



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 01 Deireadh Fómhair 2013

Tuesday, 01 October 2013

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

Paidir.
Prayer.

2 o'clock

Ceisteanna - Questions

Priority Questions

Aviation Issues

57. **Deputy Timmy Dooley** asked the Minister for Transport, Tourism and Sport the actions he has taken in relation to the allegations aired on Channel 4's "Dispatches" programme entitled "Ryanair: Secrets from the Cockpit". [41061/13]

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): The Deputy's question refers to allegations made in a Channel 4 programme on aviation safety. Aviation safety is overseen by the Irish Aviation Authority, IAA, a statutory body under the remit of my Department. The IAA operates on the basis of EU regulations and is audited by both the European Aviation Safety Agency and the International Civil Aviation Organisation. These audits ensure the IAA operates to the highest standards.

The IAA has confirmed that Ryanair, which is the airline against which the allegations were made, fully complies with all European and international regulations in all its areas of operations. The authority has also stated that the safety record of the airline is on a par with the best in Europe and has issued a detailed rebuttal of the allegations made in the programme. Given the statutory responsibility of the IAA, it would not be appropriate for me to comment in detail on these allegations, except to say that I am satisfied they have been comprehensively addressed

by the authority. I will refer the Deputy's question to the IAA so that it can respond in more detail.

Deputy Timmy Dooley: The Minister's reply does not adequately address the concerns arising from the allegations set out in this programme. Where any question is raised in regard to passenger safety there will inevitably be concern. Another cause for concern is the potential reputational damage to the airline in question as a result of the charges made against it.

I assumed the Minister would have initiated some type of action, as deemed appropriate by him, in order to ascertain whether there is, in fact, an issue in regard to passenger safety. The Minister, however, has indicated that he is taking the word of the Irish Aviation Authority on this point, which I accept. Notwithstanding that, there is a role for the Minister in ensuring the publicity generated as a result of the allegations is not allowed to damage the reputation of the airline. This relates not only to the economic impact on the airline and the benefits that accrue to the State but the potential impact on tourism. I thought the Minister would take a more aggressive approach to dealing with the allegations in the programme.

Deputy Leo Varadkar: I saw the programme and I understand the point the Deputy is making and his concerns. The Oireachtas has conferred on the IAA the job of being the safety regulator and it does the job very well. I am fully satisfied with the job the IAA is doing. It is audited by International Air Transport Association, IATA, and the International Civil Aviation Organisation, ICAO, so we know that the European and international safety bodies have audited the IAA and are happy with the job it is doing.

The specific allegations were that the Ryanair planes had inadequate fuel to complete flights safely. These instances were investigated by the IAA with the co-operation of the Spanish authorities. The investigations concluded the Ryanair planes had complied with the strict IATA fuel regulations and that the allegations were baseless. After the television programme aired, the IAA issued a press release on 15 August stating that Ryanair's fuel policy complied with European regulations. Ryanair has also issued court proceedings against the makers of the programme and against other media outlets and has secured the withdrawal of claims made by one of the outlets in the High Court in Belfast.

Deputy Timmy Dooley: The Minister is not putting anything new into the public domain. The question I asked was what actions the Minister had taken, not what the IAA had done. I am satisfied with the actions and the approach of the IAA. Has the Minister met or sought to meet the IAA as a result of the allegations made? They are extremely serious allegations. If they are proven untrue, there is potential reputational damage to one of the most important companies in the State. This is not just because of the economic activity it generates within the State but the important role it plays as a connectivity provider and as a driver of tourism in the State. I thought it would be within the grasp of the Minister to recognise that and take appropriate action to protect the interests of the State in that regard.

Deputy Leo Varadkar: I meet regularly with the CEO and the chairman of the IAA. I have done so on three occasions in the past three months. Aviation safety is always on the agenda, not only in respect of Ryanair but also other airlines. We certainly discussed this matter and I am satisfied that the IAA has carried out investigations and that the allegations are without foundation. I am also satisfied that the IAA does its job very well, as confirmed by IATA and ICAO. I see no reason to protest too much. We have nothing to hide and the allegations have been investigated and are without foundation. International bodies that audit the IAA are satis-

fied it does its job well enough for me to be confident that what it says to me is correct.

VAT Rate Increases

58. **Deputy Sandra McLellan** asked the Minister for Transport, Tourism and Sport the potential ramifications for the tourism and hospitality sector of an increase in VAT above the current 9% tax rate; if his attention has been drawn to the potential that this would have for job losses; if he has engaged with the tourism industry regarding same; and if he has had any discussions with the Department of Finance regarding the VAT rate and retaining it at its current level. [41172/13]

Minister of State at the Department of Transport, Tourism and Sport (Deputy Michael Ring): This question is about the VAT rate for the tourism and hospitality sector. I am very conscious that the tourism and hospitality industry would like to see the 9% rate continue throughout 2014 and beyond. I am supportive of retaining a reduced rate but I am conscious that this can only be justified on the basis of clear evidence of the impact of the reduction and in light of the overall budgetary position.

In that regard, the Minister, Deputy Varadkar, and I have been in touch with the Minister for Finance, who is responsible for taxation policy, advising him of the benefits that we believe have accrued as a result of the initiative and advising him that, in our opinion, there are very strong economic grounds for maintaining the 9% rate. Our officials have since met with the Department of Finance, as recently as last week, to point out the positive outcomes from the initiative and to make a case for the maintenance of this reduced rate. That said, I am conscious that proposals to maintain the 9% rate will have to be considered in the context of the challenges presented by the forthcoming budget.

Deputy Sandra McLellan: There is major concern in the tourism and hospitality sector at the prospect of VAT rates being increased from the current 9% to 13.5%, a substantial increase. I have been lobbied, as has the Minister of State, by the tourism and hospitality sectors in this regard. They make a good case.

It is the view of Retail Excellence Ireland that far from raising revenue, reversion to the higher rate of tax will cost the Exchequer some €173 million and perhaps as much as 13,500 jobs. Has the Minister of State, Deputy Ring, met many of the tourism and hospitality bodies and can he outline the nature of these discussions? I am glad he stated that he has met the Minister and outlined the case to him because Deputy Ring was keen earlier on in government to emphasise the importance of the reduction to the 9% rate.

According to a recent report, the change in VAT has cost the State €88 million in net VAT receipts. However, according to the Department of Finance assessment of the success of the intervention, the employment gain equates to €261 million in increased Exchequer employment taxation receipts and social welfare savings.

An Leas-Cheann Comhairle: I am sorry, I must call the Minister.

Deputy Sandra McLellan: I will just conclude. When the VAT receipts reduction is deducted from the employment gains, the net impact to the Exchequer is a benefit of €173 million annually. Does the Minister of State accept these figures?

1 October 2013

Deputy Michael Ring: First, I take this opportunity to compliment the Minister for Finance, Deputy Noonan, who two years ago was brave enough to reduce the VAT rate, from 13.5% to 9%. People forget that in those very serious economic times he had the vision and foresight to do so.

I hear people talking and I have met the hospitality sector. I have met the publicans and the hoteliers and, of course, they all want the VAT rate to be left at 9%. I have full confidence in Deputy Noonan. He will do right by this sector. He did so in the past. As I stated, the rate came down, from 13.5% to 9%, when people were only looking for a rate of 11% or 12%. I compliment him on that. From that, we have created more than 10,000 new jobs. I would be hopeful that Deputy Noonan will be in a position to leave it at 9%, but that is a matter for himself.

Deputy Sandra McLellan: I thank the Minister of State for his answer. I understand he is favourably disposed to the need for the lower rate to be maintained but I hope for the sake of the tourism sector that he will be able to attempt to persuade the Minister that this should be the case.

Deputy Michael Ring: Deputy Noonan is a good Minister. He is one who knows what is happening on the ground. He certainly responded in the past when the circumstances were even more difficult and I hope he will do the same again. Since then, Germany, France and Switzerland have reduced their VAT rate because they see how important tourism is to the economy and the country. The fact that the sector could create 10,000 jobs has proven that this has worked.

On what the Minister has done, there was a cut, we believe, of approximately €170 million rather than of the higher amount, and Deputy McLellan is quite correct in saying so. We also made a €50 million saving in social welfare where the unemployed came off the social welfare system and got jobs in the hospitality sector.

Deputy Noonan will do right by the country. I have full confidence in him. I had confidence in him when he went to Europe and got the deal for us and no doubt he will deliver on this one.

Appointments to State Boards

59. **Deputy Richard Boyd Barrett** asked the Minister for Transport, Tourism and Sport the position regarding the selection of the chairperson for Dún Laoghaire Harbour Company; the procedures followed and criterion applied for the nomination and selection process; his role in this process; and if he will make a statement on the matter. [41173/13]

(Deputy Leo Varadkar): The question is about the selection of a chairperson for the Dún Laoghaire Harbour Company.

The Harbours Act 1996 requires a statutory consultation before appointments are made to the port company boards.

On the appointment of the current chairperson, Mrs. Eithne Scott Lennon, I brought a memorandum to Government on this in July. Following Government approval, the chairperson designate was required to appear before the Joint Oireachtas Committee on Transport and Communications prior to the appointment being confirmed.

As the Deputy will be aware, requiring newly nominated chairpersons to appear before the

relevant Oireachtas committee is in line with broader Government reform proposals in the area of State board appointments and Dáil reform. More than a dozen chairpersons under my Department's remit have appeared before the joint committee prior to their appointment. This, I believe, provides an excellent opportunity for the individuals in question to set forward their vision for the job and allows Members of the Oireachtas to raise any particular issues or concerns they may have before the appointment is formalised.

Other initiatives in this area include a public invitation for expressions of interest in serving on State boards. Furthermore, on the appointment of board members, including chairpersons, to the individual port companies, I issue them with a letter of mandate setting out the issues and priorities that they should have regard to in carrying out their functions subject to their fiduciary duties under the Companies Act.

Mrs. Eithne Scott Lennon appeared before the committee on 18 September last and I subsequently appointed her for a five-year period as chairperson of Dún Laoghaire Harbour Company on 24 September.

Deputy Richard Boyd Barrett: I have raised the issue of Dún Laoghaire Harbour Company on umpteen occasions with the Minister and I pointed out to him that there is nothing short of blue murder between the management and the employees. Several employees are under disciplinary procedures as they are in dispute with the company over contracts. Some of them have written to the Minister looking for determinations on their contracts and they are still waiting for them. There are serious questions about, for example, the more than €40,000 in expenses paid to a former company director which was supposed to be returned. It is not known whether that money was returned. I refer to very serious questions about the €20,000 extra being paid in some sort of payment to the chief executive officer, with very spurious explanations from the company as to the reasons for the payment and the justification for it. The pension fund has significant problems and there are serious questions about the future of the harbour. Against that background and without wishing to cast aspersions about the individual concerned, does the Minister really think it is right and appropriate that an individual who is an insider was nominated by him? This person has been on the board of the company for years. I believe he was also on the audit committee which signed off on expenses which we now know should never have been paid-----

Acting Chairman (Deputy Peter Mathews): The Deputy should complete the question, please.

Deputy Richard Boyd Barrett: -----and on extra payments to the CEO which have not been fully explained and which the Minister promised would be investigated. These are very serious questions and it seems it would have been far more appropriate to bring in someone from the outside who could have independently investigated and adjudicated on very serious matters in the harbour company.

Deputy Leo Varadkar: I appreciate that there are lots of issues facing the Dún Laoghaire Harbour Company, including the operation of the company, pensions and industrial relations which the Deputy has mentioned. As part of the Dáil reform procedures which are already in place, chairpersons are interviewed by the joint committee before their appointment by the Minister. The Deputy had the opportunity to attend that committee meeting in September, raise all of these issues and ask questions. Had the committee not been satisfied with the replies given, it could have made a recommendation that I not proceed with the appointment. The Deputy

did not attend that meeting; he really should have been there. He had the opportunity to attend a dedicated session of the committee to raise these concerns directly with the chairperson-designate, but he did not do so.

Deputy Richard Boyd Barrett: When I asked the Minister about this matter, he said he would bring together the Deputies from the locality to discuss the issues involved. There was no prior consultation about the individual the Minister had nominated for the position. The nomination appeared out of nowhere of an insider who was a board member, was close to the existing management and was on an audit committee that had signed off on seriously spurious expense payments and extra payments to the CEO of the company. I am a member of two committees, the Joint Committee on Finance, Public Expenditure and Reform and the Joint Committee on Public Service Oversight and Petitions. I am not a member of the Joint Committee on Transport, Tourism and Sport and as a local Deputy, I was not specifically made aware that the nominee was to come before the committee. This is not an open and transparent procedure. I have tabled about 20 parliamentary questions seeking specific answers and investigations into payments, the pension scheme, the treatment of employees and the plans for the future of the harbour, but we are being stonewalled. An insider has been selected, someone who has been there all along. This is a selection without proper prior consultation on the nominees, what they stood for and what they had to say about these issues. It is not satisfactory.

Deputy Leo Varadkar: The procedure is prescribed in the Harbours Act. The position was advertised on the worldwide web and a notice may have appeared in the newspapers. As required by the Harbours Act, nominations were sought from interested parties, including business groups and unions. The chairperson in question went before the committee. As far as I am aware, committee agendas are circulated by e-mail to all Members and they are published on the worldwide web. I do not know what additional transparency is required by the Deputy-----

Deputy Richard Boyd Barrett: The Minister promised to contact local Deputies.

Deputy Leo Varadkar: The Deputy made a decision to attend a meeting which he regarded as more important. It is clear that other issues are more important to him than Dún Laoghaire Harbour Company, which I appreciate. Other Deputies from the constituency attended the session.

Deputy Richard Boyd Barrett: That is rubbish.

Public Transport Provision

60. **Deputy Timmy Dooley** asked the Minister for Transport, Tourism and Sport his plans to privatise certain public transport routes; how this will improve services to commuters; and if he will make a statement on the matter. [41062/13]

Deputy Leo Varadkar: The question relates to the future provision of public service obligation, PSO, bus services. The objective of the Government is to ensure a system of public transport throughout the country that is as efficient and as widespread as possible. The award of PSO contracts for the bus market falls under the remit of the National Transport Authority, NTA, which is currently considering how publicly subvented bus services can best be provided in the future. The direct award contracts for the provision of PSO bus market services held by Dublin Bus and Bus Éireann expire late next year. The awarding of licences for the services

thereafter is a matter for the NTA and not for the Government, but I have kept the Cabinet updated on the process.

Where the NTA proposes to enter into a further direct award contract or contracts for bus services, it is obliged to carry out a statutory consultation under section 52 of the Dublin Transport Authority Act 2008. Under the legislation, if the NTA proposes to enter into direct award contracts, the relevant section states “it may only do so where it is satisfied that the continued adequacy of the public bus passenger services to which the contracts relate can only be guaranteed in the general economic interest by entering into such direct award contracts”. If it is not so satisfied, it must provide for some level of competitive tendering. As I have explained, this is not a decision for the Government or for me.

The NTA is conducting its work in accordance with the Dublin Transport Authority Act 2008. Statutory consultations relating to the matter commenced on 11 September and will conclude on 11 October. The NTA expects to announce its decision on how it intends to proceed before the end of the year. It should be noted that it will be open to Dublin Bus and Bus Éireann to bid for any routes or bundles of routes tendered. I envisage that tendering will enable the selection of the most competent tenderer, which can provide the public with the best service at the least cost to the taxpayer.

Deputy Timmy Dooley: The most obvious question is whether this is the beginning of the privatisation of public transport in the State. The Minister is on record as showing some level of favour towards that particular process. I remind the Minister that during the course of a recent and ongoing dispute between Dublin Bus workers and management, a Labour Party Minister indicated that the announcement by the NTA was “unhelpful”, although one might wonder why it would have been unhelpful at the time. Was it that there is an agreement within the Government that it intends to privatise public transport services on a wider scale but it wanted to resolve the issues at Dublin Bus first?

Has the Minister any concerns about the quality of service to be delivered? He is familiar with the privatisation of public transport services in other EU member states that have not gone terribly satisfactorily, from the perspective of either passengers or the states involved, because of cost. Will the Minister address those issues?

Deputy Leo Varadkar: Lest there be any confusion, I should be clear that there is no proposal whatever to privatise Bus Éireann, Dublin Bus or Irish Rail. That is not on the agenda of the Government at all. There is already plenty of public transport provided by private companies across the State; for example, Transdev operates the Luas system very successfully and will serve 30 million passengers this year alone. There is also the likes of Aircoach, Matthews, Wexford Bus and many others. It is already the case that private sector companies provide public transport.

