? We know what the ideal composition is of community mental health teams.

Deputy Simon Harris: I welcome the opportunity to join Deputy Maureen O'Sullivan in seeking clarity on the issue of mental health funding and an update from the Minister for Health on the delivery of community-based mental health services. I recognise the Minister's commitment and thank him for being in the House to deal with this most serious issue.

Deputy Maureen O'Sullivan has already outlined how serious the issue is and I know the Minister is well aware of it. It is heartening that politicians on all sides of the House and from different backgrounds, as well as civic society, are united in a desire to do more to promote positive mental health. It is possibly the only issue on which we will unite in advance of the next budget, hence our pre-budget submission.

There is no room for complacency. We must have another €35 million allocated for mental health services in 2014 to build on the delivery of community mental health services. The Minister recognises that right across the health sector. However, the allocation of money in itself is not enough. We must ensure it is spent efficiently and effectively in the correct areas. With that in mind, I have three key questions, some of which have been raised by Deputy Maureen O'Sullivan.

Of the 414 posts allocated in 2012, how many were filled by existing workers in mental health services and have the vacated positions been filled? How many of the 477 posts included in the service plan for this year will be filled by the end of the year? What is the net increase in the staffing figure for mental health services? I know that the July HSE staffing census indicated a net increase of 192 between December 2012 and July 2013. Will we achieve the figure of approximately 900 places by the end of 2013?

I am proud to be part of a Government that is continuing to invest more resources in mental health services, but it is very important that we keep probing and questioning in order that we can ensure value for money in the community.

Minister for Health (Deputy James Reilly): I thank both Deputies for giving me the opportunity to update the House on the current position in the provision of additional funding for mental health services in 2013.

4 o'clock

Following on from the special allocation of €35 million and 414 posts provided for mental health in 2012, an additional €35 million was allocated in budget 2013 for the continued development of our mental health services across a range of headings, including the development of forensic services and community mental health teams for adults, children, older persons and mental health intellectual disability. A total of 477 posts have been approved from this allocation and as of 26 August 2013, 220 of these posts had been accepted with a further 24 posts offered to candidates. Of the 233 remaining posts, 162 are at various stages in the recruitment process. These posts are additional to the additional 414 posts funded in 2012, of which 397 have either been filled or are awaiting clearance.

The national recruitment service, NRS, creates national panels in anticipation of vacancies. On occasion, however, it is difficult to fill posts for various reasons, including availability of qualified candidates and geographical location. In addition, specific specialist staff are required to fill a number of posts and the NRS and the mental health services are working to further improve the process to allow for more bespoke and specialised panels to meet local service needs and maximise successful recruitment. I have received assurances from the HSE that the recruitment process for the new posts being funded in 2013 and any outstanding posts approved in 2012 is being given priority within the HSE.

In recognising the pivotal role that primary care has in addressing the mental health needs of the population, €5 million was made available in 2012 for the provision of counselling services in primary care, specifically for people with mental health problems. An additional €2.5 million has been provided this year for the continued roll-out of this service from this special year's allocation for mental health. A total of €4 million of the additional funding provided in 2012 and 2013 was also provided to the HSE's national office for suicide prevention, NOSP, and this additional investment has led to work being progressed on almost every recommendation in Reach Out, our national strategy for action on suicide prevention, including a number of new service initiatives in this area. The NOSP also continues to fund more than 40 organisations and programmes, which are engaged in the delivery of front-line services for people who are in emotional distress, engaged in self-harm or who have been bereaved through suicide.

I reiterate the Government's commitment to the continued development of our mental health services in the community in line with A Vision for Change and Reach Out and our determination to tackle this widespread problem in our society over the past number of years.

Deputy Maureen O'Sullivan: I thank the Minister for his reply and I acknowledge the positive work that is going on but there is a need for greater transparency. We are not sure how much of the €35 million ring-fenced for mental health services in 2012 was spent on these services. This sector should not have to pick up the bill for the overspend in other HSE sectors. I would like the HSE to spell out accurately where the €35 million is being spent annually.

How many people have been transferred from residential institutions and residential care to community care? That was recommended in the 1984 report. How much progress has been made on that? Last night, there was a meeting with HSE officials about the new primary care

centre planned for Summerhill in the north inner city and I would like to acknowledge the commitment to mental services in this proposed centre.

Deputy Simon Harris: I thank the Minister for his helpful reply, which gives us clarity about the issue that was not available until the provision of these figures. I take his point about geography and qualifications. It is important that we have people in the correct places with the appropriate skill set. We need to examine prevention and the promotion of positive mental health. While it is not the Minister's direct responsibility, there is a void in this area in our schools. Deputy O'Sullivan, myself and representatives of other parties have had meetings about this. Some schools are leading the way and we have been briefed about the Scottish model. A whole school curriculum approach is needed to promote positive mental health. Children as young as four are taught to look after their teeth and to brush them but mental health issues are not mentioned until they are 15 when it is referred to vaguely in the SPHE curriculum. We need to consider an age appropriate way to let everybody know that they need to protect their mental health. I ask the Minister and the Minister of State with responsibility for mental health to co-ordinate that with the Department of Education and Skills.

Deputy James Reilly: I thank both Members for raising this important issue. It is emotive, particularly at this time of year as some children leave the school system and others enter examinations year. Intellectual disability is also to the fore given the issues parents face about the placement of their children in the adult services when they leave school. I had a conversation with a departmental official earlier who said that the issue is well on the way to resolution. I acknowledge it is not particularly related to the matter raised but it is of growing concern to many people.

Deputy Harris said this is an issue on which we all agree and I hope it will not be the only one. I hope we all agree to fight tobacco and put that issue out of harm's way from the point of view of the next generation of children. The payback for that will be three decades away but it will be enormous. There is a walk for Aware starting from outside the House tomorrow week and going to Ashbourne, County Meath. I invite as many Deputies, Senators and staff as possible to join us on that walk.

Deputy O'Sullivan asked how much of the €35 million allocation was spent on mental health services. My understanding is it was all spent on these services. She also asked a reasonable question about the number of people transferred from institutional care to the community. I cannot answer the question but I will revert to her or I will ensure the Minister of State, Deputy Lynch, does because I am interested in this important issue.

Deputy Harris raised the issue of addressing mental health issues on the school curriculum. I concur with him and I will raise it with the Ministers for Children and Youth Affairs and Education and Skills. This is the first Government to appoint at principal officer level a civil servant to address issues such as intellectual disability, autism and obesity across my Department and those two Departments.

Deputy Maureen O'Sullivan: And alcohol.

Deputy James Reilly: There is an opportunity through this office to put mental health on the curriculum. We are forever saying we want to destigmatise it and that it should be treated the same way as other health issues. It does not make sense that we should not start talking about it until children are in their late teens. We should be talking about it much earlier.

Dáil Éireann
National Policy on Graffiti

Deputy Kieran O'Donnell: I thank the Minister for the Environment, Community and Local Government for being present to take this debate. We need to develop a national policy on graffiti. Graffiti is an issue in parts of Limerick city in my constituency. Recently, it has been an issue along a stretch of roadway known as the Superquinn road which runs from the Killmurry roundabout to the Monaleen Road. I am glad that the local authorities in Limerick have agreed to remove the graffiti and that they are considering the installation of CCTV cameras to monitor this issue.

Graffiti represents an invasion of private property. Many of the people affected bought their houses at high prices and walls at the back of their homes are being graffitied, which is upsetting for them. Many of them are either elderly or have young families. The younger people bought their homes at the height of the Celtic tiger boom. The Department oversees many good practices to deal with graffiti on a national level. Local authorities can avail of a €900,000 grant under the anti-litter and anti-graffiti campaign. There is a national litter action plan and a national litter pollution monitoring system. In addition, a new website, www.fixyourarea.ie, has been operational since 1 January this year through which anyone can report a problem in their area, including graffiti, and the local authority will respond within two days. At the moment the legislation that covers graffiti is 16 years old. I refer to section 19 of the Litter Pollution Act 1997. It makes no mention of graffiti whatsoever. I call for the development of a national policy on graffiti which takes into account updating section 19 of the Litter Pollution Act 1997 to deal with graffiti. The approach should be standard practice across all local authorities.

We could consider the application of a levy to aerosol spray cans. I come from the perspective of damage to private property and public property. We must consider alternative ways of dealing with graffiti that do not involve the invasion of private property or public property without permission and ensure it is done tastefully. I welcome the Minister's views on the matter and on developing a national policy on graffiti. The current problem of graffiti in Limerick city requires the bringing together of a range of measures that are happening at national level in a structured way. I thank the Minister for his presence and I look forward to hearing his comments.

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): I thank Deputy O'Donnell for raising this important issue. I am fully aware of the blight on communities which graffiti causes and I am totally committed to tackling graffiti vandalism. The programme for Government 2011 included a commitment to establish a website to assist residents with the reporting of problems with street lighting, drainage, graffiti, waste collection and road and path maintenance in neighbourhoods, with a guarantee that local officials would respond within two working days. The scheme was piloted by South Dublin County Council. The *fixyourstreet.ie* website is structured around an interactive map, allowing anyone to locate the precise location of a range of non-emergency local problems they wish to report. An important benefit of the approach is the effective use of modern technology such as social networking, web-based collaboration, mobile telephone applications and geographic information systems, GIS, in an interactive manner with the public. The *fixyourstreet.ie* website is now accessible in all local authority areas since 1 January 2013.

Under the Litter Pollution Acts 1997 to 2009, the primary responsibility for management and enforcement responses to litter pollution, including the defacement of structures by writing

or other marks, lies with local authorities. In my view, that includes graffiti. The role of my Department is to provide the legislative framework within which local authorities can perform this task. It is a matter for each local authority to decide on the most appropriate public awareness and clean-up actions to deal with graffiti, taking account of local circumstances and priorities. Each local authority must determine the level of expenditure on individual local services, but I would hope in the context of the annual estimates process that they would prioritise the elimination of graffiti.