The NTA considered all kinds of model from around the world. In some cities they work well and in others they do not. We will certainly not go down the route followed outside of London in the UK, where depots and entire bus services were sold. That is not what is envisaged at all. Any tendering that may occur - although it cannot occur for a number of years - would be open to Dublin Bus, Bus Éireann or any other company and the contract would only go to the tenderer that could provide the best service. It is not necessarily about saving money but

providing a potentially better service for people at the same price to the taxpayer.

Deputy Timmy Dooley: The Minister is aware that allegations are being made about the inability of transport regulators to govern the way in which employees in private companies would be treated by way of wage agreements or the way in which they are expected to work. It is the case in other jurisdictions that where there is a drive towards profit by private companies that win contracts, there has been a deterioration in the level of service provided to the consumer. The long-term negative impact on public transport has proved extremely costly, as there had to be investment to encourage people to return to using public transport. There is deep concern that we could end up with a negative outcome from any tinkering with the current system. It can have a knock-on effect on passenger confidence in the service and, ultimately, lead to a modal shift away from public transport, which would be damaging and regressive. I hope, therefore, that plans the Minister and the NTA have in this regard are properly scrutinised in advance to ensure we do not damage or undermine the high rate of participation and usage by consumers in public transport services.

Deputy Leo Varadkar: Like many of these measures, if they are done right, they can work well, but if they are done badly, they can be a fiasco. The NTA's job is to make sure the tendering happens in an orderly and successful manner. It is not a secret to the Deputy that my party proposed that we tender for all services when the contracts end in 2014. That will not happen because this is a coalition Government, not a Fine Gael Government. What the NTA is proposing is minimalist. It is only 10% and two years away. If it was down to me, there would probably be much more happening, but there is not. That is the reality. The NTA is implementing legislation put through the Dáil by my predecessor, Mr. Noel Dempsey, for which the Deputy may even have voted.

Taxi Regulation Review Report Implementation

61. **Deputy Thomas Pringle** asked the Minister for Transport, Tourism and Sport if he will ensure that existing taxi and hackney licence holders can apply to provide the rural hackney service; if he will ensure that new licences will only be considered in the event of a failure to get enough applications; and if he will make a statement on the matter. [41231/13]

(Deputy Leo Varadkar): The taxi regulation review report 2011 which was adopted by the Government contains a recommendation regarding the introduction of a local area hackney licence for rural locations meeting certain criteria. The objective of the licence is to facilitate low cost entry to the hackney market for transport provision in rural areas that, otherwise, would be unlikely to have such services. The report anticipates that the licence would have the following features: the area of operation would be limited; the need for a licence would have to be validated by a local community or business organisation; low entry cost for operators; drivers would have to be resident in the area in respect of which the need for the service has been identified and there would be no requirement to sit area knowledge tests; and the driver would not be allowed to ply for hire on public roads or at taxi ranks. However, the establishment of an approved "hackney stand" in an off-street area would be permissible.

In accordance with the Taxi Regulation Act 2003, it is a matter for the NTA to make regulatory provision for the grant of a local area hackney licence. I understand the NTA is considering the matter in consultation with the taxi advisory committee which includes representatives of the taxi and hackney industry. Matters such as those raised by the Deputy are still part of the

discussions with industry representatives and no firm decision has been taken.

Deputy Thomas Pringle: I raised this issue during Second Stage of the Taxi Regulation Bill 2012 before the summer recess. The Minister of State should ask the NTA to give serious consideration to this issue because a large number of taxi and hackney drivers are operating in rural areas, but they are struggling to make a living in the current climate. Introducing another licensing brand in the sector will make it more difficult for them to survive. The rural transport model that will be used to roll out the rural hackney service could avail of existing taxi and hackney licences to provide services and that would ensure fair play for everyone. The Minister of State has acknowledged the difficulties in regulating the new licence if it is introduced. Given that there are only 19 regulators throughout the State, the chances are that hackney drivers will operate outside their areas and that they will not be policed. It is important in the context of fairness to give existing licence holders the opportunity to tender for the new licences and if they fail to pick up the slack, consideration should then be given to new licence holders. Will the Minister of State ask the NTA to deal with that matter?

Minister of State at the Department of Transport, Tourism and Sport(Deputy Alan Kelly): The Deputy and many others have raised this issue with me. There is market failure in rural areas as regards services and the provisions introduced through the legislation. The NTA regulations need to ensure an appropriate service in rural areas where there is market failure. I understand the Deputy's concerns and the NTA is going through a process with the taxi advisory committee to address them. We are trying to ensure that services are provided in isolated rural areas for many of the reasons Members have raised with me and the Ministers responsible for other areas. It is critically important that that happens. I accept what the Deputy said about ensuring there is proper enforcement of the new rural hackney licence system. Given the provisions I included in the legislation, I am confident I can increase the level of enforcement.

Other Questions

Job Creation

62. **Deputy Bernard J. Durkan** asked the Minister for Transport, Tourism and Sport the full extent of employment generated by the sporting sector annually over the past five years to date; the extent to which opportunities arise for further enhancement leading to job creation throughout the sector; steps he plans to take the effect of which would be economic resurgence; and if he will make a statement on the matter. [40808/13]

655. **Deputy Bernard J. Durkan** asked the Minister for Transport, Tourism and Sport the degree to which economic activity generated through sport and recreation, including job creation, has developed in each of the past five years to date; the extent to which the level of employment generated throughout may be improved in the future; and if he will make a statement on the matter. [41129/13]

656. **Deputy Bernard J. Durkan** asked the Minister for Transport, Tourism and Sport the

extent to which he expects sporting activity or associated sectors to generate economic activity resulting in a contribution towards economic recovery; and if he will make a statement on the matter. [41130/13]

657. **Deputy Bernard J. Durkan** asked the Minister for Transport, Tourism and Sport the extent to which economic expansion may benefit from sport-associated activity; if he will predict the future annual job creating potential arising therefrom; and if he will make a statement on the matter. [41131/13]

(Deputy Michael Ring): I propose to take Questions Nos. 62, 655, 656 and 657 together.

These questions relate to employment and economic benefit from the sports sector. Sport makes a significant contribution to the economy and is an important driver of growth and employment. The sports sector's contribution to the economy includes sports tourism, ticket sales, subscriptions and the cost of playing sport, together with the purchase of sports equipment and an economic value of time given by volunteers. The report Assessment of Economic Impact of Sport in Ireland, which was prepared for the Irish Sports Council in 2010, indicates that sport and sport-related activities support more than 38,000 full-time-equivalent jobs.

Grants provided by my Department for capital projects support employment. For example, my officials have calculated that the €13.5 million in the sports capital subhead in 2013 will support almost 600 jobs in the construction and related sectors in 2013. Furthermore, the Deputy will appreciate that as a large proportion of the sports capital programme, SCP, spending is directed at grantees in rural areas where alternative employment opportunities may not be readily available, the importance of SCP spending for rural employment is particularly significant.

The ongoing development of facilities at the National Sports Campus is also supporting construction jobs and will provide jobs in the future for the operation of the campus facilities when completed. In addition, grant funding provided through the Irish Sports Council for the national governing bodies of sport supports a large number of jobs throughout the country.

There is a very extensive financial dividend to be obtained through the success of major sporting events, particularly those with an international dimension. Not only does sports tourism bring revenue and boost the economy, it helps support jobs. The programme for Government includes a commitment that event tourism will be prioritised in order to continue to bring major events to Ireland.

Deputy Bernard J. Durkan: Could I ask the Minister of State the extent to which the Department continues to evaluate the sporting sector with a view to identifying specific areas where an intervention or further support might bring about the sort of results that are required at this time in terms of economic recovery? Could I further ask him if in fact in the course of any evaluation undertaken in the past, particular issues have arisen which could be used to a greater extent to promote the national image through the sporting sector?

Deputy Michael Ring: In 2012 a total of 35,000 people came to Dublin for the Notre Dame versus Navy American football game. Ticket sales were worth €100,000. Revenue was created for the city through spending in taxis, restaurants and pubs, and that resulted in much employment.

A survey carried out by DKM economic consultants for the Department indicated that every €57,000 spent on construction supports one job, and for every €1 million of sports capital fund-

ing 44 jobs are created in the construction and related sectors. The €13.5 million provided in the sports capital subhead will create 600 jobs. Another statistic of note is that every €1 million spent on the local authority swimming pool programme creates 48 jobs. In 2013, we have put funding in place that will create a further 270 jobs. It is possible to create jobs in the sporting sector. That is why I am always saying to the Government that the more sports capital and funding for facilities it can make available, the more badly wanted employment can be created throughout the country.

Deputy Sandra McLellan: I thank the Minister of State for his answer. I recently attended a briefing given by the Federation of Irish Sport. It made a very compelling case that 150 jobs could be created for the sum of €4.85 million, which is very small in overall budgetary terms. There is long-standing evidence that sport and exercise can reduce expenditure in the health service and other areas. For example, it costs €270,000 to detain a young person for a year in Oberstown. For €15,000, the FAI organised late-night leagues that led to a 49% reduction in Garda call-outs.

There is great concern over large increases in rates pertaining to the Aviva and Croke Park stadiums. The money in question could deliver services for communities. Has the Minister of State considered this or met any of the organisations in question?

Deputy Michael Ring: The rates issue is serious and one that needs to be dealt with at Government level. It is not part of our brief or responsibility. It is, however, a matter that I am concerned about because the sporting facilities in question are major. The burden to which Deputy McLellan is referring will create a major problem.

With regard to the question by Deputy Durkan and that of Deputy McLellan, we never put a monetary value on volunteerism in this country; we forget about it. There would not be soccer, Gaelic games, rugby or any other sport but for volunteers giving of their time freely. The players in last Saturday's all-Ireland hurling final did not start at the top but at the bottom. There were people working with them seven days per week and there were people selling tickets and raising funding for their clubs. We sometimes do not take that into consideration. It is, therefore, important to obtain from the Government any funding that can be got for sport. As the Minister, Deputy Varadkar, and Minister of State, Deputy Alan Kelly will tell one, sport and tourism are sometimes the sectors creating jobs and employment, yet they are sometimes the first hit when there is a crisis in the economy. This should not be the case. Now, at a time of economic crisis, we should be getting further funding for sport. This creates employment and it is good for the economy.

Deputy Timmy Dooley: Does the Minister of State want to put his foot down and talk to the Taoiseach?

Deputy Eoghan Murphy: Approximately two years ago, we had a conversation here about the adventure sports market. In the past few years, we have seen that market absolutely explode, which is great for the economy. However, there is now talk of regulation. I caution against any unnecessary regulation that could have an impact on the market.

Could I have an update on our bid for hosting the Rugby World Cup?

Deputy Michael Ring: On the hosting of the Rugby World Cup, we recently had meetings with the IRFU. Fáilte Ireland has supported it with some funding to carry out a feasibility study. We will be meeting the IRFU shortly and I hope it will have an update in this regard. I

would love to see the Rugby World Cup in Ireland. We are well capable of hosting the event. We should put some funding aside now to ensure we will be able to make our bid and bring the event to the country. Through the Volvo Ocean Race and many other national major events, we have shown we are well capable of hosting events of the kind in question.

With regard to adventure activity, the Deputy is quite correct. Adventure tourists have turned up in my area, the west of Ireland, in particular. It has the natural beauty, water, facilities, walks and the Greenway. When adventure tourists come to the country, they spend more than any other tourists because they are physically fit, go out for dinner and enjoy themselves. They stay in a given area. I hope that Fáilte Ireland and Tourism Ireland put more resources into this area. We have the natural resources and infrastructure and now need to try to bring more people into the country.

Deputy Bernard J. Durkan: Has any planning been undertaken to co-ordinate the efforts of the tourism and sporting sectors with a view to encouraging and capitalising on future events and utilising them as a means of improving the economy, bringing more people into the respective sectors and generating employment?

Deputy Michael Ring: As Deputies know, for any major sports event to be held in the country, the national sports body concerned must issue an invitation. If it is the soccer World Cup, the FAI must issue an invitation; if it is the rugby World Cup, the IRFU has to issue an invitation and so forth. However, Fáilte Ireland has a section that deals with bringing international events to the country and during the years it has always responded well. The Fáilte Ireland team has worked very well with various sports organisations, as well as other types of organisation, to bring international events to the country. It has worked with them in assisting with feasibility studies and providing financial support. I agree with Deputy Bernard J. Durkan that if any sports organisations believes there is an opportunity to bring a major event to the country, it should contact Fáilte Ireland or my Department and it will be offered every available support. There are many international events that could be hosted in the country. Hosting international rugby games in Dublin, for example, generates a significant amount of revenue for the city. For the All-Ireland finals over the last few weekends there was not a hotel bed to be found in Dublin. Sports events attract large numbers of visitors and often such short-term visitors spend more money than other tourists.

Deputy Alan Farrell: I add my voice to this very interesting discussion on the potential to bring new people into the State through supporting sports organisations. In my own community in Malahide we hosted a one-day international cricket game between Ireland and England which was a tremendous success, with 10,000 to 11,000 people descending on Malahide. The game was played in a purpose-built, temporary stadium at Malahide Cricket Club. The Ministers were present on the day and very impressed. The potential to develop such venues and attract entirely new people to Ireland for cricket games on a regular basis is enormous and could yield substantial returns for the State and local businesses.

Deputy Michael Ring: I agree with the Deputy. Who would have thought ten years ago that we could host such a one-day event in Dublin? It was great to see it happening and I would like to see more events like it taking place. Hosting any international event sends the very strong message that we are well capable of hosting such events. It also sends a message about what we have to offer. When people come to this country for such events, they see what we have to offer. When given the opportunity, we can compete with the best, with facilities such as the Aviva Stadium, Croke Park and others. Where we have the facilities, we are well capable

of hosting events. In that context, I must compliment the GAA. Where would one see in any other country in the world the national game bringing 82,500 people into a single stadium? The GAA is a credit to the country. It brought 82,500 to Croke Park, not once, not twice but three times in three weeks. That is a credit to the organisation and the country.

Public Transport Issues

63. **Deputy Alan Farrell** asked the Minister for Transport, Tourism and Sport his views on proposals to tender out the local and orbital public service obligation bus services currently operated by Dublin Bus; and if he will make a statement on the matter. [40789/13]

73. **Deputy Eoghan Murphy** asked the Minister for Transport, Tourism and Sport the proposals for the tendering out of PSO bus services as proposed by the National Transport Authority.. [40529/13]

78. **Deputy Richard Boyd Barrett** asked the Minister for Transport, Tourism and Sport his plans to tender out Bus Éireann routes; and if he will make a statement on the matter. [40887/13]

81. **Deputy Andrew Doyle** asked the Minister for Transport, Tourism and Sport if he believes commuters and regional areas in the commuter belt and greater Dublin area will benefit as a result of the tendering out of particular routes and public service obligation(PSO) routes when the current contract expires; if the next tendering phase will result in a transparent decision making process; if he will outline the ramifications for particular routes in County Wicklow (details supplied) as a result of the competition in public transport in the bus market as proposed by the National Transport Authority; and if he will make a statement on the matter. [40790/13]

102. **Deputy Olivia Mitchell** asked the Minister for Transport, Tourism and Sport the proposals for the tendering out of public service obligation bus services as proposed by the National Transport Authority; and if he will make a statement on the matter. [40786/13]

107. **Deputy Thomas P. Broughan** asked the Minister for Transport, Tourism and Sport if local authorities, commuters and residents' associations will have an input in the future design of the Dublin Bus route network; and if he will make a statement on the matter. [40433/13]

124. **Deputy Jonathan O'Brien** asked the Minister for Transport, Tourism and Sport the actions he has taken to investigate the effects of allowing private operators to compete for routes with Dublin Bus and Bus Éireann on overall service and its social obligations.. [40910/13]

637. **Deputy Gerry Adams** asked the Minister for Transport, Tourism and Sport his plans to privatise Bus Éireann routes in County Louth; and if he will make a statement on the matter. [40793/13]

650. **Deputy Seán Kyne** asked the Minister for Transport, Tourism and Sport if the liberalising of bus routes will be extended beyond those locations listed in the public consultation document launched recently.. [41111/13]

Deputy Leo Varadkar: I propose to take Questions Nos. 63, 73, 78, 81, 102, 107, 124, 637 and 650 together.