As the Deputy indicated, section 19 of the 1997 Litter Pollution Act makes it an offence to deface property visible from a public place without the written authority of the relevant owner, occupier or person in charge. Again, in my view that includes graffiti. A local authority or its agents may, on such terms and conditions as may be agreed by it with the occupier, enter and take remedial action to remove or otherwise remedy the defacement.

Section 20 is a complementary provision that enables a local authority, in the interests of amenity or the environment, to take remedial action in relation to graffiti, regardless of whether it has been put up with the consent of the owner or occupier. The local authority may serve a notice on the occupier requiring steps to be taken to remove or otherwise remedy the defacement within a specified period of not less than seven days. Failure to comply with a notice is an offence and, in such instance, the local authority may give effect to the notice and recover costs. The local authority may also, by arrangement with the occupier, take steps to remedy the defacement. The local authority or its agents may also, by agreement, enter and remedy the defacement itself.

The penalties attaching to littering and graffiti offences are substantial and include an on-the-spot fine of €150. The Protection of the Environment Act 2003 introduced conviction on indictment for litter and graffiti offences, with a maximum fine of €130,000, and set the maximum fine on summary conviction at €3,000.

In addition to the Litter Pollution Acts, the Criminal Damage Act 1991 provides for the offence of damaging or defacing property. The Garda takes the defacing of, and damage to, property very seriously and, when such offences are detected, perpetrators are processed through the courts or via the juvenile liaison system, as appropriate.

As part of the overall response to dealing with graffiti, my Department operates an anti-litter and anti-graffiti awareness grant scheme, whereby local authorities can apply for funding for projects aimed at raising awareness of litter and graffiti issues in their functional areas. Under the scheme, the maximum grant allowed per project may be up to 70% of the project cost. Local authorities are asked to focus their activities under the scheme on young people and, in particular, on schools and community groups with an emphasis on encouraging long-term behavioural change. Grants can cover a broad range of measures to raise public awareness and to stimulate anti-litter and anti-graffiti activity at local level. I refer to measures such as local clean-ups and primary and secondary school competitions. The provision of anti-litter and anti-graffiti materials, videos, posters, information leaflets, and anti-litter and anti-graffiti exhibitions are eligible for grant aid. As Deputy O'Donnell indicated, a total of €900,000 was allocated to local authorities from the environment fund under the scheme in 2013.

Deputy Kieran O'Donnell: I thank the Minister for his response. From what he outlined it appears that a range of measures are being undertaken. I would like the Department to examine specifically the issue of graffiti. Graffiti is applied to people's property without their knowledge

or permission and it is often extremely difficult to remove. We must consider putting in place a measure to prevent the offence occurring or the provision of alternatives allowing people to indulge in graffiti without impacting on private property, which is extremely upsetting and borders on vandalism. We could also consider the provision of a levy on aerosol cans that would deter people from vandalising homes. I feel very strongly about the issue. Following a relatively quick review perhaps areas could be identified that could be added to existing measures to deal with graffiti. It is a problem in my constituency generally but the problem is acute in certain areas. It is extremely upsetting to residents. Having examined the legislative measures to which the Minister referred, I expect that the Department could identify whether there are aspects of the legislation that could be enhanced to deal with this growing phenomenon.

Deputy Phil Hogan: As the Deputy knows, I am very much aware of the issues arising for communities where graffiti presents a significant challenge. Every community, not just Limerick, is affected by the issue. I note the Deputy's concern and his suggestion that a levy would be imposed on aerosol paints. I appreciate the helpful nature of his comments. I am prepared to re-examine the legislation to see where graffiti could be specifically targeted. There is always room for improvement and we can certainly review the legislation.

Local authorities have considerable powers at the moment but they might not always have the resources or prioritise resources to tackle the problem of graffiti. Enforcement of the legislation requires resources. We have powers under the Litter Pollution Acts that might not be implemented to the full by local authorities currently and the Deputy might be able to improve the situation through his representations in Limerick. The solution to graffiti lies in a combination of various approaches - personal responsibility, education and anti-graffiti initiatives, which are supported by the Department – but the issue must be prioritised more by some local authorities.

Priory Hall Development

Deputy Thomas P. Broughan: The very belated announcement of a 21-day deadline for a resolution of the crucial mortgage and banking elements of the Priory Hall disaster is welcome. However, the whole nation is exasperated by the terrible treatment of Priory Hall owner-occupiers and residents, who are essentially victims of an outrageous fraud. The response of the Government over the past two and a half years, especially the refusal to meet residents, has been deplorable and shocking. The Government often seems to be more concerned about protecting bankers and developers than rehousing and urgently resolving the appalling mess at Priory Hall. On 16 July last, the Minister indicated to me that it was inappropriate for him to comment on the 16-month resolution process. Just a few weeks later, however, it collapsed. It is disgraceful that neither Members of this House nor the residents were kept informed about the process.

More than anything, former residents, owner-occupiers, desperately want a fresh start and to move to new homes. They want to be permitted to transfer mortgages to new homes of their choice and to have existing mortgages written down. At a recent meeting of the finance committee, several of the banks and mortgage providers give their usual harsh and ruthless responses. I welcome the belated positive response of Mr. David Duffy of Allied Irish Banks and Mr. Jeremy Masding of Permanent TSB. The other rescued pillar bank, Bank of Ireland, and the publicly owned EBS must also recognise the unique nature of Priory Hall. IBRC should also be ordered to facilitate Priory Hall families. The Minister has special responsibility to ensure that foreign-owned banks, including foreign state-owned banks such as Ulster Bank, Bank

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of Scotland, Certus and KBC, also do what is necessary to transfer and write down household mortgages at Priory Hall.

The planning of the north fringe of Dublin city is an ongoing disaster. Former residents and constituents want Priory Hall's main street or boulevard to be demolished and replaced by a new properly built and sustainable development. A figure of €12 million has been mooted by the Minister. I urge him to make an announcement on that.

Deputy Terence Flanagan: I thank the Ceann Comhairle for the opportunity to raise again the issue of Priory Hall in the Dáil. I welcome, in particular, the statements by the Taoiseach and Minister for the Environment, Community and Local Government in the past week and the Tánaiste's statement today that the resolution of this debacle is the Government's priority. The resolution has been my priority from the outset, as it has been for the local residents. The residents are the innocent party, who, through no fault of their own, are not able to live in their homes which they paid well for. Quite rightly, the city council has been housing the residents in alternative accommodation. That will continue until this housing crisis is fully resolved.

The major issue for homeowners, which I have raised with the Minister for the Environment, Community and Local Government, the Taoiseach and Minister for Finance, is the outstanding mortgages of the homeowners. There is a major injustice in having to pay a mortgage for a property that lies empty and which cannot be lived in. There are homeowners whose interest payments to their banks are increasing all the time. They are being charged interest on interest and their credit ratings are being downgraded constantly, which is very unfair.

We all know that Priory Hall is the worst example of substandard construction in Ireland. Its poor construction shows up the inadequate building regulation that existed during the Celtic tiger years. The Minister has addressed that. Yesterday, I raised the issue of Priory Hall with the Taoiseach on the Order of Business and requested that he immediately put in place a process to keep local public representatives and the residents' committee of Priory Hall updated on all developments involving the various interested parties, including the banks, Dublin City Council and the Department of the Environment, Community and Local Government. Unfortunately, over the past two years, there has been a lack of information and transparency at times regarding the process, which has greatly added to the anxiety of residents. I have maintained regular contact with Dublin City Council, the Department and the Minister at all times regarding this matter. I have been concerned at times over little information being forthcoming. I am delighted the Taoiseach has now agreed to the request by me to put in place a formal reporting process.

Deputy Barry Cowen: As stated, the unfolding tragedy of Priory Hall was brought home with real force to the entire country with the emotional interview of Stephanie Meehan on the "Late Late Show" and by the sad death of her partner, Fiachra Daly, in July. Over the past two years, the stresses and strains of the disaster of Priory Hall have been taking a considerable toll on all of the 250 people evacuated from the building. Their dire circumstances have been a sad reflection on the Government's inaction. The collapse of Mr. Justice Finnegan's mediation process, as alluded to by Deputy Broughan, marked another blow to their hopes of a fair resolution.

This morning during Leaders' Questions, the Tánaiste indicated that the Government will finally ensure the Priory Hall situation will be resolved within the 21 days, as indicated last week. I understand that officials from the Department of the Environment, Community and Local Government have been instructed to meet Dublin City Council, the Irish Banking Fed-

eration, NAMA, former residents and other stakeholders and to report back with a proposed resolution. After two years of failure to act, during which the Minister for the Environment, Community and Local Government refused consistently to meet the residents affected by these dire circumstances, can he state categorically today that we are now to have real, decisive action in the form of a resolution, as proposed by the relevant parties, 21 days from the date the meeting was announced last week? Will the Government force the banks to write off the mortgages of the residents? Will the Minister meet them? What is the future of the complex itself? Is the Minister committed to having a suitable resolution, agreed to by all parties, go to the Government three weeks from the relevant date last week?

Deputy Clare Daly: If we are now at the point of a resolution on this issue, there is only one reason for it, namely the tragic death of Fiachra Daly and the determination and courage of his partner, Stephanie Meehan, in bringing this issue back into the public domain. The reality, both in this Chamber and on the streets, is that Priory Hall residents have been making their call to have these issues resolved for a long time. A year ago in this Chamber, Deputy Wallace, other Deputies and I raised this issue. At the time, we called for all the things we are now calling for again. The development should be demolished. The banks, which are our banks, should be made to pay a price for this and allow people to transfer their mortgages and move on with their lives.

We made the point that the rogue or criminal developer Tom McFeely, who was ultimately responsible for this matter, was able to build correctly in Britain. The reason he built well in Britain was because standards were enforced. If he had not built well, he would have been caught. Here we had the scandal of architects signing off on Priory Hall as fire safe and compliant with the regulations. When extra rooms were built that constituted a fire hazard, the architect in question never bothered examining the development at all. The system failed the residents here. The banks failed them also. All the resolutions we are now being told we are on the verge of achieving were called for by Members of this House and others 100 days after the residents moved out, a year after they moved out, a year ago and so on. What assurance can the Minister give us that the nightmare is finally at an end and that the families can move on and rebuild their lives?

Deputy Mick Wallace: On 24 January 2012, we said in this Chamber: “The predicament of the people who lived in the Priory Hall complex was big news a while back and then it was in the news again but, sadly for them, the nightmare has not gone away”. That was 20 months ago, which is frightening. A couple of days before that, I went to Priory Hall and examined some of the apartments. I examined beneath the surface just to see how they were built. I have seen good and bad construction work throughout my life but I was absolutely shocked by what was tolerated at Priory Hall. It was worse than usual. I felt then that, as a builder, I would not actually have liked the challenge of making the work good. It would have been so difficult. I felt then that the development should be torn down. There is little doubt at this stage but if there is to be fairness the residents should have their mortgages wiped. They should be entitled to new mortgages for new properties. The site should be levelled for now. It would not be fair to ask the residents to return to the property. The building cannot be made suitable for living in as ought to be the case.

So many people are culpable. The builder was obviously culpable. The architect and engineer who signed off on it are culpable. The bank sent out valuers to check the buildings to make sure they were worth the money the residents were parting with. They are also culpable and the Government must force them to take responsibility.

Deputy Phil Hogan: I thank the Deputies who have expressed a continuous interest in this matter. I also acknowledge the resilience and strength shown by the former residents of Priory Hall in facing an extremely difficult situation since their homes were evacuated almost two years ago. No homeowner should have to experience what they have lived through in that time.

I wish to set out the context. Following the evacuation of Priory Hall, a resolution process, under the chairmanship of Mr. Justice Finnegan, a retired President of the High Court, was put in place in the context of legal proceedings which were adjourned to afford relevant parties the opportunity to work together to identify a way forward in dealing with the complex problems at Priory Hall. I was not a party to these legal proceedings and became aware formally this month that, regrettably, the process had not identified a basis on which the parties could agree to bring to a conclusion the various matters at issue at Priory Hall.

Mr. Justice Finnegan reports, through counsel, to the courts, not me. Owing to the legal constraints, I could not intervene until I had heard formally, through Dublin City Council, about the end of that mediation process. However, I did not hesitate once I had been formally notified of the termination and failure of Mr. Justice Finnegan's mediation process and intervened immediately. Some Deputies have argued today that I should have intervened before now, but we have a long record in this House of Ministers driving a coach and four through the courts and legal process. I certainly was not going to do this. I could not do it and completely disagree with Deputy Broughan's advocacy in that regard. I have to take legal advice. I also want to make sure the builders, developers-----

Deputy Thomas P. Broughan: The law was broken.

An Leas-Cheann Comhairle: Please allow the Minister to continue without interruption, please.

Deputy Thomas P. Broughan: The Minister is responsible for upholding the law.

Deputy Phil Hogan: Perhaps the Deputy is advocating that the developers, builders and other professionals to whom Deputy Mick Wallace referred should get off the hook.

Deputy Thomas P. Broughan: No, I am not advocating that.

Deputy Phil Hogan: By making the suggestion he made, the Deputy is putting me in that position.

The proceedings in question relate to an appeal by Dublin City Council against an order of the High Court that the council pay the costs of providing alternative accommodation and ancillary expenses faced by the residents consequent on the evacuation of the development. These proceedings are next scheduled to take place before the Supreme Court on 15 October 2013. Dublin City Council has recently guaranteed that it will continue paying the accommodation and ancillary costs, with the help of my Department, of the residents until February 2014.

Irrespective of developments concerning these proceedings, it is imperative to identify fair and equitable solutions for Priory Hall residents and in terms of the future of the complex. The most pressing issue is, undoubtedly, the need to find a solution to the unacceptable position in which the former owner-occupiers find themselves. Earlier this week I announced the Government's planned course of action in this regard. Meetings have already taken place with various parties. Senior officials from my Department have made contact with the relevant stakeholders

and good progress is being made. Senior officials from my Department also met the residents of Priory Hall in advance of this process in order to elicit from them their bottom line and their own proposals for resolving these issues.

The full resolution of the Priory Hall issue is the ultimate goal. However, after two years in personally very difficult circumstances which nobody here would want to be in, it is vital that, above all else, the former residents are quickly facilitated, that this process is not dragged out and that people are allowed to get on with their lives. I have set down a short period of 21 days to reach conclusions on the matter which has already taken 15 months of Mr. Justice Finnegan's time through the courts process which ultimately failed. I am urging all parties directly involved to work together constructively towards that end. I assure Deputies Mick Wallace and Clare Daly that all options for the residents and the future of the complex are on the table.

Deputy Thomas P. Broughan: I pay tribute to the courage of Ms Stephanie Meehan and the wider Daly family, as well as that of the other residents of Priory Hall.

What template has the Minister laid down in his Department's dealings with the banks for how this issue may be resolved? He has said officials have listened to residents, but what is he actually saying he wants as a bottom line? Has his Department or the Department of Finance been in touch with other EU financial authorities regarding banks not based in this country?

The only realistic option, as other Deputies have said, is demolition of the Priory Hall complex. Is it the case that €12 million or thereabouts, as mooted by some Ministers, is available for the demolition and rebuilding of the central street at Priory Hall?

The Minister referred to the past and said he was not a party to the proceedings. In that case, why did he not meet the residents? Since he was not a party, he could have met them.

I have asked the Minister umpteen times to have his Department carry out a review, a full investigation or a commission of inquiry in the north fringe under the McDowell legislation. That is what is necessary. All of the professionals who did not do their jobs, as well as the officials, could then be dealt with.

Deputy Terence Flanagan: I thank the Minister for his response and outlining the background to this debacle. I raised this issue directly with the Taoiseach on the Order of Business yesterday when he said he would ensure a process would be put in place in order that all public representatives would be kept up to date on what was happening with the banks, Dublin City Council and all other interested parties. That is necessary because there is a lot of anxiety surrounding this issue. I ask the Minister to comment on this and ensure it does actually happen.

There are media reports today to the effect that the residents' financial adviser, Mr. Michael Dowling, has advised that the residents would like to have their mortgages absorbed by the banks and written off. Mr. Dowling has also advised that the residents want their mortgages to be replaced with new ones, with similar financial agreements for a property of their choosing. He has further advised that the former residents do not want to return to the complex, even if it is renovated. I ask the Minister for his thoughts on this. Can he give any indication as to what outcome he would like to see for the residents at the end of this process? Does he believe the banks should write off their mortgages? Should the development be renovated to a very high specification to enable the residents to return in the future or should they be given new mortgages for properties similar to those they originally purchased at Priory Hall?

Deputy Barry Cowen: I thank the Minister for his response on the issues raised and wish to pose a number of questions emanating from it. In the first instance, Mr. Justice Finnegan reported to the courts and subsequently to the Minister, through Dublin City Council. Is it possible for Mr. Justice Finnegan's report to be made public? I ask because I am sure the contents may refer to the culpability to which Deputy Mick Wallace referred, particularly of engineers, valuers and the enforcement section of the council. The Minister has said the Supreme Court case listed for 15 October will solely be concerned with the cost of providing alternative accommodation for those who have been without their own homes for almost two years. The case will deal with that specific issue only and the Minister has said that irrespective of that process and the adjudication by the courts on that matter, he is still seeking a resolution within three weeks, dating from last week when this process was instigated. I ask him to confirm that it is his objective to bring a solution to the Government in two weeks time.

Deputy Clare Daly: The proceedings involving Dublin City Council with regard to the provision of temporary accommodation had nothing to do with the bigger picture and the Minister's ability to meet the residents and push on this issue. While we are all really hoping the 21 day deadline will yield some results, there is something inherently tragic in this also because, in reality, nothing concrete has changed and nothing the Minister is now doing could not have been done at an earlier date. That lesson must be learned because, sadly, Priory Hall is not an isolated example. Across the road, at the complex in Belmayne, in which many of the Priory Hall residents are now living, there is a similar fire hazard.

It is not up to us to say what the solution is; that is for the residents to decide. They have developed a huge feeling of solidarity with each other and are getting a lot of support from each other. However, the idea of returning to Priory Hall is a nonsense and finding some mechanism, through the banks, is the only viable solution. It is tragic that we were tabling questions on this issue over a year and a half ago and asking about leverage from the banks in getting them to transfer mortgages. The Minister for Finance told us it could not be done but the Minister for the Environment, Community and Local Government is now saying it can. I am glad it can be but it should have been done before now.

Deputy Mick Wallace: I believe - I hope the Minister does too - that the primary responsibility of the Government must be to look after those who most need help and the vulnerable. There is little doubt that the Priory Hall residents were very vulnerable. They can be forgiven for feeling that the State has let them down. The local authority has also played a significant role in this matter due to the lack of enforcement of building regulations. The level of enforcement today has not improved. There is nothing wrong with our building regulations. The problem, however, is with the lack of enforcement. I know of developments that have not hit the news yet which are in the hands of the National Asset Management Agency, NAMA, but cannot be sold as they are serious fire hazards. There are cases of estates in which people are living where there is no access for a fire engine. The Government will have to set up a template for how it will deal with problems like Priory Hall because there will be more cases emerging and we need to ensure it will not take two and a half years to resolve them.

Deputy Phil Hogan: Deputy Wallace should know better than anyone that I signed building regulations recently that will come into effect early next year. This will ensure all developers, builders and other construction professionals will do what they should have done before now. Before now, a coach and four were driven through existing regulations, some of which were inadequate. I can send the Deputy a copy of the new regulations if he is not aware of their full content. It will be mandatory-----

Deputy Clare Daly: They are not retrospective, however. The damage has been done. These buildings have been constructed with no regard for regulations.

Deputy Phil Hogan: I am not taking responsibility for the activities of my predecessors. I am trying to ensure this does not happen again. All options to help the residents in this plight-----

Deputy Barry Cowen: Assessors were doing the work of engineers and architects.

Deputy Phil Hogan: I am not taking responsibility for Deputy Cowen's Government's activities.

Deputy Barry Cowen: No member of the previous Government was working on the sites in question.