These questions relate to the future provision of public service obligation bus services. I

refer the Deputies to my response to Priority Question No. 4 today.

Deputy Alan Farrell: It would be helpful if the Minister's reply to Question No. 4 was circulated to Members. Although I was listening attentively to it, I cannot recall all of it.

For some years Fine Gael has earmarked the opening up of the bus market and PSOs. As this is contained in the programme for Government, I cannot see how anyone would be particularly surprised by this step. Given that the area in question accounts for only 10% of the market, one could almost say this is a trial of the future tendering of these licences. In the Dublin North constituency there are three bus routes. The most important route is the No. 102, which is an orbital service serving Dublin Airport and Sutton and connects to DART services in Malahide and Sutton. It effectively connects the area with the eastern seaboard. The No. 33A and No. 33B services take in Portrane which is not served by bus routes but is served by train services. The other service being examined is the one that serves the northern Dublin commuter towns of Skerries, Rush and Balbriggan. Is it possible to extend these public service licences to other operators to ensure there is not a stymying of the potential for the extension of routes? Malahide and other towns in the area have been vying for orbital services for many years and the National Transport Authority has stood in their way.

Deputy Leo Varadkar: I am aware of one licence application for a feeder service to Malahide DART station which was refused by the NTA. Generally, if there is an existing publicly subvented service, the NTA will not permit another operator to compete with that service. The view is taken that if the service is necessary and socially desirable but not profitable, it is subvented. If another operator were to come in, it could undermine the subvention. It is an imperfect arrangement. Much as we would love to believe the transport planners know everything and get it right, they do not always and people do not behave the way computer models say they are supposed to.

The public consultation began on 11 September. The current contracts for the Dublin Bus and Bus Éireann services in question were supposed to expire at the end of 2014, but the NTA is proposing to extend them for a further two years when it will tender some of them.

Deputy Richard Boyd Barrett: This is just another way of talking about privatisation if an adequate subsidy is not given to the public transport provider. Historically, even before the Government took office, we have not given adequate subsidies to public transport services. The cuts the Minister is imposing on the subvention will force the privatisation of bus services and the degrading of public transport services. We have one of the lowest public transport subsidies anywhere in Europe. All other European countries give a higher subvention to public transport services by a wider mile than we do. They understand it is a necessary and vital infrastructure for moving people around, as well as being a public service. The consequence is that Dublin Bus and Bus Éireann are under pressure to discontinue or significantly downgrade unprofitable routes. The private sector is interested only in cherrypicking the most profitable routes. It is not the way forward. We in Dún Laoghaire have learned, to our cost, with the loss of many bus services as we pushed towards privatisation, that it is not working.

Deputy Leo Varadkar: When one makes comparisons it is important to compare like with like. Public transport systems that have underground elements to them, such as the Paris Metro or the London Underground, must have more subvention because running underground is so

expensive. Had we been able to go down the route of running underground systems, much more subvention would have been required.

One must bear in mind that when we discuss subvention in Ireland we refer only to the public service obligation, PSO, element of it. On top of that there are capital grants. Therefore comparisons between subvention in Dublin or the rest of Ireland with that in other countries is very often inaccurate because it includes only part of our subsidy. We also give very large capital grants to Irish Rail, Dublin Bus and Bus Éireann which are not included in the subvention figures. It is important to compare like with like. Tendering includes a subvention. That is the point of tendering with PSO. The companies tendering for a contract are asked to provide as good a service as possible for the amount of money available.

Deputy Olivia Mitchell: I congratulate the Minister on grasping the nettle on this proposal to open up the bus market. It has been in the pot for a very long time and I am very pleased to see it come to the boil at last, albeit in a more limited way than I would like. For that reason I regret it is happening when the market is contracting. It would have been so much easier if this had happened ten years ago when the demand for transport was expanding. As a result of that the bundle of networks is limited in the initial stage. Are the new contracts envisaged as a pilot scheme to test the proposition that the competitive tendering process will give us a service that is cheaper, more efficient and better for the consumer and taxpayer? Some people have expressed concern about it in other areas but of the kind of model envisaged here, London is the nearest one. I am very familiar with the services there. Competitive tendering has been hugely successful and the demand for travel has almost doubled on the London buses.

Deputy Leo Varadkar: I note the Deputy's comments and in her previous role as transport spokesperson and a member of the transport committee she took a very active interest in this area. The NTMA's proposal is to tender out some contracts from the end of 2016, although they would have to be awarded some time before that. They would run for five years until 2021. I cannot look into a crystal ball and say what will happen beyond that. Many things can change in the world between now and then. We should not assume that the contracts will go to non-State operators. It is open to Dublin Bus and Bus Éireann to tender for those contracts. Private operators I have met always say they can provide a better service for the same price. Most of us will have met them and the groups which represent them. This is an opportunity to test them out, call their bluff and see if that is the case.

Deputy Dessie Ellis: I listened to the Minister's earlier response to Deputy Dooley's priority question on this subject. Had the Minister's Government had a majority, we would be heading down a serious route of privatisation, much further than we are going. The Minister has made it very clear that he and his party are in favour of privatisation of the bus services. The incremental privatisation has already started. We are now talking about a further 10% on top of the privatisation that has already taken place across the services. I do not know what the Minister's Labour Party colleagues are doing to stop this, but it is clear that many of these private companies will cherry-pick the services they will provide. They have already done so with some services to parts of the country. Cherry-picking will take place and we will not get a better service. I do not accept for a minute that anybody can believe we will get a better bus service if services are privatised.

Deputy Leo Varadkar: The model proposed by the NTA, which is very similar to the Transport for London model, does not allow for cherry-picking. These are publicly subvented services and there is no competition. Once they exist, the operators are given a bundle of

routes and are effectively given a subvented monopoly on those routes. This does not allow for cherry-picking. One could argue that currently around the country, in the inter-city market where there is significant competition, private operators are going in where they think they can make the most money. This happens where there are three or four companies on the same route. This is something very different: the NTA identifies a bundle of routes and decides there can be only one operator on those routes. Therefore, cherry-picking is not an option under this model.

Deputy Eoghan Murphy: I am mostly in favour of tendering for the PSO bus services, particularly where it leads to better services and a cheaper cost to the State. If one wants to call that privatisation, that is fine, but there is no need to mislead the people. These operators are still operating public routes and a public service.

To endorse Deputy Olivia Mitchell's comments, I would like to clarify what the Minister meant when he said "until 2021". Did he mean it was only 10% of the PSO market until 2021, or will we see further percentages and further routes being put up for tender before that date?

Deputy Leo Varadkar: As I mentioned earlier, this is a determination to be made by the NTA. The current proposal is that approximately 10% of routes will be tendered, with that contract coming into force at the end of 2016. I cannot predict what will happen beyond that or beyond 2021.

Deputy Alan Farrell: I thank the Minister for his responses to the supplementary questions. The timing of the tendering of the PSO for Dublin Bus route 102 is difficult, given the services now about to launch in Malahide, which are starting on 29 October. If we see another private operator enter the market on the same route or part of the route, what effect will that have on the most recently awarded licence? The Minister has said the private operators will be unable to cherry-pick. However, if additional routes spring up, passengers may use these services because of the increased capacity and level of service provided by these private operators, who may undercut the market with reduced fares. Is it possible that could happen?

Deputy Leo Varadkar: This may not be an answer to the Deputy's question, but the whole objective of public transport policy is to ensure that more people have access to and use public transport than currently. We have seen some very good success stories and have seen examples of where things have not worked very well in this country. The most obvious example is the Luas, which requires no operating subvention. It will carry over 30 million passengers this year, more than Irish Rail and our airports, State and regional, combined. There are great success stories, but other attempts have not been so successful. However, the objective must always be to ensure that more people have access to public transport, that it works well and that the numbers using it increase. I do not believe people are all that bothered about who operates it. People in here may be concerned, but the average passenger is not. Nobody has ever told me he or she is annoyed that the Luas is not run by a State company. People are happy with the service. Nobody has said the reverse either in the context of Bus Éireann or Dublin Bus.

Deputy Dessie Ellis: The Minister must never have met the unions so.

Deputy Richard Boyd Barrett: The Luas cost us a lot of money initially.

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There were massive overruns precisely because of private companies extorting the process. I agree the Luas is a success, so why should the benefits not come back directly to us? I do

not see why we should outsource or privatise it. From my experience with the 46A in Dún Laoghaire I know a game is played whereby people state more people access a service because services have been rationalised. Elderly people and particular communities lost services provided by other small bus routes to expand the service in the more profitable areas where more customers could be found. It should not be either-or; it should not be that we increase numbers at the expense of losing small bus services to little rural areas, or particular estates or communities. It should be both and this will not happen where the model moves towards privatisation. It will all be about where we can get the biggest numbers and pack the buses the most and not providing a service where there may not be as many passengers but where it is vitally needed by those communities or transport users.

Deputy Leo Varadkar: In part I agree with the Deputy. The objective is to increase the number of people using public transport overall and not to displace them from one bus route to another. Nothing is achieved by this. On this point I certainly agree with the Deputy. To clarify, the Luas is not profitable but it covers its own operating costs and does not require an operating subvention. The fares cover its operating costs fully which is a considerable achievement for a light railway. The other service mentioned by the Deputy, the 46A, does not do so. Despite the fact it is a high-frequency bus route used by many people who pay their fares it loses money and there is a problem in this regard.

State Airports

64. **Deputy Pat Breen** asked the Minister for Transport, Tourism and Sport the position regarding legislation to establish the Shannon group plc; and if he will make a statement on the matter. [40507/13]

108. **Deputy Marcella Corcoran Kennedy** asked the Minister for Transport, Tourism and Sport the position regarding legislation to merge Shannon Airport Authority and Shannon Development. [40504/13]

144. **Deputy Michelle Mulherin** asked the Minister for Transport, Tourism and Sport the position regarding legislation to merge Shannon Airport Authority and Shannon Development; and if he will make a statement on the matter. [40528/13]

643. **Deputy Dara Calleary** asked the Minister for Transport, Tourism and Sport when the international aviation centre of excellence will be established at Shannon airport, his views on the number of jobs it can support; and if he will make a statement on the matter. [33578/13]

Deputy Leo Varadkar: I propose to take Questions Nos. 64, 108, 144 and 643 together.

These questions relate to the Shannon group. As the Deputies will be aware, at its meeting on 23 July the Government approved the heads, or general scheme, of the Shannon aviation services and miscellaneous provisions Bill which provides for the creation of the new Shannon group entity, incorporating the Shannon Airport Authority, SAA, and a restructured Shannon Development. The heads are now with the Office of the Parliamentary Counsel for drafting of the Bill. I also forwarded the heads of the Bill to the Chairman of the Oireachtas Joint Committee on Transport and Communications for any views the committee may have, and where appropriate these can be incorporated into the drafting process. The heads are posted on the Department's website. The timescale for publication of the Bill will largely depend on the

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drafting process and I remain hopeful we can publish and proceed with enactment in the current Dáil session although I recognise this will be challenging.

At its core, the Bill will provide for SAA and Shannon Development under a unified management structure to facilitate renewed passenger growth and to maximise the potential of the airport facilities at Shannon and of the land bank and properties in the adjacent Shannon free zone for development, growth and jobs, particularly in aviation-related services. The business development task force report of last November pointed to the real opportunities to develop and grow a specialist employment hub for aviation-related services, building on the existing industry cluster in Shannon which already employs more than 1,600 people. Over a five-year period, the task force estimated that an expanded aviation services centre at Shannon could create over 3,000 new jobs.

A key driver for these initiatives was the dramatic fall in passenger traffic at Shannon airport since 2007 and the need to restructure Shannon Development. Based on passenger numbers to the end of August and projections for the remainder of the year, it is expected the first key objective of the independent airport authority, namely to halt the slide in traffic, will be secured this year. This will be a major achievement for the board and new management team in Shannon and the employees at the airport. I am confident they will build on this achievement and secure renewed growth in the years ahead.

Deputy Pat Breen: I compliment the Minister on his actions with regard to the airport. Since he took over the transport portfolio passenger figures at the airport have improved, after years of decline. This is the third consecutive month there is growth at the airport, which is extremely important and is directly due to the policy of the Minister and the Government. I compliment the chairperson of the Shannon Airport Authority, Ms Rose Hynes, and the CEO, Mr. Neil Pakey, on the work they have done so far.

This legislation is extremely important for the airport. New flights have been secured this year and there will also be new flights next year, with Aer Lingus serving the destination of Shannon all year round from New York and Boston. It is a matter of sustaining and building, as the Minister rightly said. The legislation is particularly important in regard to aviation-related industries, as the Minister noted in his reply. There is much work to be done in developing the greenfield site at the Shannon free zone. I ask the Minister to, if at all possible, fast-track the legislation. It is the final piece of the jigsaw and the current position is hindering the chances of getting aviation-related industry into the airport. There are already 33 companies there and this is vital for the airport going forward.

Deputy Leo Varadkar: I acknowledge the Deputy's concerns and I am doing my very best in that regard. I am starting on the Road Traffic Bill today, the Minister of State, Deputy Kelly, is finishing off the Taxi Regulation Bill and the Minister of State, Deputy Ring, will be proceeding with the Sport Ireland Bill quite soon. Shannon Development is right up there among the pieces of legislation we want to get through in the session, and while there is a huge amount of legislation coming through the Dáil and Seanad at the moment, we will do our very best.

Deputy Michelle Mulherin: I welcome the progress being made to sort out the sustainable future of Shannon Airport, which is very important for the region. It needed attention and that attention is being given. However, I am otherwise concerned about the timing of legislation. I say this in the context of the report the Minister has signed up to with the board of management of Knock Airport, given we are coming to the budget and the report is not published yet. There

was to be a report last June giving a plan of action in order that Knock's position could be safeguarded, because it will be impacted by Shannon from a competition point of view.

That is the situation in regard to Knock. First, when will we have that report? Second, is the Minister prepared to implement in full the recommendations of that report to secure the future of Knock Airport as he is doing for Shannon Airport?

Deputy Leo Varadkar: I do not have the report yet and I am not even sure if it is completed. I know the working group has done a lot of work on it already and I expect to see it quite soon, certainly in the next few weeks.

I cannot commit to implementing recommendations I have not seen. I expect that the recommendations will not all be directed at my Department but also at other Departments and other groups, and I cannot speak on their behalf. However, I share the Deputy's desire to safeguard Knock Airport, which provides very important access to Connacht and the west of Ireland region. Of course, there will be limitations to that. For example, no State aid is being provided to Shannon and everything it does, it has to do with the money it makes from its passengers and its landbank. Knock is in a different situation. It does receive State aid and it does get grants from the taxpayer, although it does so under particular European state aid rules that have to be adhered to.

Deputy Timmy Dooley: The Minister's Government went ahead with the dismantling of the Shannon company. Unfortunately, when he separated out Shannon, the Minister made very significant promises about putting in place a new company that would incorporate the airport and SFADCo. While most of the employees have been transferred out of SFADCo, some still remain. That organisation is no longer in a position to carry out the remit that was originally provided to it and the Minister is now telling us the legislation will, at best, be coming forward towards the end of this session. I do not believe that is acceptable, either to the people who are directly affected or to the people who have now been put in charge of the airport, who are effectively hamstrung in their ability to create the kind of external employment outside of the confines the Minister talked about. Shannon Development has been obliterated and the Minister has not succeeded in bringing forward appropriate legislation to allow Shannon Airport to develop.

The Minister will be aware that his party in government made very significant promises around Lynx Cargo. It was a catch-cry of its candidates in the constituency that a cargo facility was going to be built and paid for by the State. That has not happened, despite the promises that were made. Aer Lingus's maintenance division has moved its facilities to Dublin to free up a hangar for Transaero, which was supposed to provide a considerable increase in employment in the area of aircraft maintenance. I understand those plans have now been shelved.

There has been a great deal of glossing over the separation process. The Minister's decision to separate Shannon was based on projections of an increase of 500,000 passengers in the first year of its operation as an independent entity. That has not materialised. While the Minister and his representatives in the region will attempt to draw a broad brush over the issue, the facts of the matter, when one drills down into the details, are somewhat askew in regard to the promises he made.

Deputy Leo Varadkar: As the Deputy rightly pointed out, a great deal can be achieved without legislation. Already, for example, the staff have transferred, there is a common board

and a new chief executive officer has been appointed. The decline in passenger numbers has halted and numbers are starting to recover. Shannon Group is on course to break even financially this year, which is a major achievement by the management, board and staff. I did not expect them to achieve it in year one, anticipating instead that it would take at least three years. It is important to acknowledge that.