Deputy Phil Hogan: All of the financial institutions involved have been contacted and there is a constructive attitude which I hope will continue. I want to see those builders held to account. While it may take a lot longer than solving the problems of Priory Hall, those involved will not be let off the hook.

After 15 months of mediation there was no solution. That mediation was triggered by the court process, which I have to observe. Others may have the luxury of not heeding legal advice but I do not have that. It is very frustrating for me and for the residents that this has dragged on for so long.

Deputy Thomas P. Broughan: Will the Minister give us a copy of Mr. Justice Finnegan's report?

Deputy Phil Hogan: Mr. Justice Finnegan reports to Dublin City Council and the courts, not to me.

Deputy Barry Cowen: Dublin City Council could give us the report.

Deputy Phil Hogan: It is significant and positive that the relevant financial providers, Dublin City Council, NAMA and other interested parties are prepared to engage. I am giving them a short time to come up with options to provide solutions for Priory Hall owners, both the residents and the buy-to-lets. I have delivered for Priory Hall residents where others have failed. I will not take any lectures from people who have driven a coach and four through building regulations in the past and who have done nothing about modifying those regulations to ensure this does not happen again. The regulations I signed in July 2013 will make a major impact and will make it difficult for unscrupulous developers or construction professionals to repeat the disaster of Priory Hall.

Deputy Barry Cowen: On a point of clarification, will the Minister make available Mr. Justice Finnegan's report submitted to Dublin City Council?

Deputy Phil Hogan: That is part of the court process, not part of the political process.

Ceisteanna - Questions

19 September 2013

Priority Questions

An Leas-Cheann Comhairle: With the agreement of the House, can we start with Question No. 2 in the name of Deputy Ó Caoláin, as Deputy Troy is not present in the Chamber? Agreed.

Deputy Caoimhghín Ó Caoláin: That is a very fine place to start.

Child Detention Centres

2. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Children and Youth Affairs the position regarding the transition from St. Patrick's Institution to the Oberstown campus, including management and governance structures, staffing, training and rostering arrangements at Oberstown; if her attention has been drawn to the need to provide a specialist unit for highly disruptive detainees; her plans to incorporate this in the planned development of the site; and if she will make a statement on the matter. [38916/13]

Minister for Children and Youth Affairs (Deputy Frances Fitzgerald): In line with the programme for Government commitment, I am working with Government colleagues to end the detention of children in St. Patrick's Institution. To achieve this objective, my Department has provided €50 million for the development of national child detention facilities at Oberstown.

Following extensive work involving my Department and the Office of Public Works since early 2012, the design process is now complete, planning permission has been secured and the tendering process has been completed. I thank the Minister of State, Deputy Brian Hayes, and his Department for the work they have done in this area. BAM Building Limited has been appointed as the main contractor for the project, as well as several sub-contractors. I am happy to report to the House that construction is to commence on-site next week. The timescale for completion of the first three detention units, which will provide a total additional capacity of 30 spaces, will be third quarter of 2014. The remaining three detention units, required to replace existing buildings on the site, will be delivered in 2015. My officials will continue to work with the OPW to ensure the successful delivery of this project.

In addition to the capital project, my Department is overseeing a further programme of reforms aimed at enhancing the effective management and capacity of services on the Oberstown campus. A recruitment process has recently been carried out for the appointment of a campus manager for the Oberstown site, who will report to the board of management. A candidate is under consideration by the Public Appointments Service and I expect this position will be filled in the near future. I see this appointment as a crucial element of the reform of the child detention service.

I will shortly be presenting to the Oireachtas a set of amendments to the Children Act 2001 which will provide a mechanism for the merging of the three existing child detention schools into a single legal entity. These governance reforms will complement the ongoing work over recent years to develop integrated care policies and share services across the Oberstown campus.

Additional information not given on the floor of the House

I wish to further advise that a care staff recruitment programme has been sanctioned by

Government and will shortly be commenced in conjunction with the Public Appointments Service, with the aim of deploying the new staff in Oberstown for orientation and training on a staged basis from early 2014.

In addition, a business review process is to be carried out on the Oberstown campus to ensure that all services for young people up to the age of 18 can be delivered in a manner that ensures safe and secure custody. My officials will also shortly be meeting with the Irish Prison Service to establish a Steering Group charged with overseeing the transition of responsibility for 17-year-old males from the prison system to the Oberstown campus over the coming months.

In line with an agreement made at the Labour Relations Commission earlier this year, agreement has been reached with staff representatives on the appointment of a third-party arbitrator to oversee a joint staff-management review of the operation of the campus staffing roster in Oberstown which was implemented in February 2013. I intend to see that this review commences this month and is completed as soon as possible.

The design process which was carried out in consultation with staff for the Oberstown development has fully taken into account the need for safe and robust buildings capable of accommodating children presenting with challenging behaviour. The use of individual buildings will be considered as part of the business review programme referred to above for the Oberstown site. I would note, however, that staff training, professional supervision and individual care plans for each child in detention are at least as important as physical facilities and both aspects will be considered as part of the planning for the new child detention service.

In conclusion, a major programme of change and reform to the child detention service is currently under way, and my Department will continue to work the board of management, staff representatives and other agencies to expand the range and quality of services on the Oberstown campus.

Deputy Caoimhghín Ó Caoláin: It is good news that we are at the stage at which work is ready to get under way at the Oberstown site. I welcome the Minister's indication that she intends to introduce legislation to merge the three existing child detention schools into a single legal entity. At what stage is the preparation of this legislation? When will the appointment of the campus manager be made?

I raised this matter with the Minister before the summer recess. While I welcome the information she gave us today, I must raise the issue of disruptive young people in these centres. Within the plans for the Oberstown development, will a unit be designated to deal with difficult cases of disruptive young people?

There is a significant and marked difference between a 13 year old and a 17 year old. Will the new centre be arranged so that there will be a suitable mix of ages?

Deputy Frances Fitzgerald: The key point about detention is that it should be a measure of last resort. We are building a new facility because we do not want 16 and 17 year olds in St. Patrick's Institution but in an appropriate care centre. Great care has been taken with the design of that new building. International best evidence has been taken into account to ensure the mix the Deputy is describing is appropriately met and the facilities allow for the kind of integration needed for the young people, but also that they get the care and attention they need in a secure facility, and this is a secure facility. This is children being kept in detention. Every advanced country, including Ireland, is seeing a reduction in the numbers of children being detained, and

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I welcome that. Although there has been an increase in referrals from the courts in recent times, the overall trend is downward. As the Deputy rightly says, the young people who come to the attention of the care services and the detention services have very complex needs.

I am pleased to say that a care staff recruitment programme has been sanctioned by Government and will shortly commence in conjunction with the Public Appointments Service, which will help to manage these young people. On the Deputy's question about when the campus manager will be appointed, the interviews have been held, the offer has been made and we are waiting to hear from the individual concerned, so it should happen very shortly, as will the legislation.

Deputy Caoimhghín Ó Caoláin: The Minister rightly refers to Oberstown as a secure campus, but there have been incidents when the word "secure" would hardly apply. Individual detainees have been able to virtually close down a whole section of the existing structure with the threat of violence against the care staff in that complex. These are very serious matters where staff and other detainees in the entities on that site are being put at very severe risk. Is the Minister aware of the seriousness of at least one recent event? What does she understand is being done to ensure that risk factor is reduced to the lowest possible level in the interests of the safety of all detainees and staff who are entrusted with the oversight and management of the complex?

Deputy Frances Fitzgerald: As the Deputy is aware, residential care in detention centres is very demanding work. We have appropriate practices in place to deal with those violent incidents, as Deputy has described them. They take place in every detention centre. We want to reduce these to a minimum, ensure staff are supported and that appropriate interventions are in place to support both staff and young people and ensure best practice is immediately implemented when there is an incident like that. I have appointed a very highly skilled board, led by the chairman, Mr. Joe Horan, whose members are very experienced in the law and young people. Great care and attention is being given to the issues the Deputy has described in order that they are handled in the best possible way and staff are supported.

There is very active union engagement on the campus over a long period. There has been much involvement with the Labour Relations Commission. Yet another roster assessment is going on at the recommendation of the Labour Relations Commission to examine the question of rosters and staff ratios. It has been a very troubled issue on the campus but progress has been made. It should be a great source of support to the staff that the Government has made the investment in building and staff recruitment to ensure the kinds of issues the Deputy described are kept at a minimum and the support services are in place, which both the staff and children need.

Early Child Care Education Standards

1. Deputy Robert Troy asked the Minister for Children and Youth Affairs the position regarding the measures for quality of care in early years services she announced in the wake of the Prime Time programme on creches; the legislative plans she has to underpin this agenda; if any new legislation will be introduced in Dáil Éireann before Christmas; and if she will make a statement on the matter. [38913/13]

(Deputy Frances Fitzgerald): As I have outlined in previous replies, my Department and I, in conjunction with the HSE and other stakeholders, are progressing a preschool quality agenda

involving a range of actions in eight key areas aimed at improving quality within early years services and enhancing the regulatory regime. The actions include improving the qualifications for all staff in preschool services to a minimum standard at FETAC level 5; improving the quality and curricular supports for preschool services when implementing the Síolta framework and Aistear curriculum, which they need to do; implementing the new national preschool standards; introducing a registration system for all preschool services; taking steps to make the inspection system more consistent and robust; publishing inspection reports online; ensuring appropriate action is taken when we find non-compliance such as we saw on the “Prime Time” programme; and increasing and widening sanctions for non-compliance.

Since July, 914 preschool inspection reports have been published on the Pobal website. I thank everybody who was involved in publishing those reports. There have been many insurance and inter-agency issues to be sorted. I also thank Early Childhood Ireland, whose representatives had some concerns but who recently said they recognise the value of those inspection reports being online, as do the public and families.

In July, the Government approved the heads of new legislation to amend the Child Care Act 1991. This legislation will increase the penalty for an offence under the Act to a maximum class A fine. More significantly, this legislation will provide a statutory basis for registration of preschool services and will introduce a range of new enforcement powers for inspectors at pre-prosecution level, and the availability of this pre-prosecution level is very important. Under the proposed new system, all preschool services will have to be registered to operate. Inspectors will be empowered to specify improvement conditions with which a service must comply, and the threat of removal of registration will be available to them.

Additional information not given on the floor of the House

This system will, for the first time, provide for timely and effective regulation and enforcement of standards in preschool services, backed up by statutory registration. This legislation is being finalised in conjunction with the Parliamentary Counsel and it is my intention to bring it before the Oireachtas during the current term.

In addition, my Department, in conjunction with the preschool inspectorate, is working to develop new protocols on regulatory compliance to provide greater clarity and consistency of approach in the way inspection reports deal with findings of serious non-compliance as opposed to minor breaches and full compliance. New national quality standards for preschool services will be launched before the end of the year. These standards will complement the existing preschool regulations, replacing previous explanatory notes, and will set out the quality outcomes and supporting criteria against which inspection under the preschool regulations will be measured. Discussions are continuing in the context of budget 2014 on additional resources for the inspection system.

I have decided to introduce new qualification requirements for child care services starting in September 2014. The current minimum requirement of level 5 for preschool leaders delivering the preschool year will be increased to level 6. In addition, all preschool assistants and all other staff caring for children in a new preschool service will be subject to a minimum requirement of level 5. These requirements will be effective from September 2014 for new services and from September 2015 for existing services. My Department is examining measures to support training for child care staff in line with the increased qualification requirements.

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Deputy Robert Troy: I apologise for being late. The Minister has reiterated what she has told us on previous occasions about the eight key areas she sees in this area. The registration process was to be introduced in September this year. I hope the Minister can confirm that this will still be the case.

In July, the Minister approved the heads of a Bill to increase the penalty for non-compliance. When will that Bill come before the House for us to debate it and support the Minister in her efforts? This is warranted, but I hope it will be forthcoming soon.

On the 914 inspection reports, only five or six counties have managed to put their inspection reports online. Has the Minister sought and received permission from Minister for Public Expenditure and Reform, Deputy Howlin, to hire additional social inspectors? At a committee meeting before the summer, we heard there were only 37 full-time social welfare inspectors inspecting 4,700 crèches. Has the Minister sought permission to increase the number of inspectors? The Minister said the Children First legislation was one of her key priorities on assuming office. Can she assure the House that this legislation will be debated in the Houses of the Oireachtas before Christmas and that childminders will be included in this legislation?

Deputy Frances Fitzgerald: Let us look at the big picture. For the first time we have national inspection and inspection reports online. They were never available before except under freedom of information requests from parents. We are bringing in national standards for the first time and frameworks that will be applied consistently. This is a huge number of changes. There will also be legislation, which I hope to introduce shortly. The legislation is well developed. I got permission for the drafting of it, a huge amount of work was done over the summer and I expect to introduce it shortly. It is being finalised in conjunction with the Parliamentary Counsel, and I intend to bring it before the Oireachtas this term.

5 o'clock

In addition, we are bringing forward new protocols on regulatory compliance to provide greater clarity and consistency in inspections. Registration on a non-statutory basis was introduced from 1 September and as soon as the legislation is enacted it will become statutory. Inspectors will have powers to take action immediately, including withdrawing registration. As the withdrawal of registration will mean that the service cannot continue, it is a powerful tool where inspectors are not satisfied with what is happening in preschools.

Work is ongoing on the Children First legislation, which is very complex in terms of sanctions and reporting. As it will be onerous on services, I want to be sure it is high quality legislation. Earlier this week I met an international expert in this area who told me that every state in Australia has provided for mandatory reporting. If one has concerns that a child is being abused, it is right that one should be required to report them. The key issues are training and the thresholds of reporting significant harm so that the services are not overwhelmed with inappropriate referrals. These issues are being taken into account in the drafting of the legislation and I will bring the Bill to the House at the earliest opportunity.

Deputy Robert Troy: Sometimes one would think nothing was done in the child care setting prior to the Minister's appointment. I accept that certain areas needed to be strengthened. Fianna Fáil proposed legislation in this regard during the last Dáil session. I welcome that legislation is being drafted but the issues involved are mainly technical in nature and they should be addressed in weeks rather than months. The Bill needs to be prioritised. We would support

the Minister by sitting on a Friday to ensure the Bill is debated and passed through the House.

The Minister did not answer my question on additional resources for inspectors. She acknowledged that the inspectors are under resourced in terms of personnel, support and training. Has she obtained the much needed additional resources to ensure her plans proceed? Can she confirm that child minders will be included in the Children First legislation? She was wary about this previously. Perhaps she now sees the benefit of including them after speaking to her colleagues and the experts from Australia.

Deputy Frances Fitzgerald: Gordon Jeyes is putting in place a national inspection system for preschool facilities for the first time. I am in discussions with the Minister for Public Expenditure and Reform on allocating sufficient resources to employ an inspector in every area. That will be a budgetary decision but my Department and I are involved in key discussions in that regard. It is clear that we need more inspectors and I want to ensure that inspectors are available on a consistent basis around the country.

In regard to the Deputy's question about the number of inspections, they have been completed in a number of counties, including Limerick, Clare, Mayo, Sligo and Donegal. As there are 4,400 services, a significant number of reports must be prepared. Approximately 30% of the reports have issued thus far. The agencies involved have done well to start the process but it is resource intensive and we want inspectors to be inspecting rather than concentrating on putting the reports online. Their work has to be balanced.

I have not made a final decision on the issue of child minders but it is under consideration. We will have to think carefully about the implications of including, for example, those who mind children under the age of three versus all child minders.

Social Workers Recruitment

3. **Deputy Thomas Pringle** asked the Minister for Children and Youth Affairs the action she will take to address the situation whereby social work teams are considerably understaffed resulting in lengthy delays for children in need of their services; and if she will make a statement on the matter. [38725/13]

(Deputy Frances Fitzgerald): I acknowledge the challenges facing our child welfare and protection services and the pressures facing social work teams around the country. The service is operating in a climate of increased demand, particularly in the area of child neglect. Since 2006 the number of referrals on child protection and welfare reports has almost doubled from 21,000 in 2006 to 40,000 in 2012. It is not that long ago when there were 240 referrals to child protection services in one year. The increase in 2012 was almost 10,000 above the 2011 level. In addition, the numbers of children in care have increased by 21% from 5,307 in 2007 to 6,421 as of April 2013. By international standards, the numbers of children in care are relatively low. They do not exceed international norms and we have the advantage that most of our children in care are in foster homes as opposed to residential settings. That situation has been reversed dramatically in recent years.

The latest HSE employment census indicates that the number of whole-time equivalent social workers employed in the HSE children and families service area was 1,397 at the end of June 2013. The census numbers reflect the outcome of a process of re-classification of social

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workers within the HSE into individual care groups, including children and families, to support the process of establishing the new Child and Family Agency.

Child welfare and protection services have faced particular challenges in recent months arising from a high number of vacancies due to maternity leave and, to a lesser degree, sick leave. In response to these pressures a new panel of professionally qualified social workers was established in June 2013 to allow for the filling of vacancies in social work teams. I am advised that the HSE has recently filled 114 vacancies, with a further 102 posts are at various stages in the recruitment process. Implementation of the provisions of the Haddington Road agreement will also assist HSE Children and Families in responding to current demand through additional working hours, revision of overtime arrangements, flexible working arrangements, revised work practices and other initiatives. It is important to note also that due to the importance of child welfare and protection responsibilities the current recruitment moratorium does not apply to the social worker grade.

Additional information not given on the floor of the House

All child protection and welfare referrals are managed through the HSE children and families standardised business process. Such reports of concern for the safety and well-being of a child come into the duty intake team for assessment. All staff receiving such a referral are trained in the duty system and are obliged to treat seriously all child welfare and child protection concerns whatever their source. Once a child protection referral is received and screened by the HSE, a decision will be taken as to whether an initial assessment is required. Following initial assessment decisions will be made on the type of intervention required, including drawing up a child protection plan and family support interventions, as well as decisions regarding supervision orders or whether a child may need to be taken into care for a short term or longer period. The child protection plan will have identified the key risk factors in the case such as the risk itself; how it will be reduced, including specific actions; and how the agencies working with the family will measure the reduced risk within a specific time-scale. A supervision order is sought from the courts if the family does not co-operate with the child protection plan.

As part of the reform process within children and family services, the development of the local area pathway approach is an important new tool. This approach is about the creation of a collaborative network of community, voluntary and statutory providers so as to improve access to support services for children and their families and the operation of a case co-ordination process for families with additional need who require multi-agency intervention but who do not meet the threshold for referral to social work after screening at intake. In addition to the identification of needs process in Sligo-Leitrim and the Limerick identification needs process, a number of areas in the country are advancing their implementation of the local area pathway model, including Waterford and Carlow-Kilkenny.

The above initiatives are illustrative of the substantial programme of work underway to increase the effectiveness of our child protection services in meeting growing demand due to demographic and societal factors.

Deputy Thomas Pringle: I thank the Minister for her reply. If the moratorium does not apply to social work posts, why are there so many vacancies and why are vacancies created by maternity leave not being filled? The reason is probably that local health managers are deciding not to recruit in order to keep budgets down. I am aware that physiotherapists are also exempt from the moratorium but local management in County Donegal have decided not to recruit for

these positions in order to keep costs down. It is a serious matter given that more than 4,000 children are waiting three months or more for their cases to be dealt with and for social workers to be assigned. The Irish Association of Social Workers suggests that 2,900 social workers are required to deal with current caseloads. It is vital that these positions are recruited because although the service is prioritising cases and arguing that the children who are waiting longer are not high risk, these are the very children who might benefit from early intervention. We run the danger of children being kept in dangerous situations because they are deemed not to be a priority even though early intervention could save them from harm.