I will be very honest with the Deputy. I love the job the Taoiseach has entrusted to me, but the most frustrating aspect of being in government is that it takes a long time to get things done. I, too, am frustrated that the legislation is taking so long. I assure the Deputy that I will do my best to progress it as quickly as I can.

Deputy Dessie Ellis: I thank the Minister for his response. I am disappointed that we will have to wait so long before debating the legislation. Shannon Airport was for many years the backbone of the west in the context of the passenger numbers that passed through it. There has been a massive decline in those numbers in recent years. The Minister indicated that no state aid is assigned to Shannon. Does he envisage any such aid at any point in the future should the airport run into problems? There are not many airlines in Europe that do not receive some type of state support.

In regard to new businesses and so on, can the Minister give some indication of how his Department proposes to promote Shannon, attract new businesses and airlines and so on? Is there any prospect of other airlines coming into Shannon?

Deputy Leo Varadkar: When I talk about state aid I am referring either to Government grants, preferential loans or subsidies. No such aid is envisaged for Shannon, nor would it be permitted under European law. There are good reasons for that. We have had a very bad history across Europe of governments using the people's money to subsidise one business or entity against another. This usually ends up with both requiring money from the state and the taxpayer the ultimate loser. State aid can only be given under strict EU rules and for particular reasons. In the case of airports, it might apply to those in isolated regions where there is no commercially viable alternative, as might be the case, for instance, in Donegal, Knock, Waterford or Kerry. The provision of such support for Shannon would require state aid clearance, which I do not expect we would get.

So far this year, new services from Shannon include Aer Lingus to Faro, United Airlines to Chicago, US Airways to Philadelphia, Flybe to Glasgow and Ryanair to Alicante. The company is in negotiations with a number of airlines, both long-haul and short-haul, regarding the provision of additional services. Those negotiations are commercially sensitive and it would not be appropriate for me to discuss them.

Deputy Michelle Mulherin: The Minister's indication that there will be no state aid for Shannon points us in the wrong direction. We are all hopeful that the new company at Shannon will be able to sustain itself. The airport's success has not come about by accident but as a result of the Government's using its authority to direct that certain things be done. Action in this regard is not being taken by some external agency or other but by the State. It is this very favourable position which could potentially adversely affect Knock, and that is why we need a report sooner rather than later.

Deputy Leo Varadkar: The Government owns Shannon Airport and has, therefore, the capacity to make directions in regard to it. We cannot make directions in respect of an airport

that is not owned by the State. Shannon will be required to sustain itself; that was the case from day one. It was always made clear that it would have to pay its own way without state aid.

Written Answers follow Adjournment.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Peadar Tóibín - the need to provide better funding to the ambulance service in the north east;

(2) Deputy Robert Dowds - the need for national or EU recognition for all qualifications related to the motor industry;

(3) Deputies Dara Calleary, Thomas Pringle and Seán Kyne - the proposed withdrawal of community welfare offices in rural areas;

(4) Deputy Michelle Mulherin - the need to increase the financial contribution from the State for the construction and upgrading of group water schemes in rural disadvantaged areas covered by the CLÁR programme;

(5) Deputy Denis Naughten - the need to replace child benefit with a school attendance payment;

(6) Deputy Aengus Ó Snodaigh - the need to address issues and concerns raised by the proposed realignment of local government;

(7) Deputy Kevin Humphreys - the need to make Flexiseq gel, a treatment for osteoarthritis, available to those on the medical card scheme;

(8) Deputy Clare Daly - to discuss the delay in the implementation of the pyrite levy legislation;

(9) Deputy Willie O'Dea - the need for the Government to intervene in the industrial dispute at Wallis in Limerick city; (10) Deputy Billy Kelleher - the need for the Minister for Health to make a statement on the renewed prospect of industrial action by non-consultant hospital doctors;

(11) Deputy Richard Boyd Barrett - the need to reopen the education fund for survivors of the Magdalen laundries;

(12) Deputies Joe Higgins and Pádraig Mac Lochlainn - the findings of the Comptroller and Auditor General's report on the cancellation of penalty points; and (13) Deputy Michael McCarthy - the need to designate Crohn's disease as a long-term illness and relieve the financial burden on patients. The matters raised by Deputies Joe Higgins and Pádraig Mac Lochlainn, Dara Calleary, Thomas Pringle and Seán Kyne, Robert Dowds and Michael McCarthy have

been selected for discussion.

Leaders' Questions

Deputy Micheál Martin: Leaders' Questions is normally the scene of contentious interchanges. Today I wish to raise an issue not in any contentious or combative way but rather in a spirit of solidarity with the people of Athlone and, in particular, the two young girls from that town who suffered a horrific indecent assault some days ago. This incident has caused deep anger, shock and disbelief, not just across the immediate community but across the country. Many of the parents who gathered in unison in the aftermath of this shocking and horrific event felt the need to highlight their anger and concern and send a clear message to those who would do this sort of thing that there is no sanctuary to be had and such actions will be condemned by all right-thinking people.

The thoughts of all of us are with the two children, their families and the wider community. It is very important in situations such as this that a comprehensive package of support be applied to the situation. The manner in which it happened, in broad daylight when children were at play, strikes at the very heart of what is a core principle of our society, that our children are allowed to play in safety and security. That has been violated in a horrific way. Gardaí have acted swiftly and we must have faith in them and the providers of all the other services to come through on this. Can the Taoiseach assure us and the wider community that this comprehensive package of support will be made available on a sustained long-term basis to the members of the emergency services who have had to intervene, to the wider community in the shape of teachers and other school staff who will have to deal with the aftermath of this issue, to the HSE and to the social workers who are involved, as well as for the development of a broad, community-wide education programme to deal with the aftermath of this horrific event?

The Taoiseach: I thank Deputy Martin for raising this most appalling and sensitive issue. There are few people in the House who have not had experience in one way or another of a family member, particularly a child, going missing for a short period. To have this horror inflicted upon the dignity, integrity and sacred space of two young girls is simply appalling. I assure Deputy Martin and his party that in so far as it is humanly possible, special facilities, resources and anything else necessary for the comfort of the community, including from people with specialist training in this area, will, of course, continue to be made available where these unfortunate cases arise.

I compliment the people of Athlone on the manner in which they have restrained themselves in dealing with this situation where, I understand, an individual has been charged with the rape of the two young girls. It is the most appalling nightmare for any parent to hear or receive news of this. That it happened in broad daylight, when two little girls - innocent in their childhood - were playing and lured away, speaks for itself. Our sympathy and understanding go to the parents, the children and the wider family. Irrespective of the difference of opinion in the House on matters of politics, we are absolutely united in our condemnation, attempts and efforts to see that those who are trained and have specialist facilities to deal with these unfortunate and appalling situations continue to be made available to the wider public. The individual involved has been charged and clearly the courts will follow through in bringing the person concerned before the law.

The Ombudsman raised a complex case in which the outcome necessitates the setting up of the child and family agency to start its work immediately. The report relates to the years 2006 and 2007 when the young girl involved was 11 years of age. The recommendations made by the Ombudsman have been carried out in full following the findings of the report on what was a complex and sensitive case. I assure the House and the people that there is no division in the House, irrespective of our political positions. That will continue to be the case on what is a sad day for Athlone and its community and a devastating day for the parents and the two little girls who must live with this for the rest of their lives. What can I say except that our sympathy goes to the parents and the children? Whatever is necessary in terms of support and facilities will continue to be made available.

Deputy Micheál Martin: I thank the Taoiseach for his reply and agree with what he has said. This horrific violation of the innocence of children has spread understandable shock, genuine concern and fear across every community. That is why a comprehensive programme involving different agencies is required in this incident. In addition, we accept that child protection is a core principle that goes to the heart of the community. Does the Taoiseach agree that, arising from the incident, we need to reflect on this issue and redouble our efforts to take additional steps required to ensure that in every community across the country there will be a robust child protection framework in place that will embrace education, the media, health and security? In that context, we should look at the idea of sustained campaigns on protecting children in situations such as this. In other jurisdictions such as the United Kingdom there are such recurrent and sustained education campaigns. This is a point on which we might reflect as we do everything possible to give every support required to the communities involved.

The Taoiseach: Yes, I do. Everyone who has a family and young children will have gone through the phase of birthday parties and having visitors. The shattering of that summer afternoon at the birthday party for two innocent little girls is simply appalling. It is a case of understanding the sensitivity surrounding programmes and educational matters about these things. Every child should be entitled to a childhood. The innocence of playing is so important as part of their personality formation. The initiation of the child and family agency, with 388 social workers in position following the recommendations of the Ryan report, cannot happen quickly enough and, clearly, not in time for these two young girls. For any community, that the afternoon can be shattered by such news is utterly devastating. All I want to commit to is that we must see the facilities, training and State support the Deputy mentioned being made available where, unfortunately, this might arise.

Deputy Gerry Adams: I share the sentiments expressed by the Taoiseach and the concerns expressed by him and An Teachta Micheál Martin. There is a particular need to provide prompt and effective multi-agency aftercare, particularly counselling for the victims of abuse. This applies also to their families and peer groups.

My question is about folks in mortgage distress. There are now almost 200,000 families in mortgage distress, double the amount when the Taoiseach entered government. Sin méidú scannrúil ar líon na ndaoine a bhfuil ag stragáilt lena gcuid morgáistí. Tá eagla ar tuismitheoirí agus tá eagla ar teaghlaigh as they try to figure out whether to pay the mortgage or put food on the table. People are unable to sleep at night. The Taoiseach promised these families that there would be light at the end of the tunnel and that the personal insolvency service would be there to help them. Gheall sé é sin, ach cad a tharla? Grant Thornton analysed 1,057 real life cases of mortgage distress and found that 86% of the families in question were earning less than the reasonable living expenses set out by the Insolvency Service of Ireland. That means that these

families have nothing left to pay down their mortgage debt. They have no excess income to pay upfront fees of more than €5,000. They are effectively excluded from the personal insolvency service. Does the Taoiseach accept that the personal insolvency strategy is flawed and will not work for many families? Accordingly, will he put in place a contingency measure if the analysis from Grant Thornton proves to be correct in order that no one is excluded?

The Taoiseach: Following analysis of the scale of mortgage distress, the Government has put in place a programme of actions and options for people who find themselves in mortgage distress or mortgage arrears. The rights of borrowers and lenders have been rebalanced, with the biggest shake-up of insolvency law in over 100 years. We have given additional mortgage interest relief to those who bought their houses during the so-called boom years of the bubble. The tools are in place for a range of options to be considered for people who find themselves in mortgage distress, of which there are many. At the end of June, there were 770,610 private residential mortgage accounts, of which 97,874, or 12.7%, were in arrears for greater than 90 days. The level of early mortgage arrears, for less than 90 days, continues to drop - it stood at 3.3% at the end of the first quarter. This is a welcome and positive trend and there are some signs of progress emerging. Some 80,000 mortgages have been restructured, while almost 24,000 new restructures have taken place in the past quarter. The Central Bank has indicated that almost 76.5% of the stock that was restructured are deemed to be meeting the terms of the restructured arrangements, in other words, that they can be a sustainable solution that works for the lender and the borrower. That represents an improved position on what certainly was there previously. In addition, the banks have now 4,500 split mortgages, either in operation or being offered to customers, and those split mortgages will be listed on the Central Bank's statistics when they have operated successfully through a trial period for six months.

In regard to the other matters, the Grant Thornton report makes observations on the position. The personal insolvency arrangement was never deemed to be the be all and end all for all of these matters. It was another option to be considered where a practitioner would sit down with the person in mortgage distress and work out all of the options available in terms of the person's circumstances. Clearly, prior to getting into the personal insolvency agency, which only opened its doors quite recently, there is the requirement for banks and consumers to engage to see can a deal be cut in respect of what the customer's particular circumstances might be. From a Government point of view, I recognise that this is a fairly horrendous situation for many but, as I stated, 80,000 mortgages have been restructured, 24,000 of which have been in the past quarter. The Central Bank is the regulator here. It has set the targets for the bank. It has got the first reports in. It must audit these and verify that they meet sustainability criteria, in other words, that it works for the borrower and for the lender, for the time ahead. While Grant Thornton has made its observations, one needs to have the circumstances in every case laid bare before one can identify what is the best solution in respect of all of those so they can have a sustainable position worked out on both sides.

Deputy Gerry Adams: I thank the Taoiseach for his answer. Sinn Féin wants this project to work. We want borrowers to be taken out of mortgage distress but what Grant Thornton has come up with is not a view, but an analysis. The figure is quite revealing and telling. They found that 86% of the families they analysed have nothing left to use to pay down their mortgage debt. The problem with the scheme that the Government has put forward is if one allows the banks a veto over any insolvency arrangement, one also allows insolvency practitioners to charge up-front fees of between €5,000 and €7,000. Given that these facts perhaps indicate something of which the Government or those who planned this might not have thought, is it not

important to get an independent element into the adjudication process so there would be a new category of agreement which would be an independent agreement on mortgage distress where the Government would set up a body where a mortgage restructuring panel would have the authority to impose whatever it thought was an appropriate way out of these difficulties? If these folk do not have the money to pay it, then what happens to them? Under the Government's scheme at present, they will end up homeless. I ask the Taoiseach to consider what I and my colleagues have suggested.

I remind him that two weeks ago during Leaders' Questions the Tánaiste gave an Teachta McDonald a clear commitment that no one would be barred from the insolvency service. The Taoiseach might not be able to respond to the detail that I outlined but surely he would repeat the Tánaiste's commitment that no one would be barred from the insolvency service. Under the current rules, that 86% would be barred.

The Taoiseach: The important aspect here is to be able to work out a solution for those who have a mortgage problem. The first issue is that there should be engagement between those who have borrowed and those who have lent. There is no point in having a situation where there is no engagement between them, which has been a feature of some of these cases. It will not go away. It is better to be dealt with. It has got to be dealt with by sitting down with the borrower to work out, based on the circumstances of each of them, what is the position. It is in the best interests of debtors and creditors to conclude an acceptable bilateral agreement, be it under the Personal Insolvency Act 2012, by debt settlement arrangement or by personal insolvency arrangement, and that can only be worked out when they sit down and talk to each other.

Clearly, the personal insolvency arrangement is of particular importance to those who are experiencing difficulties with repayment of their mortgages and will provide in the vast majority of cases a restructuring of their debt, although there are some cases that will emerge, the evidence of which we will see as the personal insolvency agency deals with increasing numbers of cases coming through, of clients who do not have any means, in which cases, obviously, one must find some solution. The creditor must consider carefully what the debtor's best options are and if the creditor uses refusal on that basis, it knows that it has no consideration if the person decides to go through to bankruptcy. Where this has applied in similar circumstances in other jurisdictions, the vast majority get worked out to a solution that is deemed to be, as they say, "sustainable". It would be in the interests of everybody, as the banks will be aware, to cut a deal to settle through the personal insolvency agency and avoid having to go the bankruptcy route where the banks lose heavily. That is why it is important that the other suite of measures that have been put in place by the Government should be explored by engagement between the borrower and the lender so that these matters can be worked out.

Deputy Gerry Adams: Will the Taoiseach commit that no one will be barred?

The Taoiseach: In that sense, I do not see where borrowers would be denied the right to have their particular circumstances explored and followed through, and a deal worked on.

Deputy Gerry Adams: I am asking the Taoiseach to commit that no one will be barred.

Deputy Clare Daly: The Taoiseach should be aware that approximately six weeks ago St. Michael's House, a vital service for those with intellectual disabilities, was faced with the body blow of a further €1 million of cuts on top of the €12 million that it has already endured. This organisation, which has 330 persons on its waiting list, now must grapple with serious cuts with

which, the Minister told us last week, it is dealing creatively and co-operatively - whatever that means.

Coincidentally, that €1 million, which has caused such heartbreak, is slightly less than the €1.12 million that the Comptroller and Auditor General identified the State has lost through not having a proper system of fixed charge notices in relation to company cars. This was merely one of a number of measures, which he identified and which he called “significant weaknesses” in the operation of the fixed charge notice system, which resulted in a substantial proportion of drivers avoiding penalties, a situation which he stated needs to be addressed “urgently”. Of course, the problem here is that it is not the first time the Comptroller and Auditor General said this. He said it in 2000, 2003 and 2004, and now he is saying it again. The question really is why should we believe that anything different will happen now when it did not happen previously. Against the backdrop of austerity, revenue foregone is important. Based on the Comptroller and Auditor General’s figures, if the motorists had paid, even at the minimum amount, it would have resulted in an extra €3.5 million which could have been used by St. Michael’s House or others.