Deputy Frances Fitzgerald: I acknowledge the Deputy's point. The age and gender profile of social workers mean that their numbers are constantly in flux. Recruitment is ongoing, however. The Deputy asked a valid question about maternity leave given that the workforce is young and largely female. One area in County Kildare recently had nine vacancies because of maternity leave. This issue probably also arises in other areas. I have asked that a panel be created in order to fill those positions on a temporary basis. Clearly that will have implications for other sectors, however, and I have entered discussions to determine whether the posts can be filled more rapidly. The vacancies puts considerable pressures on teams. Studies on the problem of retaining social workers have been carried out all over Europe. I recently attended a launch of one such study in UCD. Very often we find inexperienced social workers working on the front line. To answer the question, it is not simply about filling vacancies, although that is extremely important. We have a complement which includes the 170 extra posts that were filled in line with the Ryan report. There has not been a delay and it has been done over the past two years. We have an ongoing issue with retention of staff. It is not just about the vacancies; it is about supporting staff and working with voluntary organisations. Much work is going on, and in reply to a later question I will discuss the work being done to train social workers, give them more support and have better management. The HIQA reports highlight other areas that need attention.

Deputy Thomas Pringle: The difficulty with the retention of social workers probably equates to the workload they have and the fact that the teams are so badly understaffed. Last year when the children's referendum was passed, the Minister stated that it was the start of a process and that we would show through our actions in the coming years how committed we were to the change that had taken place. We must deal with the issue of recruitment and ensure vulnerable children are protected. The recruitment process must ensure demands are met. The Minister must press on very urgently to ensure these demands can be met and fight for and obtain the extra numbers required.

Deputy Frances Fitzgerald: There is a question about case work management which must be answered, and that is how many high-risk cases can be carried by any one social worker in a team. A review of the social work caseload is under way which involves management and staff union input. I eagerly await the results to see precisely what is being stated about the caseloads Irish social workers carry, whether it is a question of extra resources or more social workers, and what are the best ways to handle the demands being made on them.

This morning I attended the children services committees' day-long networking event. The development of the children services committees in every county, including Donegal, is very important in co-ordinating and managing resources at county level so that child protection and family support is not just left to child and family support services but there is integration and other services are involved. If a case is not allocated within a social worker team it does not mean the family does not receive a social work service from other organisations such as family

support and family resource centres.

Adoption Legislation

4. Deputy Robert Troy asked the Minister for Children and Youth Affairs her plans to amend adoption legislation; and if she will make a statement on the matter. [38914/13]

Deputy Frances Fitzgerald: The Adoption Act 2010, which entered into force on 1 November 2010, gives force of law to the Hague Convention on the Protection of Children and Co-operation in Respect of Intercountry Adoption. The Act was written against the backdrop of the Hague Convention and a commitment to improving standards as outlined in the convention. The Hague principles of subsidiary, support for birth families, free and informed consent for birth parents, and international adoption as a resource for the permanent care of children, are a means for improving standards in inter-country adoption and mitigating against some of the risks.

There are two existing legislative commitments in the adoption area. The adoption (amendment) Bill, which is to be progressed on foot of the children's referendum, proposes to address the adoption of children of marriage. The second piece of adoption legislation which is being prepared is the adoption (tracing and information) Bill. As I have stated previously, complex issues arise. Recently I received the extra piece of legal advice for which I had asked the Attorney General, and it is my intention to bring the heads of the Bill before the Government at the earliest possible date to seek approval to refer the legislation to the Oireachtas Joint Committee on Health and Children for discussion. Yesterday I met individuals and organisations representing people who have been adopted, and I told them that referring the Bill to the committee for a full discussion would be very useful. I expect many of the organisations will give evidence to the committee.

The Adoption Act 2010 has been in operation for three years since it was brought in by the former Minister of State, Barry Andrews. This is not a very long time but it is complex legislation and some issues have arisen. It is timely to consider a review of some of the policy matters that arose in the Act.

Additional information not given on the floor of the House

Issues that I believe should be addressed in such a review include step-parent adoption; the rights of birth mothers and also birth fathers; issues relating to the right to an assessment; the age limit of prospective adoptive parents; the tenure of declarations of eligibility and suitability; issues relating to the habitual residence of applicants; the possibility of introducing open adoption; and various operational matters such as the composition of the Adoption Authority of Ireland. I accept that many of these issues raise significant legal and policy questions which would need to be resolved not just within the Adoption Act but also within the broader framework of family law relating to parentage and guardianship. In this regard, I am also actively working with my Government colleagues, including the Minister for Justice and Equality, Deputy Alan Shatter, to actively examine how legislative changes can be made in this broad area.

Since taking office I have made improvements to the operation of the adoption process without the need to amend legislation following consultation with the Adoption Authority of Ireland and the Health Service Executive. In particular, I have streamlined the assessment process for

those seeking to transfer from declarations of eligibility and suitability to adopt which are due to expire before 31 October 2013. Furthermore, I have moved to address the issue of the sustainability and funding of accredited bodies. In this matter, interim funding has been provided to specific bodies and I am seeking agreement from these agencies on a pathway to securing a sustainable model for accredited bodies in the future.

Deputy Robert Troy: Comments made by the Minister during the summer raised concerns. This is a very sensitive policy area and at every stage we must ensure the best interests of the child are front and centre. I understand this was behind the original legislation in 2010 and I have no reason to believe it is not the intention of the Minister. Has the Minister had an opportunity to read an article on her comments in the *Irish Examiner* by Nigel Cantwell? I ask her for her thoughts on the issue. What concerns does she have with regard to bilateral agreements with countries that have not signed up to the Hague Convention?

The Minister mentioned the adoption (tracing and information) Bill. A person has a basic right to his or her identity and this legislation is long overdue. I would appreciate it if the Minister gave a more definite timeframe with regard to when it will come before the Oireachtas.

With regard to the Adoption Act, a predicament is facing a number of families with regard to Russian adoption and I am sure the Minister is well aware of it. Many families have contacted all Members of the House. The Minister could, today, remove the concern of all of these families by simply amending section 41(1) of the 2010 Adoption Act to enable any couple with referral to proceed to have their adoption finalised. It would solve the problem for four or five families. Has the Minister examined this possibility?

Deputy Frances Fitzgerald: My understanding is that when the former Minister of State, Barry Andrews, introduced the legislation in 2010 we became the only country in the world to introduce adoption legislation stating that in order to continue adoptions in non-Hague countries a bilateral agreement would be required. This is my concern and it requires investigation. I have read the article to which Deputy Troy referred and I believe it was a misunderstanding. There is no question of not applying Hague standards. Hague standards are the gold standard on adoption. Far too many informal adoptions and private adoptions have taken place and we have seen the problems to which they have led. These, along with illegal registration, cause huge personal trauma. The question of having to negotiate bilateral agreements is extremely complex. We have gone from a less restrictive international adoption regime in Ireland to one that is extremely restrictive. This is the point I made. It is not that I want to depart in any way from Hague standards, but it is interesting that we are the only country that demands the negotiation of bilateral agreements for inter-country adoption to take place. Such agreements are very complex. Many countries that have signed up to the Hague Convention continue to allow adoptions in countries with which they do not have bilateral agreements. This is simply the point. I want to maintain Hague standards and I want to make that very clear.

With regard to the particular cases to which Deputy Troy referred, another question has been tabled on this.

Deputy Robert Troy: There is a paradox. On the one hand, we are signing up to a treaty designed to protect children's rights and their best interests, but on the other hand we are looking to countries which, for whatever reason, have not agreed to be bound by these rules. Bilateral agreements were initiated to ensure proper procedures were put in place with countries that had, for whatever reasons, not signed up to the Hague Convention. I do not for one minute

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doubt the Minister's sincerity in this area, but it has raised very serious concerns. She cited the fact that bilateral agreements are complex as a reason for moving away from them. Does the Department or the Adoption Authority of Ireland wish to move away from them? This seems to be an aspiration of the Minister. Why has she chosen to move from this area? Can she alleviate the fears and concerns that are out there in this regard?

Deputy Frances Fitzgerald: I must point out the paradox in the Deputy's question in that he is asking me to deal with particular cases in regard to a country with which we do not have a bilateral agreement and which is a non-Hague country, namely, Russia. At the same time, the Deputy is questioning why I might want to examine the implications of bilaterals.

First, there is no question of moving away from the Hague standards. Second, the Deputy asked what are the other areas in regard to the 2010 legislation. This is one part on which I commented but many other areas are just as critical, such as dealing with step-parent adoption, which has thrown up many anomalies in this country, the rights of birth mothers and birth fathers, issues relating to the right to an assessment, the age limit of prospective adoption parents, the ten years of declaration of eligibility and suitability, and issues relating to the habitual residence of applicants.

As the Deputy said, adoption is a very complex area and this is the range of issues which have been brought to my attention. I did not say I was going to change the section in regard to bilaterals. I merely raised the point that we are the only country that has this in our legislation and it is extremely restrictive because, for example, I am currently trying to negotiate with Russia and there are constitutional issues which arise in regard to some of the demands the Russians are making of us concerning post-placement reports. I am merely highlighting that these are the countries Irish parents adopted from for so long, and the Deputy is making representations today about a non-Hague country - Russia. I am simply pointing out the difficulties.

Youth Services Funding

5. **Deputy Maureen O'Sullivan** asked the Minister for Children and Youth Affairs if she will outline the cuts in the previous budgets to youth services; if her attention has been drawn to the impact of these cuts on the youth communities where these services are based; and the way she intends to prevent further cuts in budget 2014. [38915/13]

Deputy Frances Fitzgerald: My Department provides a range of funding schemes and supports to the youth sector. In 2013 funding of some €53.5 million has been made available for these schemes. This funding will support youth work programmes and youth services serving some 400,000 young people, delivered by over 1,400 youth work personnel, who in turn support a large volunteer base of some 40,000 individuals.

The Deputy is aware that my Department, along with all other Departments, has been required to achieve significant savings on schemes and services in line with the reductions set out in the comprehensive review of expenditure, in line with which there was a cumulative reduction of €7.5 million over the course of the subsequent two budgets.

Obviously, in looking at the determination process for youth allocations, I have sought that the front-line services are protected as much as is possible, particularly services for vulnerable young people. We have asked the bigger organisations to consider the scope for reducing ad-

ministration costs and overheads. I have also asked the youth sector to co-operate and work together to ensure they can deliver services in local areas so there is no overlap, if at all possible, and we can maintain front-line services for young people.

It should be noted that, under the comprehensive review of expenditure, there has been no cut to the voluntary youth clubs. This funding plays an important role in supporting volunteer-led youth groups and in promoting and leveraging valuable voluntary activity in youth work. In addition, €1.5 million is being provided in 2013 for youth cafes and youth projects. Earlier this year, I outlined the new capital funding scheme for youth cafes and over 90 applications were received by the Department. This shows the demand for these very good initiatives for young people at local level, which the young people themselves suggested were needed in their areas. We are currently reviewing those applications.

Additional information not given on the floor of the House

Officials of my Department have recently met with representatives of all the national organisations that are funded under the youth service grant scheme to share information and to hear from the organisations about the impact of the reductions in funding on the services that they provide. In addition, I have met with, and continue to meet with, many youth projects and organisations from around the country to try and see how we can work together to ensure the most effective use of the public funding invested in youth services. Only this week I attended a meeting of the National Youth Work Advisory Committee in County Wexford, which was attended by senior representatives of the National Council of Ireland and national youth work organisations.

Finally, my Department is also undertaking a value for money and policy review of youth funding and the findings of this report will inform the future development of youth programmes and services.

Deputy Maureen O'Sullivan: I thank the Minister but the reality on the ground is very different from what she has outlined in her reply. I want to focus on the youth clubs and youth projects in the inner city. We know the statistics. There are areas with over 60% of parents being lone parents and pockets with 40% unemployed. We know of the serious misuse and abuse of alcohol and drugs and of areas of really serious deprivation. There are areas where there is disposable income for after-school activities but that is not the reality for young people and teenagers in some of these inner city areas.

In July, I attended an event organised by the youth projects, where the young people themselves spoke. There was a great quote from one of the young people: "In an area where young people might not have had many opportunities to achieve and shine, this club celebrates their achievements, holds their proud moments and keeps alive the memory of what they have done and what is yet to be achieved, big or small". They are providing the services for early school leavers, for those in schools, for young parents and particularly for those in crisis situations. The reality is that the cuts have seen programmes having to close, a reduction in contact hours with young people and the loss of innovative programmes, not to mention the 22% salary cut for some of the youth workers. I accept what the Minister is saying but the reality is very different.

Deputy Frances Fitzgerald: I suppose that if the Deputy asked any Minister in this House about the budgetary situation over the past few years, he or she would have to agree there has

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been an impact because of the overall financial situation we face. We are prioritising managing the public finances, improving our rates of growth and dealing with unemployment because that is what will make a difference in the overall context.

Of course, there has been some impact on youth services, where there have been reductions. However, to take the Deputy's own area as an example, in 2013 some €2,175,079 has been invested in services, ranging from the East Wall-North Port Youth Development Group, which is getting €115,000; Bradóig Regional Youth Service, which is getting €419,538; the Stoneybatter Youth Service group, which is getting €423,134; the adventure sports project, which is getting €129,000; and Cappagh for Youth, which is getting €103,000 - all amounting, as I said, to over €2 million.

I take the point that if there is any cutback at all in those services, there is an impact. However, we are trying to protect the front line. In the forthcoming budget, I will certainly be doing everything to ensure youth services are protected because I recognise, as the Deputy said, the contribution made by youth work, particularly in disadvantaged areas. Youth workers are doing a wonderful job and there are superb initiatives all over the country. I would like to support them as much as possible but it is dependent on the overall budgetary situation.

Deputy Maureen O'Sullivan: The youth clubs and youth projects are very significant preventative measures. The Minister spoke earlier about Oberstown. We know there is a disproportionate number of young people and older people from areas such as Dublin 1, 3 and 7 going into Oberstown, Mountjoy and St. Patrick's. These youth clubs and youth projects are doing great work to prevent that. When the young people's facilities and services fund was set up back in 1999, I chaired the group for the north inner city so I know the projects the Minister has mentioned and I know the difference this funding made. I am just wondering about the current position.

Another part of this was the small grants fund. While it was small, it had a very good impact for those projects that were in need of just a small amount of money to run or develop a programme or for somebody in a crisis situation. I would love to see that small grants fund coming back in, if the Minister could find the money for it.

Deputy Frances Fitzgerald: Perhaps the Deputy will correspond with me further on that suggestion about the small grants fund. If there are particular services she feels are being unduly affected, perhaps she would bring those to my attention and I would be very happy to examine that. We are genuinely trying to protect front-line services as much as possible.

Other Questions

Foster Care Provision

6. **Deputy Catherine Murphy** asked the Minister for Children and Youth Affairs if she will indicate the foster care placement ratio, that is, the number of instances where foster care applications have been made compared to the number of successful placements, broken down by Health Service Executive region for 2012 and to date in 2013; if variances across regions can be adequately accounted for; if her attention has been drawn to the fact that backlogs in successful placements often mean suitable foster homes can expire from consideration; and if she will make a statement on the matter. [38727/13]

Deputy Frances Fitzgerald: Approximately 92% of all children in care in Ireland are in the care of a foster family. This is very high by international standards and is a welcome situation. Almost 6,000 children are in foster care, of whom over 4,000 are in general foster care, with the remainder, some 2,000 children, with relatives.

In 2013, the HSE undertook a national foster care recruitment campaign because there are shortages of foster parents in quite a number of areas. The campaign was extensive and built upon previous local initiatives. There are currently 4,330 foster carers nationally, an increase of 61 since December last year. I take this opportunity to pay tribute to them for the work they do.

The HSE has advised me that it does not routinely gather the information sought by the Deputy. However, anecdotal evidence from Irish and international campaigns suggests that for every 100 inquiries, approximately six will go on to become foster parents. There is a variety of reasons for this, including people making general inquiries, inquiries not meeting the criteria and applicants deciding to opt out once they receive detailed information and training and the role of the foster carer is clarified for them.

I do not have the detail as to why those are the figures. It would be interesting to see whether there is scope for improvement. If a person lifts a telephone to make an inquiry about becoming a foster carer, it shows that he or she has at least sufficient interest to commence the process. It does seem a very low turnout that only six out of 100 people who make an inquiry go on to become foster parents.

There is an assessment and training process to establish the suitability and competence of applicants. It is carried out by a social worker from the local fostering team and includes Garda vetting, internal Health Service Executive checks to establish previous involvement with child protection services, a medical assessment, personal interviews in the applicant's home, and further discussion. The Garda vetting process involves all members of the family. In short, applicants must undergo a rather onerous process before they can expect to be accepted as a foster parent.

Additional information not given on the floor of the House

Applicants are also asked to provide referees who will be interviewed by the social worker as part of the assessment process. The social worker then prepares a report which is shared with the applicant and includes a representation of the latter's view. This report is then presented to the foster care committee for approval, including a recommendation as to the age of the child and type of foster care suitable to the applicant. All approved foster carers are entered on a panel of approved foster carers.

When a child is being placed in foster care, the suitability of a placement with relatives is explored in the first instance. Where the HSE is satisfied that an immediate placement with relatives is in the interests of the child, such placement may occur before full approval of the committee is in place. Such emergency placements are provided for in the regulations. Prior to placement, the relative is assessed by a principal social worker, including early Garda vetting. This is followed by a full assessment and approval by the foster care committee as I have outlined.

The availability of foster carers and the provision of support for their role is the subject of ongoing work within the HSE. With the establishment of the child and family agency, further consideration will be given to the most effective arrangements for foster care recruitment and

retention and the further development of information sources at national and regional level. Developments in this area will be further informed by the findings of Health Information and Quality Authority inspection reports into fostering services throughout the country.

Deputy Catherine Murphy: I join the Minister in acknowledging the great work done by foster carers. Where a family situation breaks down, the best available option is generally another family placement rather than institutional care.

One of the reasons suggested to me as to why some foster carer applicants subsequently withdraw their name is that in some parts of the country the process takes a ridiculous length of time. In fact, I understand it can take up to two years before an assessment even commences. People will make an inquiry at a particular point in their lives, but their situation might be much different two years later. This logjam is apparently largely a consequence of the shortage of social workers throughout the country. We are essentially losing potentially good foster carer candidates because their generous offer is not being taken up in a timely fashion. In losing applicants from the system in this way, we might well be denying children an opportunity to live in a foster home, whether for a short-term or longer-term placement.

Another issue of concern relates to the thoroughness of oversight by social worker teams. I understand the average ratio of social workers to foster carers is approximately 1:15. In some parts of the country, however, oversight consists merely of a telephone call to the potential foster carer. That is storing up the types of problems we have seen historically in this country. It is not good enough to have a situation where oversight involves no face-to-face contact but merely a telephone call. Irrespective of whether or not the applicant is a family member - to give an example where it might be assumed that rather less oversight might perhaps be needed - we must always keep the welfare of the child front and centre. Will the Minister comment on how she intends to ensure the types of lengthy delays we have seen are reduced and that oversight is effective and reliable?

Deputy Frances Fitzgerald: The Deputy's points are well made. I recently discussed with Mr. Gordon Jeyes, chief executive officer designate of the child and family agency, whether the foster carer recruitment campaigns should be taken out of local areas and conducted instead on a nationwide basis. There is a real difficulty for social work teams who are under pressure dealing with referrals on a daily basis to have the time to manage a recruitment campaign effectively and conduct the necessary follow-up. My own view is that we need to take a different approach. The pressures on social worker teams are very real but, at the same time, we need to recruit more foster parents if we are to take the type of preventative approach to which the Deputy alluded. It is time to look at a new initiative in regard to how fostering campaigns are handled by the Health Service Executive and, in due course, the new child and family agency. As I said, I have had preliminary discussions with the CEO designate in this regard.