However, the issue here is much greater than revenue foregone. The Comptroller and Auditor General’s report confirmed that there are widespread terminations of penalty points which, he stated, were in circumstances that do not satisfy the stated policy. He confirmed the incidence of multiple terminations to the same person and the same vehicle. He confirmed that there was no paperwork. He confirmed that substantial amounts happened outside Garda districts. To all of the problems identified by him, the response was that they have a new circular in place. Let us be clear. The only reason for the new practices in place now is that two courageous whistleblowing gardaí came forward and gave their evidence which led to internal and external Garda reports and led to the Comptroller and Auditor General investigating the matter. Throughout that time, the Garda establishment sought to minimise the situation and to cover up. The Commissioner said there was no such culture; the Assistant Garda Commissioner, who had five months, five chief superintendents, six superintendents, all their staff and seven others, failed to find the 3,000 summonses that were statute-barred which the Comptroller and Auditor General found. He did not discover that half the summonses issued were never served. Last week, the Minister attempted to downgrade the whistleblower. Does the Taoiseach accept that the Prevention of Corruption (Amendment) Act 2010 prohibits the penalisation of whistleblowers? Is he aware that one of the whistleblowers has been driven out of his job and the other has been prevented from accessing PULSE and doing his job? What will the Taoiseach do about it, considering that they have been vindicated by the Comptroller and Auditor General?

The Taoiseach: I am not aware of that. The media have been reporting that St. Michael’s House has been forced to introduce cuts in the disability services arising from recent cuts introduced by the HSE. It should be noted that St. Michael’s House provides a first-class service to families which includes individualised services, clinical therapies, early intervention services, special national schools, inclusive education, vocational training, adult education, adult day services, employment support, residential independent living, respite care, social recreation and very specialised Alzheimer services. St. Michael’s House received over €70 million in 2012. The HSE has advised that the allocation to St. Michael’s House for 2013 is €68.5 million, which is a reduction. This allocation is subject to review following the application of the Haddington Road Agreement, HRA and other once-off costings. It should be noted that the figure may not reflect the actual final outcome.

The HSE has advised the Department of Health that the application of additional measures

under the HRA has presented a significant challenge to St. Michael's House. Discussions are under way between the HSE and St. Michael's House to identify the impact on services of those budgetary reductions. The Department has received assurances from the HSE that both organisations are committed to working together within the terms of the HRA.

The Deputy referred to the collection of fixed charge notices. The allegations by a member of the Garda Síochána of improper cancellation of fixed charge notices led to this examination by the independent Office of the Comptroller and Auditor General and to a separate examination earlier this year by the Garda Síochána. Two Garda reports resulted from the examination. A report by Assistant Garda Commissioner John O'Mahoney, on the allegations recommended some changes and a second report by the Garda professional standards unit made further recommendations for improvements to the fixed charge processing system. The Minister for Justice and Equality published the two reports and referred them to the Joint Committee on Justice, Defence and Equality.

The O'Mahoney report covered a longer period of three and a half years than the period covered by the report of the Comptroller and Auditor General which was two years. It also examined approximately 1,500 cancellations arising from the allegations, together with nearly 700 cancellations selected at random. The examination by the Comptroller and Auditor General analysed the Garda fixed charge database and looked specifically at a random selection of approximately 350 cancellations. The O'Mahoney report identified approximately the same rate of cancellation of fixed charge notices at 4.55% compared to 5% identified in the report of the Comptroller and Auditor General. The O'Mahoney report also identified broadly the same key issues of concern relating to the operation of the fixed charge processing system. This pointed out the need for change. Disciplinary proceedings were taken against a number of members of the Garda Síochána and a number of others were advised of the absolute necessity to follow correct procedures. Arising from the two Garda reports, a new Garda directive on the cancellation of fixed charge notices was issued to the entire force on 31 August 2013. This is aimed at significantly tightening up procedures for cancellation. The report by the Comptroller and Auditor General made specific and helpful recommendations on improving the fixed charge notice system and how this interacts with the Courts Service and the driver licensing system. The report notes that these recommendations have already been accepted by the Garda Commissioner and will be fully implemented.

Deputy Clare Daly: St. Michael's House does not need to be patronised by the Taoiseach; it needs €1 million which was cut from its budget recently and it needs a restoration of some of the €12 million which was cut previously, in order to allow it to provide accommodation for the 330 people who are on its urgent priority list.

The Taoiseach absolutely failed to address the question he was asked. This is not surprising because it has been the *modus operandi* of his Minister for Justice and Equality in this regard and, indeed, the Garda Commissioner. They have sought consistently to adopt a defensive approach and to cover up what has gone on behind the scenes. The Minister has repeatedly sought to rely on new protocols and agreements which have been put in place. Most of these measures are not new at all; they are simply a reiteration of the protocols already in place. The fact it has been necessary to re-issue them is an acknowledgement that they were not being implemented in the first place. In reality, serious abuses have been uncovered but the Taoiseach's Government has failed to acknowledge the severity of it. In fact, I do not think the media has done the issue great service either but maybe that is because Stephen Rae and others in the *Sunday Independent* get their own penalty points written off and so on.

An Leas-Cheann Comhairle: Put a question, please, Deputy.

Deputy Clare Daly: The Garda Síochána and the Government have admitted to the shortcomings in the system but they have not held their hands up and taken responsibility. The only people for whom there have been repercussions are the two men who put their jobs on the line, one of whom has no job, who was driven out of the force and the other who cannot do his job properly because he has been denied access to PULSE. This is the treatment given to whistleblowers who save the State money, who bring in new protocols and who shine the spotlight. My question again is what will the Taoiseach do about it.

The Taoiseach: The report of the Comptroller and Auditor General and the two Garda reports highlighted deficiencies in the system. While the Deputy may sneer, there is no difficulty. Indeed, there is an obligation to renew people's acquaintance with regulations so that they understand them exactly. The Garda Commissioner issued new notices to the entire Garda workforce at the end of August and these speak for themselves. The Comptroller and Auditor General has made recommendations in this matter. These are accepted by the Garda Commissioner and they will be fully implemented. I will provide an update for Deputy Daly in respect of the whistleblower legislation and the protection of those in the public service.

Ceisteanna - Questions (Resumed)

Financial Services Sector

1. **Deputy Micheál Martin** asked the Taoiseach if the Clearing House Group has met recently; and if he will make a statement on the matter. [39055/13]

2. **Deputy Gerry Adams** asked the Taoiseach the number of times in the past year that the IFSC Clearing House Group has met to date in 2013; the issues that were discussed; the actions that have been taken as a result; and if he will make a statement on the matter. [39061/13]

3. **Deputy Gerry Adams** asked the Taoiseach the progress made on the commitment to create 10,000 jobs in the IFSC by 2016; and if he will make a statement on the matter. [39062/13]

4. **Deputy Gerry Adams** asked the Taoiseach his plans to reform or restructure the workings of the IFSC Clearing House Group; and if he will make a statement on the matter. [39063/13]

5. **Deputy Micheál Martin** asked the Taoiseach if officials in his Department attended a IFSC Financial Clearing House Group meeting recently; and if he will make a statement on the matter. [39090/13]

6. **Deputy Joe Higgins** asked the Taoiseach if he intends to reform the way the IFSC Clearing House Group operates. [40865/13]

7. **Deputy Richard Boyd Barrett** asked the Taoiseach if he will report on his most recent meeting with the Clearing House Group; if it will be meeting before budget 2014; the agenda for this meeting; and if he will make a statement on the matter. [40914/13]

The Taoiseach: I propose to take Questions Nos. 1 to 7, inclusive, together.

The IFSC Clearing House Group has met on three occasions to date in 2013; 17 January, 7 March and most recently on 16 May 16. These meetings were chaired by the Secretary General of my Department and were attended by a number of officials from relevant Departments, including my own Department. The minutes for all three of these meetings have been published and can be viewed on either the Department's website or on *merrionstreet.ie*.

The next meeting of the IFSC Clearing House Group is scheduled to take place on Thursday, 24 October. While the agenda for this meeting has not yet been finalised, the focus of the group throughout 2013 has been on job creation and specifically the further potential for the international financial services sector to contribute to job creation and to address challenge of unemployment. This will continue to be the key priority for the group in the future. The strategy for the international financial services industry in Ireland 2011-2016, sets a target of creating 10,000 net new jobs by 2016. These targets are challenging but attainable. They require a sense of vision, a determination and pace of implementation, a focus on the specific outcomes which are articulated in the strategy and an implementation process which is flexible and attuned to developments in the operating environment, internationally as well as domestically. The IFSC Clearing House Group actively monitors progress on implementation of the strategy, including identifying any unnecessary barriers which might exist to maximising the opportunities to Ireland from the sector in terms of growth and jobs.

At the last meeting of the IFSC Clearing House Group on 16 May, it was agreed to assess the effectiveness of the IFSC Clearing House Group and make recommendations as to how it could be enhanced to progress the achievement of these job targets and maximise opportunities for job creation within the sector. It was agreed that this would be progressed through a focused engagement within a smaller group composed of the Secretaries General of the Department of Finance and the Department of Jobs, Enterprise and Innovation, the chief executive officer of the IDA and representatives of three employers from the international financial services industry in Ireland. Two meetings of this group have taken place to date, chaired by the Secretary General of my Department. The first, on 15 July, identified a range of challenges and opportunities facing the international financial sector in Ireland and discussed how best the current arrangements and structures could support the leveraging of potential job opportunities. The second meeting of the group, on 2 September, involved a further discussion of particular areas of opportunity and considered some specific options with regard to the Clearing House Group structure to maximise its effectiveness in driving the jobs agenda, which is recognised by both public and private sector members as a priority currently facing the country. The IFSC Clearing House Group will be updated on the group's progress at its next meeting on 24 October and if there are any subsequent proposals regarding reform of the group's structure, they will be considered by the Government. Briefings on any relevant developments will also be offered to the Oireachtas Joint Committee on Finance, Public Expenditure and Reform.

Finally, it is encouraging to report that in terms of the specific job targets, the IDA pipeline has produced more than 90 investments, with over 7,000 associated jobs approved in the international financial services sector since January 2010. The pipeline into the future remains strong. This year has seen a number of jobs announcements across the sector, including in companies such as Northern Trust, Capita, Zurich and Virtu Financial. I am confident that the work currently under way to improve the workings of the Clearing House Group will contribute to further progress in terms of job creation and the development of the international financial services sector, which remains a vital contributor to the Irish economy.

Deputy Micheál Martin: I thank the Taoiseach for his reply. Publication of the minutes of meetings of the IFSC Clearing House Group tends to happen approximately three months after a meeting, which is not great in terms of transparency, and a much earlier publication of minutes would be very helpful. I am somewhat puzzled by the May minutes, which revealed that the State's top civil servant, as the Secretary General at the Department of the Taoiseach, Mr. Martin Fraser, was described in one publication, was very critical of the Strategy for the International Financial Services Industry in Ireland 2011-2016, which was launched by the Taoiseach and referenced in his reply. Mr. Fraser indicated at the May meeting that the strategy for the financial services centre was now a few years old and that tracking its implementation might become an issue. He made strongly critical comments on the issue and referred to the idea of three representatives from the industry meeting three public sector representatives to discuss "the future of the industry".

Does this mean the strategy launched by the Taoiseach with great fanfare is now redundant and the Secretary General of his Department has no faith in it? At the same meeting, the assistant Secretary General at the Department of Finance, Mr. Neil Ryan, presented a position paper which was discussed by the 23 members present. He argued that the IFSC's strategy and offering needed a radical rethink. He argued that the IFSC Clearing House Group, as well as the strategy, was stale and not capitalising on where things were going in the future. He expressed the opinion that unless something changed Ireland would be likely to lose jobs to competitors, and told the group of his belief that there should be a new ambitious, coherent and co-ordinated plan which all relevant stakeholders could buy into in order to rebrand and market the industry while building on the skills and expertise already available. There were also contributions from the private sector on the strategy and the issue as a whole.

Approximately a year and a half ago the Taoiseach launched what we were told was a comprehensive, far-seeing vision and strategy for the financial services centre, but it now seems it was nothing of the sort. Will the Taoiseach confirm whether he is drawing up a new strategy, or is the work of the three public sector representatives and representatives from the private sector just to consider the role of the IFSC Clearing House Group? Are they examining the broader issue and a more comprehensive new strategy for the IFSC?

The Taoiseach: I thank the Deputy for the questions. I do not understand why the minutes would be published a quarter of a year later, and we could certainly do something about that. The Strategy for the International Financial Services Industry in Ireland 2011-2016 was produced by the sector and industry and we were happy to launch it on the basis of the assessment that 10,000 jobs could be created. Deputy Martin is well aware of the growth in jobs from the centre's establishment to the current time.

The world is changing at a bewildering speed and, no more than for any other plan or programme, elements must be updated and upgraded on a pretty regular basis. At the May meeting, the Secretary General of my Department, who chairs the group, briefed it on the detail of the work of the Clearing House Group and offered to present further updates to the committee on request. It is only right and proper that people should assess the way this sector is moving, both here and elsewhere. The purpose of the Clearing House Group is to engage both within the sector and in private industry and public bodies in order to improve the environment for investment and job creation. It was agreed that there should be sharper engagement between the public and private sectors within the group, which is why a number of business people assist the three public sector representatives. They met on the two occasions I mentioned.

People might ask whether this is a secret outfit and who is at these meetings. My colleague Deputy Higgins has spoken about secret groups. The group is chaired by the Secretary General of the Department of the Taoiseach and involves the Secretaries General of the Departments of Finance and Jobs, Enterprise and Innovation. The chief executive of IDA Ireland is also involved, along with the chief executive of Zurich, the head of global services at State Street and the country executive for Ireland at Bank of America. These people are involved in examining the programme.

The 2011-2016 programme must be considered in light of changing circumstances to see if further improvements can be brought about. It is not a case of drafting a new programme.

Deputy Micheál Martin: Is it not?

The Taoiseach: No. It is a question of considering what adjustments might have to be made to the financial services industry with regard to attracting further investment, thus creating more jobs and growth. The programme stands and, as the Deputy mentioned, it set a target of 10,000 net new jobs by 2016. From 1999 to 2011, the number of jobs grew from 8,500 to 33,000, as the Deputy is aware, and notwithstanding the difficult international financial environment, IFSC employment has continued to grow. Opportunities are highlighted in the strategy across different sectors, including shared services provision, green financial services, the location of EU hubs, payment and transaction processing, private equity and related development.

4 o'clock

Deputy Micheál Martin: The Taoiseach says it does not involve a new strategy but the minutes indicate that is what his Secretary General and the assistant secretary from the Department of Finance want. Mr. Fraser, the Taoiseach's Secretary General, "noted it was clear that something must be done. He expressed his view that Food Harvest 2020 was an interesting model, with a clear strategy, targets and branding behind it". The previous Government had brought the strategy in for the agriculture industry and it has been proven to be a great success. The current Minister for Agriculture, Food and the Marine has adopted the strategy and is working on it. What has emerged from the minutes in May is that a new strategy is essentially being built and worked on. Will the Taoiseach follow through and discuss that with his Secretary General and Department of Finance officials?

The Taoiseach: Yes.

Deputy Micheál Martin: The IFSC's president, John Bruton, has called for banking regulation to be kept flexible. Does the Taoiseach know what he has in mind? Does he agree with him on that matter?

The Taoiseach: I would be happy to engage with the chairman of the IFSC Clearing House Group. In fairness, the previous Fianna Fáil-led Government put together the Food Harvest 2020 Strategy and that has proven to be an outstanding catalyst for growth in the agriculture sector, which I expect to top €10 billion in exports next year. As the Deputy will recall, we have come a long way from the days of the cowboys in the sector who ruined the name and integrity of our industry and our country. That is all gone and we have a high professional standard, which is growing in world importance. No more than that strategy being a huge success, it is important to examine the IFSC strategy to see how that can be improved.

IFSC Ireland is a collaborative venture between the major industry associations, the Insti-

1 October 2013

tute of Bankers in Ireland and the Stock Exchange to market and promote the IFSC at international level and they appointed Mr. Bruton as president. In that capacity, he has attended both marketing and promotional efforts, including visits to the UK, continental Europe, north America, latin America and Asia. He has worked closely with IDA and IFSC firms to continue to attract inward investment and support business development and opportunities. His role is complementary to that of the IDA and Enterprise Ireland. The IDA supported his appointment and provides administrative facilities for him. The authority works closely with Mr. Bruton and the bodies involved in IFSC Ireland. I am not sure of the detail of his recommendations but clearly they could be voiced through the chief executive officer of the IDA who sits on the board of the Clearing House Group.

Deputy Micheál Martin: He wants more flexible regulation.

The Taoiseach: I will advise the Deputy if there is any advance.

Deputy Gerry Adams: The Taoiseach said in his earlier reply that a process of assessment was ongoing and a subgroup had been established to do that. He further said there had been two meetings. It is clear from the May meeting of the Clearing House Group that the Secretary General of the Department of the Taoiseach was critical not just of the direction but of the structures of the group. From Sinn Féin's point of view and from the point of view of anybody who watches the way politics works and the relationships between power groups in this State, the minutes can only deepen concern because the big players in the financial and legal worlds have access to the highest echelons of the Government and the most senior civil servants. I cannot imagine an anti-poverty group or a group campaigning and lobbying for hospital facilities having the same consistent access.

The minutes indicate that the industry lobbied successfully for a series of taxation and legal incentives and exemptions to be included in the Finance Act 2013, including incentives for research and development, changing the tax treatment of investment funds, exemptions to capital acquisitions tax for foreign firms and changes to the taxation of foreign dividends for firms with branches abroad. In some cases, legislation was drafted by representatives of multinational companies and then put to the Department of Finance for consideration. It has been estimated that 21 separate measures contained in the Finance Act 2012 had been sought by the Clearing House Group or its subgroups. This should be compared to the propositions put forward by people who depend on public services. I am sure the Taoiseach is inundated by groups putting forward worthy pre-budget submissions. One of the Clearing House Group submissions included a tax break for multinational executives. This was put forward by multinational companies. The Government may or may not restructure or change the programme, although the Taoiseach said at this point he would not. However, he has to take on board concerns because, on the one hand, the Government is imposing austerity on ordinary working families while, at the same time, giving tax exemptions to big earners. Who is dictating policy? What has changed from the time Fianna Fáil was in government regarding these well connected vested interests? Will the Taoiseach assure the Dáil that the same mistakes are not being repeated by his Government? When can we expect to see the outcome of the process of assessment being undertaken by the subgroup? It was agreed this would proceed in May but it is now October. When can we see what it proposes?

The Taoiseach: It is a good and healthy exercise that there be criticism when that is the view of somebody on a body such as this. That can be healthy in the sense of saying we may have to adjust, change or move along to make it better. My interest here is that whatever we do

should be in the interest of creating jobs and job opportunities because that is where the future lies.

Pre-budget submissions are made to different Ministers before they set their ceilings with the Minister for Public Expenditure and Reform. Budgetary submissions are a matter for the Department of Finance. I understand that the Department has received three submissions in regard to budget 2014 from the four IFSC strategy working groups and they refer to propositions for the development of the financial services sector. They are all being considered in the context of the budget. The Department has received 330 pre-budget submissions and, therefore, in that sense, there is nothing unusual about that be they from public or private sources, communities, agencies or organisations. I get lots of correspondence from people who are qualified to make a point and some of them attempt to draft suitable amendments to existing Bills, whatever their proposition might be. At the end of the day, the Government has a responsibility to act collectively in the interests of putting together the fairest and most equitable budget we can, given all the circumstances that apply.

The Deputy asked what is different. The number on the live register in September 2013 was 408,670, which is 26,000 lower than in August 2013, 20,600 lower than September 2012 and 28,000 lower than September 2011. It also means that when one analyses it, the standardised unemployment rate for September 2013 is 13.3%, which is down from 15.5%. It does not solve our problem by any means but it is heading in the right direction. Given all the circumstances that apply, this is a very different proposition from where we were just a number of years ago. I hope we can build on that. The submissions received from the IFSC working groups - all three of them - together with the 327 other submissions that have come into the Department of Finance have to be examined. They seek to make changes or adjustments in tax or are looking for finance from one source or another. All of the options have to be put together in the context of the revenue stream and tax position as identified by the Minister for Finance, the growth projection figures for 2014 and the situation with regard to ceilings being set for each individual Department. All of that is a complex mix. I do not know what the three submissions received referred to but I am sure they are in the context of adjustment for job creation and growth in the IFSC. The financial services sector continues to remain an important part of the ongoing work of developing the economy.

Deputy Gerry Adams: I asked the Taoiseach when we would get sight of the plan to be produced by the sub-group that is looking at----

The Taoiseach: I am sorry. The next meeting is on 24 October. I am sure there will be a briefing about what will emerge from that. Arising from Deputy Martin's comment, I will seek that the Minister publish it at an earlier time if that is at all possible.

Deputy Gerry Adams: That is okay. The Taoiseach gave me a thesis on budget submissions. I understand the process. The problem is that some groups have more weight than others. I have been lobbying for profoundly deaf children to get cochlear implants. I have spoken to the Taoiseach and the Minister for Health about it privately on a number of occasions. I have written to the Taoiseach about the matter on numerous occasions and I have raised it in the House. I made a pre-budget submission on the issue. However, we are still no nearer knowing whether the Government will provide a small amount of money for children to avail of a service that they would have as a matter of course if they lived in the North or were British, French or German. The service is denied to children in this State. That has been my experience for the past eight or nine months and the parents have had to deal with it for much longer than

that. Last year 21 separate measures that had been sought by the Clearing House Group or its subgroups were contained in the 2012 Finance Bill following the budget. Balance is required. There must be access for citizens, particularly those who need the comfort and protection of the State who need to be helped, as opposed to those who are given access and are able to get their proposals for making a lot of money accepted. That is grand; we are not against that. It is all to the good if it can help to lift and employ people, but not at the cost of ordinary citizens.

The Taoiseach said the next meeting would be in October.

The Taoiseach: It will be on 24 October.

Deputy Gerry Adams: Yes, but what we need to know in this Chamber is what precisely is being planned or proposed. One must ask whether such powerful groups should have the type of access they enjoy. The fact that the Secretary General is critical of the structure is an indication that something is wrong.

The Taoiseach: It is not the case that anything is wrong. There are four working groups. The IFSC banking and treasury working group is concerned with banking, asset finance and corporate treasury, together with taxation issues which arise for all areas of the international financial services industry in Ireland. The IFSC funds working group considers the administration and management of investment funds and examines the future of the funds industry in Ireland. It involves recommending legislative, regulatory and taxation initiatives, co-ordinating the marketing effort between IDA Ireland, the Government and industry and maintaining awareness of the impact of international developments on the competitiveness of the industry. The third group is the IFSC insurance working group, which considers issues of relevance to continued development and expansion and increased competitiveness in Ireland as a reputable centre for the provision of insurance products and services. Finally, the IFSC asset management pension funds working group considers issues of relevance to the development of a broader-based institutional asset management business in Ireland. On the pensions side, the role of the group is to promote Ireland as a prime location for the centralised management of pension funds. A subgroup deals with the non-bank finance funding structure. The subgroup considers the role of the IFSC in relation to non-bank sources of funding.

Deputy Adams made an important point, namely, that some representations carry more weight than others. I appreciate that he raised an important point about cochlear implants. Deputy Adams is the elected leader of his party. People might say the leader of a party making a proposition to the Department of Finance for consideration in the budget is in a powerful position. Deputy Adams is in an elected House, in the same way as Deputy Martin or whoever is in charge of the Technical Group, and he has the opportunity to raise a sensitive and important issue of that nature that is personal. The capacity to say that publicly in this forum carries its own weight----

Deputy Gerry Adams: We need results.

The Taoiseach: -----in comparison to that of users of other disability services - for example, a person who is blind or has sight difficulties who says he or she cannot afford to get a bigger computer keyboard, for example. In some cases, people are required to pay the full charge, which could be for small amounts. We must examine how to treat all propositions fairly. Deputy Adams can raise his issue every month because it is an issue for him and the people he represents, but someone who does not have that capacity must have his or her case reflected on

fairly as well. It is the challenge of Government to ensure the situation is as fair as possible.

Deputy Gerry Adams: There is no comparison between a big financier and a-----

The Taoiseach: Deputy Adams made the point about corporations or the financial services sector making representations. There are 33,000 people working in the IFSC.

Deputy Gerry Adams: Successfully.

Deputy Micheál Martin: Those corporations have very good access to Sinn Féin in North America.

The Taoiseach: Exactly.

Deputy Micheál Martin: They funded many a banquet there. The list is quite revealing.

The Taoiseach: I was about to come to that.

Deputy Gerry Adams: That is a complete distraction.

Deputy Micheál Martin: It is true.

Deputy Gerry Adams: Deputy Martin is jealous.

Deputy Micheál Martin: I cannot rival Deputy Adams in the United States in terms of the big corporations that finance his party.

The Taoiseach: That is true.

An Leas-Cheann Comhairle: The Taoiseach should conclude.

Deputy Micheál Martin: Deputy Adams has a cheek to come to the House and talk about access to the Government for a sector that provides 30,000 jobs.

Deputy Gerry Adams: Not at all. It is perfectly right to raise it.

Deputy Micheál Martin: Yet in his fund-raising in the United States Sinn Féin has gone to those corporations and received \$1.7 million.

An Leas-Cheann Comhairle: Members should settle down, please.

The Taoiseach: Deputy Martin made an important point. Deputy Adams was flown across the Atlantic.

Deputy Micheál Martin: I am not talking about that. I am talking about fund-raising.

The Taoiseach: I am glad Deputy Adams is in good form.

A total of 330 submissions have been received on the budget. We have to put all the pieces of the jigsaw together and put together the best, fairest and most equitable budget according to whatever flexibility exists to channel it where opportunities and jobs can be created. I assure Deputy Adams that there is nothing inherently wrong in the system. It is a strategy that was produced and launched in 2011 and 2012 and has been updated and adjusted to ensure that it caters for changes that have happened since. This area is moving at a bewildering speed and it is only right and proper that there should be that kind of analysis. I hope when the reports are

available that if it is necessary to update the committee that will also be done. There is nothing to hide.

Deputy Joe Higgins: The Taoiseach is as adept as his second last predecessor at muddying the waters and losing the essential in a ball of cotton wool when he tries to justify the unjustifiable. To equate the IFSC Clearing House Group and its influence with a Deputy raising in the House an issue pertaining to some constituent or vulnerable group in society is derisory. Any reading of the minutes of the IFSC Clearing House Group shows one immediately that the group is a “who’s who” of the main players in the financial markets in this State and further afield. I refer to the banks, financial institutions, powerful multinational corporations and the legal and financial consultancy groups that advise the powerful financial institutions, particularly on persistent and consistent tax avoidance in this State, to the detriment of our people. They have ready access to the most senior representatives of the Government in the Taoiseach’s Department and in the Department of Finance.

This means that those whose speculation caused the disastrous crash in the State have had and continue to have permanent access to the most powerful institutions in the State to advance their own interests. The IFSC Clearing House Group is not a clearer but simply an institutionalised, gold-plated lobbying facility for the most powerful, private and profit-seeking financial institutions. It gives them unprecedented access. We know the group writes and presents legislation. It is then duly and obediently put into some of the finance Acts to provide for its members’ interests.

Is it any wonder the Taoiseach, and Deputy Martin and his colleagues when they were in government, would come into the House and claim they would lay down their lives in the trenches in arguing there should not be a cent extra in corporation tax on the financial institutions in question? Is the hold the institutions have over the right-wing political parties who form the Government not clear? Does the Taoiseach not agree this is capitalist corporatism at its most blatant? Does it not show that, under the domination of Fine Gael and Labour, and under Fianna Fáil and the Green Party before them, democracy is perverted?

Contrast the circumstances with those in other sectors of society. One should consider the unfortunate victims of Priory Hall who lost their homes due to rogue developers who are entertained by some of the institutions that are prominent in the IFSC Clearing House Group. The individuals had to beat down the walls of government to get talking to the Taoiseach. Can the unemployed walk into the heart of Government Buildings and have immediate access to the Taoiseach and write laws for urgent job creation measures? The answer shows the disparity that exists. This institution works in such a way that it serves as a distortion and perversion of any concept of real democracy. It is indefensible.

The Taoiseach: I do not share the Deputy’s view. The very fact that he can be elected to this House properly by the people and stand up here speaks for itself. That is the democratic wish of the people in his constituency and he is sent in here to represent them and articulate his views which, I assume, they vote for. That is not a perversion of democracy but the result of the people’s vote. Therefore, I do not understand the Deputy’s point of view.

The Deputy referred to muddying the waters. Is he not the fellow who was going around with his tweet asking who are the members of the secret group that was meeting all summer. In response to a question, I read out the names of the so-called secret group. Therefore, I hope I make it clear now that this does not muddy the waters. Deputy Higgins can take the cotton

wool ball to which he refers and throw it up against the haystack he was throwing it up against a number of years ago, but this time it will bounce back and might even bite him.

Deputy Richard Boyd Barrett: Former Taoiseach Bertie Ahern.

The Taoiseach: Correct. The Deputy's memory is good; he does not suffer from amnesia.

Deputy Adams said that some propositions carry more weight than others. I was trying to deal with his point on whether a proposition for the Department of Finance submitted by a person who suffers from difficulties with sight receives the same consideration as the proposition of the leader of a party who wants to raise an issue of sensitivity regularly? The job of the Government is to reflect these matters as fairly as possible.

Deputy Higgins should note that it is only right and proper that the main employers of more than 30,000 people should be able to engage with the Government. I have made no secret of the fact that I am interested if they can create one job, ten jobs, a hundred jobs or a thousand jobs. Business has access to government purely in the sense of talking about opportunities for job creation and economic growth. That is where the future is for every other constituency and the country.

It is important that the local community council, entrepreneur and person setting up a business – there are 1,800 per month now – be able to articulate their cases for improvement in that sphere to the Government. I make no apology for that as the process is wide open and all is recorded.

I do not accept the Deputy's contention that democracy is being perverted. We have made it perfectly clear that the only tax that can be levied on companies here is on income generated here. As we know, Ireland, during its Presidency, prioritised files that took action against tax fraud, tax evasion and aggressive tax planning. There were a number of significant achievements in that regard. We do not meet any of the criteria set out by the OECD in its definition of a tax haven. We abide by both OECD and EU rules on harmful tax competition. For example, to avail of our competitive 12.5% rate, economic substance and economic presence are required. Thousands of companies demonstrate these.

We participate constructively in the international response. During our Presidency, we had a very strong and conclusive discussion at European Council level. There was a genuine response to the fact that legislation has not moved as fast as the digital world on this matter, and that a very strong international response is needed. Our corporate tax rate, 12.5%, has been always a stable cornerstone of our attractiveness as a location for foreign direct investment. This will continue to be the case. The Deputy is aware of the changes that occur in other jurisdictions. A product may be manufactured here and sold in another jurisdiction while intellectual property rights may belong somewhere else. Different criteria apply in each jurisdiction. We can only tax what is raised here in Ireland.

The Deputy mentioned Priory Hall. This was a scandal. I do not believe, however, that every single developer or contractor should be branded in the same way as those who put together Priory Hall. It is not just in one instance that negligence or incompetence occurred because there were systems failures along the line. Deputy Martin raised an important point about Horizon 2020 and the agri-sector, which has increased in international integrity. We produce food to the highest standard. We have a grass-based agri-economy and it will be worth more than €10 billion next year. On the other hand, while there are many fine and beautiful buildings in

our country, there have been cowboys in the construction sector who have brought down the name of Ireland in terms of its competency for construction and have destroyed the hopes and lives of thousands of people.

I also have to deal with the symphysiotomy situation. Why was this not dealt with? Why have we so many other legacies here, including the Magdalen laundries, that were endemic in Irish society and not dealt with? I hope during the next two and a half years that we can work on these issues.

Deputy Higgins made reference to Priory Hall and there have been a number of very constructive engagements on that issue by the Department of the Environment, Community and Local Government, under the Minister, Deputy Hogan, with some assistance provided by my own Department. I hope we can deal with that matter effectively and quickly.