The Health and Information Quality Authority reports throughout the country are clarifying how different teams are dealing with these issues. It is clear that some are managing better than others. The report for Mayo, for example, which was published some weeks ago, found that due to limited social work resources, a decision was made by managers not to undertake child in care reviews and required reviews of foster carers within the regulatory timeframe. I was informed today that when an external consultant was brought in and the work was actually done, not one child was removed from the foster carers who were not previously examined. This is a good story in that it shows that even in an instance where HIQA highlighted concerns because a decision was taken to defer reviews, when those reviews were done the results were satisfactory

and met the required standard. That is not, however, to take from the importance of meeting the necessary oversight requirements.

Deputy Catherine Murphy: Another issue that is causing a particular problem, as I understand, is where social workers take maternity leave. The foster care placement initiative becomes almost the secondary issue because the primary concern is for children who are already vulnerable and where there is already a case load for the existing social workers. People who are brought in on contract, for example, do not have the same experience and cannot offer the same continuity of care as the social worker who has worked consistently with a particular child or family. That is another issue that must be addressed and is separate from the others I raised.

I would welcome anything the Minister can do to improve the situation whereby only six out of 100 people who make an initial telephone inquiry go on to become foster carers. The priority is to ensure children are not left queuing for a placement and that applicants are vetted in a timely but thorough way.

Deputy Caoimhghín Ó Caoláin: What was the duration of the recent recruitment campaign? I am assuming, from the way in which the Minister referred to it, that it has come to an end, but it is not clear when it was launched.

Is a common methodology employed in the various local areas which operate the recruitment effort or what degree of commonality is there among them? Is it possible to establish out of the recent campaign whether there is a best practice among the varieties of approaches that might be employed? I am interested to hear more of the Minister's thoughts in terms of having recruitment organised on a State-wide basis rather than the local area approach.

Are the delays in obtaining Garda vetting a factor in the ordinary delays in processing applicant foster families and progressing their applications?

Deputy Frances Fitzgerald: I will answer Deputy Ó Caoláin's questions first. The Garda vetting situation impacts on a whole range of Government activities, from job activation programmes to recruitment of social workers and child care workers through to recruitment, as we are discussing today, of foster parents. Forty additional staff have been allocated to the Garda vetting office in recent weeks and we are already seeing a huge improvement in waiting times. The average wait had been reduced to two to three weeks, which is where it ideally should be. The delays have certainly been an issue in terms of the processing of foster carer applications. Some commentators have raised the issue of multiple vetting and proposed that we should instead introduce a type of vetting passport which an individual could carry from one job to another. There are inherent risks in such an approach, but it might be worth considering in order to deal with the current delays. Child protection must of course be at the centre of all our decisions, but there is no denying that the delays in Garda vetting procedures have impacted on many areas.

There is a standardised approach to the assessment of foster carer applicants in the different local areas in the same way as there is a standardised approach to assessment for adoption. On foot of the Deputy's question, I will ask for a report on the outcome of the foster parent recruitment campaign. It will be helpful to see if and where there has been recruitment in different parts of the country and how that has been handled.

Deputy Murphy referred to the maternity vacancy issue. As I said, there are significant pressures on social worker teams throughout the country given the nature of the work, retention is-

sues and so on. A very high rate of maternity leave among staff is also a factor. The ideal would be to have a panel of qualified people who could go in and fill vacancies so that the ongoing work could continue. If the fostering recruitment situation were to be dealt with at a national level, with local input, that might also address some of those issues.

Early Years Strategy Implementation

7. Deputy Michael McGrath asked the Minister for Children and Youth Affairs the priorities for the new early years strategy; the additional funding she has secured for its implementation; and if she will make a statement on the matter. [38696/13]

(Deputy Frances Fitzgerald): Since my appointment as Minister I have consistently highlighted the importance of investing and supporting quality interventions in the early years of children's lives. There is an increasing body of Irish and international evidence which quantifies the benefits of early years interventions in terms of improving children's outcomes and in delivering significant economic and societal return to the State.

In line with this commitment, I announced that I would lead the preparation of Ireland's first early years strategy, which I indicated should represent an innovative and dynamic blueprint addressing a range of issues affecting children in their first years of life, such as child health and well-being, parenting and family support, learning and development, play and recreation, and early childhood care and education. This will represent one of three, more detailed strategies under the children and young people's policy framework which is currently being developed by my Department.

I have appointed an expert advisory group, chaired by Dr. Eilis Hennessy of UCD, to advise my Department on recommendations for inclusion in the strategy. I have been asked by Deputies Troy and Ó Caoláin when I was getting the report. I have received the report and the recommendations and I will publish them shortly. I thank Dr. Eilis Hennessy and the group, which represents a wide range of organisations working in the early years, for their time, commitment and hard work over the past year. I met the group on a number of occasions and it had consultations with many organisations. Once the report is published, I ask that the group has a consultation day to discuss the recommendations with a wide stakeholder group. I hope the Deputies from this House will attend. It will be a useful day in terms of the blueprint for the early years. That is a key step in the development of the early years strategy.

Additional information not given on the floor of the House

I am pleased to advise Deputies that the group has completed its work and I have this week received its report and recommendations which I will publish very shortly. I thank the members of the group for the dedication and enthusiasm they have shown and the time they have committed to the work of the group. The expert advisory group report represents a key step in the development of the early years strategy and will provide a very strong foundation for a robust and meaningful strategy. I expect the finalised strategy to be published later this year. The final strategy will be further informed by the growing body of international and domestic research on the importance of early years for child development, including findings from the "Growing Up in Ireland" study. It will also be informed by the evaluations from the prevention and early intervention projects which have been funded jointly by my Department and Atlantic Philanthropy. The major programme of institutional change which is under way, including the

establishment of the child and family agency, will also be taken into account.

Budget discussions are ongoing at present and will determine funding provision for 2014. I expect the early years strategy to identify opportunities for more effective utilisation of existing resources and funding as well as priority areas for further investment through funding availability over the life of the strategy.

Deputy Robert Troy: I will be happy to participate in any debate in this regard. The Minister may not be aware that I published a discussion paper during the summer, “Investing in Tomorrow”, detailing five key areas my party believes should be prioritised. I am pleased to hear the Minister say the report will be published by the end of the year, but she also promised that in 2012.

Deputy Frances Fitzgerald: I never promised that.

Deputy Robert Troy: The record of the House shows that the Minister promised that.

Deputy Frances Fitzgerald: The group was only set up last year.

Deputy Robert Troy: Can the Minister confirm that it will be published before Christmas? Will it be published before the budget? Will it inform part of the Minister’s budget proposals? Having received it and read it, can the Minister confirm it is an ambitious, action-specific, target-based report with specific timeframes for implementation and that it will be appropriately resourced?

Deputy Frances Fitzgerald: Deputy Troy sounds as if he has read it.

Deputy Robert Troy: I wish I had. If the Minister gives me a copy, I will read it over the weekend.

Deputy Frances Fitzgerald: It will be published shortly, before the budget. It is very detailed and is the blueprint I asked the group to provide for the development of the early years sector. I thank the people who put such work into it.

It is a high level policy recommendation. After that, we need an implementation plan and commitment to it. There will be a consultation day. The group was only set up last year and it was always going to take a year to do its work. I have just received the report and I will publish it shortly.

Deputy Terence Flanagan: With regard to dealing with special needs children under the new early years strategy, a related question, No. 11, concerns the early childhood care and education. The current system is very cumbersome in terms of having to deal with local child care committees. It is bureaucratic, particularly for parents who find themselves dealing with Departments to access a right. Deputy Martin spoke about the case of Kate Crowley in his constituency and said there is something fundamentally wrong with a system that puts parents through the mill. Is there not a real need for advocacy at the centre of the system, particularly in respect of special needs children and their parents in accessing services?

Deputy Frances Fitzgerald: This concerns Question No. 11 but the general point about the inclusion of children with special needs in the preschool programme is well made. It is important to intervene with children with special needs as early as possible. The early school years programme is very helpful to those children. It is available free to every child between

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three and four years of age, including children with special needs.

My Department has initiated a number of ways the service can be helpful to children with special needs, including an exemption from the upper age limit for qualification under the programme where a child is developmentally delayed and would benefit from starting primary school at a later age. In addition, children with special needs can apply to have the preschool years split over two years on a *pro rata* basis. For example, they can avail of the programme for two days a week in the first year and three days a week in the second year. Applications can be made prior to the child starting preschool.

In response to the question, my Department is working with the office of disability and mental health in the Department of Health to examine how supports to facilitate the inclusion of children with special needs in mainstream preschool settings can be improved. There are a number of challenges in the area and it is worthy of further discussion. If there are extra initiatives we can take in order that children with special needs are integrated more seamlessly into the services, I want to see that. A second year will benefit all children, including those with special needs. We must work on that preschool quality agenda to which Deputy Troy and I referred.

Deputy Robert Troy: The inclusion of children with special educational needs is one of the priorities in my discussion paper. Consultation with the sector suggests that it is not fit for purpose. We spoke about this at a committee meeting in July. Some 271 children with special educational needs are availing of the split preschool year. We were both amazed at this low number, which was supplied by the Department. Something needs to happen in this area as the approach is totally disjointed. There is great variance between counties. In some counties it is very good and the HSE is doing a good job. On the other side, in some counties it is very bad and we need to have a proper system in order that parents of children with special educational needs know they can avail of the universal preschool year. In some instances, preschool providers are turning away children because they cannot provide for the special needs of the children. I hope that area will receive priority in the early child care strategy.

Deputy Frances Fitzgerald: I welcome the Deputy's discussion paper and the work he has done on the early years. I agree with him that this issue of special needs and access to preschool requires further study at national level. There is local variation. We have child care committees in every county and, for the first time, they are being organised at national level. That will make it conducive to finding out precisely what is happening in each of the counties. We will do precisely what Deputy Troy is suggesting, to have a national approach to the inclusion of children with special needs in preschool. There is a national approach in so far as we have the initiatives I outlined to Deputy Terence Flanagan, but there may be scope for further development of a national approach to dealing with the issues being presented at county level.

Written Answers follow Adjournment.

The Dáil adjourned at 5.50 p.m. until 2 p.m. on Tuesday, 24 September 2013.