I do not accept Deputy Higgin's assertion that this is a perversion of democracy. We all live in the same country and we were all sent in here with the same consent, the secret ballot of the people. This is the peoples' forum and Deputy Higgins represents some of those people and is absolutely entitled to be here and articulate these viewpoints. However, I disagree with him fundamentally. If Deputy Higgins goes to the IFSC he will see thousands of mostly young people going to and from work, contributing to their country and he should be very proud of that. Others are envious of Ireland's status and progress. The Clearing House Group and the various sub-groups are looking at these industries to see how we can improve the situation further and have more people in gainful employment, with careers here in Ireland rather than abroad. I think Deputy Higgins should be very proud of that. With his south-western roots, he would know more about this than most.

An Leas-Cheann Comhairle: I now call Deputy Richard Boyd Barrett.

Deputy Joe Higgins: I have a supplementary question.

An Leas-Cheann Comhairle: I might get back to the Deputy, but I must call other Deputies, including Deputies Richard Boyd Barrett, Kevin Humphreys and Peter Mathews.

Deputy Micheál Martin: How much time is left?

An Leas-Cheann Comhairle: There are only 16 minutes remaining.

Deputy Micheál Martin: The Taoiseach should keep his replies short.

Deputy Richard Boyd Barrett: In fairness to Deputy Higgins, the first two questioners were allowed to ask supplementary questions. Will we not be allowed to ask supplementary questions?

An Leas-Cheann Comhairle: The other Deputies also tabled a number of questions.

Deputy Richard Boyd Barrett: So did we.

Deputy Joe Higgins: I wish to ask a very brief supplementary question.

An Leas-Cheann Comhairle: That is fine but I ask the Deputy to be brief because I wish to give other Deputies a chance to speak.

Deputy Joe Higgins: If symphysiotomy survivors had been able, over the past 25 years, to

have a monthly meeting with the Secretary General of the Taoiseach's Department or the Secretary General of the Department of Health and other powerful institutions of this State, they would not have been still trying to get justice up until very recently for the tragedy they endured and the injustice that was done.

Deputy Gerry Adams: Hear, hear.

Deputy Joe Higgins: Does that not make the point, loud and clear? On the question of Priory Hall, the point I made in that regard was also about access, which the Taoiseach deliberately chose to try to avoid.

The Taoiseach: I ask the Deputy to explain that point.

Deputy Joe Higgins: Does the Taoiseach think, given what was going on during the bubble, that there is only one Priory Hall in this State?

The Taoiseach: No.

Deputy Joe Higgins: Unfortunately, there are very many. What does that mean? It means that people are living in potential fire traps all over this country. They do not know it and the Taoiseach does not know it. He could do an enormous favour to them, in the context of avoiding a tragedy in the future, by having a national audit of fire safety in every one of the major apartment complexes that were constructed during that period. I will leave it there in deference to other Deputies.

The Taoiseach: These are the reflections of Government, Deputy Higgins. I think, in the context of the serious issue of symphysiotomy, that if the Government is prepared to listen, one does not need monthly meetings. I am far more interested in outcomes and action than in having monthly meetings about such issues. In fairness, a number of Deputies here raised the question of the Magdalen laundries and the women who worked there and that process was put in train. Their stories were heart breaking and there are others like them out there. It is not a matter of having monthly meetings about such serious and sensitive issues. If the Government has the capacity to listen and to act, we can deal with a range of sensitive matters that have not been addressed for far too long.

I have sat in houses, as have many other Deputies, and seen husbands and wives tearful over the fact they have mortgages on homes with cracks in the walls, doors that will not close and floors that are lifting because of pyrite. This is another issue we have to deal with. In fact, if the truth be told, practically every political carpet I have lifted in the last two and a half years was covering a series of very difficult situations. I could put it in different language, I assure the Deputy. Sometimes these things have to be isolated, dealt with and finished, in people's interests. It is very simple really. If we had a system of having independent clerks of works on these jobs with the authority to say, "Sorry, what you have built there is not in accordance with the requirements, knock it", that would take out rogue operators in some areas and the word would spread very quickly that such operators will not get away with it in Ireland. I met with representatives of the Construction Industry Federation the other day. There are some very good contractors and builders who were never in NAMA and who want to be trusted to build what they say they will build, so that those who buy, either in the commercial or residential sectors, can be happy in the knowledge that they are getting a safe building that was built in accordance with proper regulations and standards. They do not want any more Priory Halls, a wish which myself and Deputy Higgins also share.

I am not one for saying tick the box and have another monthly meeting. I am all for dealing with these issues, making decisions and moving on.

Deputy Richard Boyd Barrett: I have been raising the issue of the Clearing House Group since I was elected to this Dáil. During the past two and a half years when this issue has been raised, the Taoiseach has been throwing sand in the eyes of the people of this country and the Members of this House, in trying to cover up the fact of an extraordinary level of privileged access to his office and his Government for some of the financial and corporate giants who played a critical part in wrecking not just this economy, but the global economy. They continue to get that access while the groups the Taoiseach has just mentioned do not get access. Throughout the summer, I have been engaging with a survivor of the Magdalen laundries who is enraged at the fanfare surrounding the Government's apology to the Magdalen laundry survivors because when she applied to the education fund that was promised to allow her to access third level education and rebuild her life, she was told that the fund was closed and is not accepting applications. Where is the Clearing House Group for her? What of the man in Dún Laoghaire for whom the Taoiseach obtained a wheelchair a few years ago? He needs a new wheelchair and has been banging down my constituency office door, pleading for one. Where is his Clearing House Group? Where is the Clearing House Group for all of the disability groups and the representatives of workers who pleaded with the Taoiseach for the last two years not to cut vitally-needed resources and not to impose further cuts and austerity on working people, the poor, the unemployed and single parents? Where is their Clearing House Group? Instead, there is privileged access for unbelievable players in the financial markets. It is in the minutes of the meetings. One reads the minutes and one sees names like BoAML. I was trying to figure out who is BoAML - it is Bank of America Merrill Lynch. Merrill Lynch was at the absolute heart of the American financial collapse. Even after everything that has happened, US federal regulators have forced Bank of America, Citibank, Merrill Lynch and so on to pay \$8.5 billion in fines after a review of foreclosure abuses, paperwork errors and botched loan modifications that had robbed tens of thousands of American homeowners of their homes between 2009 and 2010, yet we are taking advice from these people. They ask for tax breaks for their companies in areas such as investment funds, capital acquisitions tax, research and development, for executives to send their kids to private schools and so forth. They get them, while groups representing workers, the disabled and single parents plead with the Government not for tax breaks but for no more austerity. Meanwhile, this gang, up to its neck in the global financial crisis and still up to dirty tricks as found out by US regulators, gets exactly what it wants from the Government. It is extraordinary.

What we have discovered from the May minutes is that the representative from the Department of the Taoiseach has stated this is not working. We get down on our knees and give them everything they want, but it is not even working. The representative then tells the Clearing House Group that we need even more radical measures. What does that mean? Does it mean that we have to give them even more tax breaks against the background that they are not even paying 12.5% in corporation tax and some are paying no tax? Any fair person, knowing that the majority of people are being screwed by austerity, stealth taxes and charges, would suggest these guys should pay a little more in extra tax. However, the Government, in budget after budget, gets them to pay less, which does not even deliver jobs. Will the Taoiseach, please, not throw mud in the eyes of the people by claiming a move from 14.6% to 13.6% in the unemployment rate is as a result of the policy of getting down on our knees in front of these people? It is due to the fact that 120,000 people have left the country in the past three years. For every job the Taoiseach comes in here to announce with a fanfare - which I welcome - the reality is that

jobs are being lost day in, day out, as he knows well. The GNP, gross national product, figures tell us the reality of what is going in the economy, not the inflated GDP, gross domestic product, figures that relate to the profits of these guys in the Clearing House Group. They are doing well because they have privileged access to the Government and the Taoiseach does whatever they ask, while the rest of the people are screwed to the floor. Give us the Clearing House Group and the bailout for the people. Stop protecting these guys, as has been done for the past decade.

The Taoiseach: That would be a good speech on the back of a lorry in Mulranny.

Deputy Richard Boyd Barrett: It is the truth-----

Deputy Peter Mathews: It is in Dáil Éireann.

Deputy Richard Boyd Barrett: -----and these guys are exempt from the lobbying register.

The Taoiseach: Thank you, Deputy Mathews. I realise it is in Dáil Éireann. Where was the clearing house for the 300,000 people taken out in terms of being liable for the universal social charge, USC? Was it the financial services sector? Where was the clearing house that dealt with the Magdalen laundry women? Was it the financial services sector?

Deputy Richard Boyd Barrett: Where is the education fund for the Magdalen laundry women?

The Taoiseach: Where was the clearing house for those who said we could not have more income tax increases? The fact is the Government listens to the people to balance the situation where jobs can be created, while the most vulnerable get the opportunity, in so far as is humanly possible, to have comforts and services provided for them by the State. I do not accept the Deputy's assertion that the clearing house operates only at the higher level. The Deputy does not have any imprimatur to claim he represents the strata of society that only has difficulties.

Deputy Richard Boyd Barrett: I did not say that.

The Taoiseach: I hear the very people with difficulties every day and week, as I receive e-mails and letters from them. I hope in some small way that I can act, as the Deputy calls it, as a clearing house for some of them. The Government, across its spectrum, represents an attempt to look after those who are vulnerable, who should have a clearing house to see to it that their old age pensions are not cut, their facilities are not taken away or their income tax is not increased. The clearing house should not be afraid to point to an opportunity to create jobs. Was it not a good development that 26,000 came off the live register in August?

Deputy Richard Boyd Barrett: They left the country.

The Taoiseach: Would the Deputy not welcome this? I met some of his supporters in Killybegs the other night, but I could not understand what they were saying. I understand they were operating on his instructions. They were a sort of clearing house group under the trees.

Deputy Richard Boyd Barrett: No one operates on my instructions.

Deputy Micheál Martin: Was it a meeting RTE could not record?

The Taoiseach: Deputy Richard Boyd Barrett seems to be under the assumption that only financial corporate giants have the opportunity to engage with the Government. It is far from that. They have to deal with the full spectrum of society. I make no apology where 30,000 peo-

ple are employed - men and women, some of whom are from the Deputy's constituency - that they should have the opportunity to assess the environment for that business. Is there anything wrong in improving the atmosphere and the environment for a sector in which we might have 40,000 or 50,000 employed? Last week I visited a financial institution in the Dublin docklands, which is going to quadruple the number of its employees from 60 to over 200 in the next few years. I recently visited a data content storage facility in Blanchardstown, where the same will happen. Reports indicate that industry will grow by 15% to 17% in the next five years. The people employed in that sector can be from anyone's constituency. Is there anything wrong with providing the opportunity for employment? I make no apology for being an assistant in creating a clearing house environment in which these sectors can thrive and prosper.

When I have the opportunity to engage with other leaders at European level, they tell me that they look at Ireland as listening and wanting to make decisions, despite the difficult economic circumstances, that will help the people to have employment and careers. That is good practice. The Government should operate as a clearing house for the people and give them the opportunity to change the environment in order that employment can be created. It is not a case of throwing sand in the eyes of anybody. It is a case of opening doors where everyone, from a single person to a company or a corporation, is entitled to tell the Government it has a suggestion that might improve the position on employment. We are not going anywhere unless we create employment, grow the economy, provide confidence for the people and give them a chance to stay at home, if that is what they want to do.

Deputy Richard Boyd Barrett: The Taoiseach is not doing a very good job in that respect. Why are they excluded from the register of lobbyists?

Deputy Kevin Humphreys: When I asked the Taoiseach that the minutes of the Clearing House Group be published, he did this. Will he publish the minutes of the sub-committee and working group on the Clearing House Group? It was mentioned that there would be a review of the Clearing House Group and the Taoiseach's Department's engagements with it. Will that also be published?

Deputy Peter Mathews: I also agree with Deputy Kevin Humphreys on the publication of these reviews. What I have witnessed in the past half an hour is sad. This is Dáil Éireann. I invite the Taoiseach to listen and harness the passion and energy of Deputy Richard Boyd Barrett's ideas. John Perkins, the lead economist in Chas. T. Main consultants from the 1970s to the 1990s, the most powerful consultancy firm to the world's corporatocracy, wrote about the companies exactly like those described by Deputy Richard Boyd Barrett. He found it increasingly unconscionable in 30 years to witness the power these consulting corporatocristis - if one likes to call them that - wielded over governments and peoples without responsibility or sufficient transparency. He is correct. The levels of fines imposed by the SEC on these powerful groups are staggering. Last month in JP Morgan there was a fraud of \$5 billion to \$6 billion in its activities. We should stop this confrontational, adversarial stuff and the polarisation of ideas and welcome conversation such that we are energised when we talk to our creditors in Europe such as Mr. Mario Draghi and Mr. Wolfgang Schäuble who wrote a disgraceful op. ed. in the *Financial Times* ten days ago-----

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

Deputy Micheál Martin: He is in good flow.

Deputy Peter Mathews: -----and was rightly castigated by Ambrose Evans-Pritchard in *The Daily Telegraph*.

An Leas-Cheann Comhairle: We are taking questions to the Taoiseach.

Deputy Micheál Martin: It is coming now.

Deputy Michael Healy-Rae: The Taoiseach may answer that one.

The Taoiseach: I will respond to Deputy Kevin Humphreys. I will see to it that the review is published and will return to him on the other items he mentioned. I have no problem in listening to the passion of Deputy Richard Boyd Barrett. I hope he listens in return.

Deputy Peter Mathews: He does.

The Taoiseach: Since the Deputy has moved to his current position - move he has - he has changed his tune.

Deputy Peter Mathews: I was placed here.

The Taoiseach: The Deputy speaks about a lovey-dovey attitude here.

Deputy Micheál Martin: Deputy Peter Mathews was not talking about his relationship with the Taoiseach.

The Taoiseach: This is the Dáil, the people's House. Deputies Richard Boyd Barrett and Joe Higgins are perfectly entitled to give out to me if they wish.

Deputy Peter Mathews: They are not giving out to the Taoiseach.

The Taoiseach: They are perfectly entitled to do so and make their comments on, as Deputy Peter Mathews calls them, the consulting corporate doctors.

Deputy Peter Mathews: The Deputies are not giving out to the Taoiseach. He is not listening.

The Taoiseach: The Deputy is often an articulate and vehement speaker and loses the listening mode to others. I have known him for a long time-----

Deputy Peter Mathews: I have known the Taoiseach for an equally long time.

Deputy Micheál Martin: The Taoiseach should not get personal.

Deputy Michael Healy-Rae: The Taoiseach prefers the giving out to the lovey-dovey.

The Taoiseach: -----and I respect his work in finance for so many years.

Deputy Micheál Martin: The Taoiseach did not say that to Deputy Peter Mathews when he recruited him for the last general election. He has a different tune now.

The Taoiseach: However, now that Deputy Peter Mathews has become an acquaintance of Deputy Richard Boyd Barrett I am perfectly entitled to engage with him.

Deputy Peter Mathews: We are trying to serve the people.

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The Taoiseach: I am as open to meeting the constituents Deputy Richard Boyd Barrett mentioned as I am to meeting the corporate consultancy doctors to whom Deputy Peter Mathews referred because it is all open and recorded, unlike what happened in the past.

Deputy Micheál Martin: The Taoiseach deserves a medal for filibustering.

Written Answers follow Adjournment.

Order of Business

The Taoiseach: The Order of Business is No. 11, motion re proposed approval by Dáil Éireann of the Ombudsman Act 1980 (section 4(10)) Order 2013; and No. 2, Road Traffic (No. 2) Bill 2013 - Order for Second Stage and Second Stage.

It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. and adjourn on the adjournment of Private Members' business; No. 11 shall be decided without debate; and Private Members' business which shall be No. 36, Mortgage Restructuring Arrangement Bill 2013 – Second Stage, shall take place at 7.30 p.m. or at the conclusion of the opening speeches of No. 2, whichever is the later, adjourn after 90 minutes and, if not previously concluded, be brought to a conclusion at 9 p.m. on Wednesday, 2 October.

An Leas-Cheann Comhairle: There are three proposals to be put to the House. Is the proposal that the Dáil shall sit later than 9 p.m. agreed to? Agreed. Is the proposal dealing with No. 11, motion re proposed approval by Dáil Éireann of Ombudsman Act 1980 (Section 4(10)) Order 2013, without debate agreed to?

Deputy Micheál Martin: It is not agreed to. I seek clarification from the Taoiseach. Will he explain the background to this motion? We did not receive the Order Paper circulated earlier. I have just received it and consulted the Chief Whip. Why is there to be no debate on that motion and what is the background to it?

The Taoiseach: When the remit of the Ombudsman was being extended last year, the Minister for Children and Youth Affairs and the Ombudsman for Children sought to have the remit of the Ombudsman for Children extended in a similar manner. Accordingly, the Ombudsman (Amendment) Act 2012 amended the Ombudsman for Children Act 2002 to align the remits of the two Ombudsmen over public bodies. The Ombudsman's remit has always excluded the administration of prisons or other places for the custody of persons committed to custody by the courts. There was a similar exclusion in the Ombudsman for Children Act 2002, other than for reformatory schools and industrial schools certified under Part IV of the Children Act 1908. This exclusion of places of detention was maintained in the Ombudsman (Amendment) Act 2012. The Minister for Children and Youth Affairs made an order with effect from 1 July 2012 which removed the exclusion which had previously prevented the Ombudsman for Children from dealing with children in any institution in which children were held in custody or detention. It was considered at the time that the subsequent Ombudsman (Amendment) Act 2012 would have no impact on this order. However, following concerns expressed by the Ombudsman for Children on the issue earlier this year and subsequent advice from the Attorney

General on this highly complex legal matter, it is now evident that the amendments made in the Ombudsman (Amendment) Act 2012 had the unintended consequence of, again, precluding the Ombudsman for Children from dealing with complaints relating to children held in custody or detention. Under section 4(10) of the Ombudsman Act 1980, as amended by section 6 of the 2012 Act, the Minister for Public Expenditure and Reform has the power to make an order to make an agency a reviewable agency at the request of the Minister for Children and Youth Affairs. The Minister for Public Expenditure and Reform, with the consent of the Minister for Justice and Equality, is proposing to make such an order in order that the Ombudsman for Children can investigate complaints concerning children in custody or detention. The Minister for Public Expenditure and Reform has laid a draft order before the Houses of the Oireachtas and is bringing a motion to both Houses seeking a positive resolution with a view to the order being passed as quickly as possible.

Deputy Micheál Martin: From what I can gather, there is a significant lack of accountability to the House on this issue. This is coming in under the radar without debate, for example, on the inadequacies of the 2012 Act, the unintended consequences, as the Taoiseach described them, which, again, precluded the Ombudsman for Children from hearing complaints regarding children in detention. I cannot understand why there would not be a debate on this motion, a presentation by the Minister, a statement outlining why the House is being asked to approve this resolution, the background, implications and consequences of it. It is sharp practice to lay this motion before the House almost in silence without any accompanying statement to the House in plenary session.

Until I stood up and asked for the information, the many Members present would not have been very aware of what was being slipped through. I can understand why and may have no opposition to it, although I would like to check the legal underpinning. Trying to apply this power via the agency route may not be as legally robust as doing so by primary legislation, which was the original intention. Somewhere along the line the Taoiseach got it wrong in terms of the original legislation and its unintended consequences. I do not know the background to this or why it happened, but we need far more transparency in the House. There should be no reason someone did not today issue a statement to facilitate a debate because many issues arise from the Ombudsman for Children's reports, particularly on children in detention, which have proved contentious during the years and which merit debate. It is wrong that did not occur.

5 o'clock

The Taoiseach: The Deputy's party welcomed this move. This is the first time ever that an ombudsman can go into a place of detention or custody to investigate a complaint concerning a child.

Deputy Micheál Martin: Did people know this with the original Bill?

The Taoiseach: Yes.

Deputy Micheál Martin: Was it valid then? How far does it go back?

The Taoiseach: Yes. I have -----

Deputy Micheál Martin: It seems from what the Taoiseach has said that the intentions of the Oireachtas were not put into effect over the past 12 months and nobody knew about that. Nobody was told about them.

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The Taoiseach: I have given the Deputy the background and given him -----

Deputy Micheál Martin: Am I right that 12 months ago it was the intention of the Oireachtas to ensure reports could be made on children in detention? Is it the case that what people thought they passed was not passed and nobody knew anything about it until now or that has not been published? Nobody has got any clarification on that.

The Taoiseach: The Deputy will not listen. As I said, new legislation was brought in here. The fact of the matter is that the Ombudsman for Children expressed concerns earlier this year and following her concerns, advice was received from the Attorney General on what is a highly complex matter. That advice indicated that the amendments that were made in 2012 had the consequences of precluding the Ombudsman for Children from dealing with complaints relating held in custody or detention. Therefore, all that is here is a technical -----

Deputy Micheál Martin: Was the House made aware of that at the time?

The Taoiseach: No it was not. There was no deliberate intention here.

Deputy Micheál Martin: Should it not have been?

The Taoiseach: Who here was involved? This was new legislation.

Deputy Micheál Martin: That would not matter. It is basic procedure that if the House passes something and it turns out that the House thought it passed something, but it had not -----

The Taoiseach: The Deputy wants clarity, openness and transparency and I am giving him that.

Deputy Micheál Martin: In getting the clarity, I have discovered something else.

The Taoiseach: The Deputy's party welcomed this.

Deputy Micheál Martin: The Taoiseach is missing the point.

The Taoiseach: I am not missing the point.

Deputy Micheál Martin: For 12 months people held the belief that the Ombudsman for Children could raise these issues, but now it has transpired that -----

The Taoiseach: The point is that the Ombudsman for Children, following on the new legislation, made an observation expressing concerns. Those concerns were brought to the attention of the Attorney General and it transpired that based on the evidence, the unintended consequence was to preclude the Ombudsman for Children from dealing with cases of children in detention. This technical amendment allows for the Ombudsman for Children to go into a place of detention or custody to deal with complaints concerning children. I do not believe anybody could say that is not the right thing to do.

Deputy Micheál Martin: In terms of the legislation, getting it wrong makes the consequence serious in that the Ombudsman for Children could not do what she wanted to do or that everybody wanted to give her the power to do, the least the House deserved in a situation like that is a statement from the Minister responsible.

The Taoiseach: To be clear about it, we have had some comments on these things before.

I do not have any problem and I am quite sure that the Minister for Public Expenditure and Reform has no problem either with regard to the legislation that came here and coming in to explain this in greater detail if the Deputy wishes. We are not in the business here of excluding anybody who wants answers to questions.

Deputy Micheál Martin: Is there any chance we could get the legal advice? I think we should.

The Taoiseach: I must ask the Deputy - does he not want the issue dealt with today?

Deputy Micheál Martin: I am going to oppose it now.

The Taoiseach: There is no need to oppose it. We can put it back. If the Deputy does not want it taken today, we will not take it today. We can put it on the Order another day. All that is in it is the right of the Ombudsman for Children to go into a place of detention.

Deputy Micheál Martin: Will the Taoiseach publish the legal advice on it?

The Taoiseach: No, we will not publish the legal advice. We never do that.

An Leas-Cheann Comhairle: The Taoiseach has proposed that No. 2 -----

The Taoiseach: The Deputy's spokesperson has already welcomed this amendment.

Deputy Micheál Martin: I am not against its principle. The Taoiseach is missing my point.

The Taoiseach: To be clear on this, what we will do when these things happen is extend the time.

Deputy Micheál Martin: No, let us be clear, the Taoiseach and the Minister knew about six or nine months ago that something was wrong here, but they never advised the Dáil of that. They should have, and that is the point.

The Taoiseach: That charge is unfair. The Deputy's party did not give any time on the substance at all, but his spokesman welcomed it.

An Leas-Cheann Comhairle: Is No. 2 withdrawn Taoiseach?

The Taoiseach: Yes.

An Leas-Cheann Comhairle: Is it agreed that No. 2 is withdrawn? Agreed. No. 3 is the proposal for dealing with Private Members' Business. Is No. 3 agreed to? Agreed.

Deputy Micheál Martin: In regard to the commitments made in the programme for Government on eliminating poverty traps, will the Taoiseach indicate when we can expect the legislation dealing with the proposal to tightly regulate moneylenders and debt collectors to be brought before the House? Also, in the programme for Government the Taoiseach said that the Government would divert staff from elsewhere in the public service to clear the social welfare appeals backlog and would introduce a consolidated appeals process. The situation with regard to social welfare appeals has got worse over the past year and a half. The situation is shocking and some people must wait 11 months before their appeals are heard. There is huge distress in this regard and people are in poverty because of the failure to progress appeals in a timely manner. The commitment in the programme for Government, in terms of diverting staff, has

clearly not been implemented to a degree where it is having an impact on the waiting times for social welfare appeals. The delay is far too long and the length of time people must wait is disgraceful.

On page 23 of the programme for Government, the Taoiseach said that the household benefits packages would be put out to tender so that the Exchequer will benefit from reduced prices. Will the Taoiseach confirm that has not happened? Is it going to happen? Some household benefits were taken from pensioners last year, such as telephone and electricity benefits, which had quite a significant adverse impact on pensioners. This is the only change the Taoiseach has made with regard to household benefits. Why were these proposals included in the programme for Government when there is no indication they will ever see the light of day? What is the position on that particular commitment?

The Taoiseach: Unlike previous programmes for Government, this one will be implemented to the maximum, as far as possible.

Deputy Micheál Martin: Which one? Will the Taoiseach deal with the three commitments I raised?

The Taoiseach: The commitments will be implemented as far as possible. We have been caught with regard to the upward rent review issue, because of constitutional problems.

Deputy Micheál Martin: The issue of the upward rent review was a promise Fine Gael made in the election which was not delivered.

The Taoiseach: Yes, of course. Fianna Fáil made quite a few promises itself and did not live up to others when it had the chance

Deputy Micheál Martin: Not on the same level as the Taoiseach. I did not do a Roscommon on it.

The Taoiseach: As far as I can recall, there is no specific legislation with regard to debt collectors, but there have been meetings with the Minister for Justice and Equality and the Minister for Finance on the matter. I suggest that Deputy Martin should get his spokesman to table a Topical Issue on the question of social welfare appeals. I do not have evidence on the numbers mentioned by the Deputy.

Deputy Micheál Martin: We have done that.

The Taoiseach: The same should apply in regard to the household package.

Deputy Micheál Martin: This is not about putting down a question. There is a commitment in the programme for Government -----

Deputy Ruairí Quinn: This is the order of Business.

Deputy Micheál Martin: Deputy Quinn is not the Chair and should not try to be the Chair. I asked a specific question. I am entitled under Standing Orders to ask on the Order of Business about the implementation of a commitment in the programme for Government. There is a commitment in the programme for Government to put household benefits out to tender. Is that going to happen or not? I am trying to get an answer from the Taoiseach on this.

An Leas-Cheann Comhairle: The Deputy is entitled to ask the Taoiseach about legislation.

Deputy Micheál Martin: That is legislation. I am also entitled to ask about the programme for Government. What is the answer?

The Taoiseach: What legislation is the Deputy talking about?

Deputy Micheál Martin: I am talking about the programme for Government commitment. It states the household benefits package will be put out to tender so that the Exchequer benefits from reduced prices. I am entitled to an answer on that. Under Standing Orders and precedent I am entitled to ask about that. Will it be put out to tender?

The Taoiseach: What legislation is the Deputy talking about?

Deputy Micheál Martin: Is it going to be put to tender or not? The Taoiseach never answers questions.

The Taoiseach: The Order of Business is about legislation that has been promised and committed to. I am asking the Deputy what legislation he is talking about.

An Leas-Cheann Comhairle: Where is the Deputy getting the promise of legislation from?

Deputy Micheál Martin: On precedent, any commitment in the programme for Government can be raised on the Order of Business. That has been the case in the Chair's time and anybody else's. That does not have to be written.

The Taoiseach: I have already suggested that the Deputy should get his spokesperson to submit some topical issues on social welfare appeals.

Deputy Micheál Martin: The Taoiseach is now demonstrating his lack of accountability to the House. This is being done on an ongoing basis.

The Taoiseach: The next time the Deputy comes back in to deal with the Ombudsman for Children, I hope he remembers that his spokesman welcomed this, but the Deputy did not ask for time on it, but he continues to waste the time of the Houses on something he has already accepted.

Deputy Gerry Adams: Last week, I asked the Taoiseach if he would facilitate a dedicated debate here on the current difficulties regarding the process in the North. I know the Taoiseach shares my concerns about the summer we have had and what is fomenting below the surface there. The Taoiseach referred me to the Whips' meeting, at which Deputy Ó Snodaigh raised it, but it is not on the agenda this week. I seek a commitment that he will return to this issue.

The Taoiseach may have noted that the Constitutional Convention voted by a huge majority for citizens in the diaspora and in the North to be given the right to vote in presidential elections. This will go to the Government as a recommendation. Will the Taoiseach give us a sense of the timeframe for dealing with this recommendation?

The Taoiseach: The Sinn Féin Whip raised the question of a debate on Northern Ireland at the meeting as I suggested. I confirm that we will allocate time for a decent discussion on Northern Ireland, but it may take a couple of weeks to get to it as many issues have piled up. The request is approved and the debate will happen.

With regard to the Constitutional Convention, the process is that the chairman will co-ordinate the reports and send them to the Government, which will respond within four months

to each report as it is received. We must respond to the second or third report by the end of October. I recognise the strength of the sentiment of what was involved. I went around this circle 25 years ago and it would not be easy to implement such a process were one so inclined. We will respond to the Constitutional Convention's report in due course as we promised.

Deputy Michael Healy-Rae: With regard to the Houses of the Oireachtas Commission (amendment) Bill, it is quite extraordinary to think tonight will be an historic occasion when the issue of the abolition of the Seanad will be debated on prime-time television but the Taoiseach will not engage.

An Leas-Cheann Comhairle: Is this a question about legislation?

Deputy Michael Healy-Rae: Yes. The Taoiseach is handing over the job to a man who wanted his job number of years ago. He would not give him the job then but tonight he will put him out in his place. It is extraordinary and absolutely unbelievable.

An Leas-Cheann Comhairle: This is not on the Order of Business.

Deputy Micheál Martin: But it is very topical.

Deputy Michael Healy-Rae: It is extremely topical.

An Leas-Cheann Comhairle: The Deputy should raise it in another way.

Deputy Michael Healy-Rae: The people of Ireland are looking up to their Taoiseach and want to hear his arguments and what he has to say on the abolition of the Seanad, but he refuses the opportunity to go on prime-time television and debate the matter with people with differing views from his own. What is the Taoiseach doing tonight that is so important that he cannot go on television to debate a matter of national importance, a referendum that he instigated? He started the move to abolish the Seanad.

An Leas-Cheann Comhairle: That is enough.

Deputy Paul Kehoe: A Leas-Cheann Comhairle-----

Deputy Michael Healy-Rae: I am not speaking to the Whip but to the Taoiseach. He knows I am making sense.

An Leas-Cheann Comhairle: I ask the Deputy to resume his seat.

Deputy Michael Healy-Rae: I would like the Taoiseach to answer the question.

The Taoiseach: This is supposed to be about legislation, but I will answer Deputy Healy Rae's question. I am not interested in debating societies or being led around by those who want me to debate Deputy Martin, which would turn into a debate between two individuals rather than a debate on the issue involved. What is involved is the question the people are being asked, which is the straight question of whether they want to abolish or keep the Seanad. I hope people vote "Yes" to abolish it. I have had very many good friends in the Seanad over the years but unfortunately after 70 years of politics nothing has been done about it. It is powerless, ineffective and costs €20 million a year to run. It has never engaged with public society in the way it should. We can do far more to have comprehensive analysis, preparation, co-ordination and implementation in this House, the people's House, which under Article 28.4° is responsible for holding the Government to account. This is where the people's influence is vested. On Friday

the people will have the opportunity to have their voice heard. It is not a matter for politicians, leaders or political parties. It is a matter for the people and their voice can be heard on Friday. “Yes” for the abolition of the Seanad and “Yes” for establishing the court of appeal.

Deputy Micheál Martin: The Taoiseach did not answer the question.

Deputy Michael Healy-Rae: He avoided it.

The Taoiseach: Tonight I will launch a book on The Gathering for the hospice movement and another book on Ireland’s participation in the European Union over the past 40 years, both of which are about our country, jobs, opportunities and civic society. Frankly I have no interest in those who like to comment on who did what with regard to the debate. I am not into debating societies.

Deputy Michael Healy-Rae: The Taoiseach could have sent the Minister, Deputy Bruton, there. It would have made more sense.

Deputy Peter Fitzpatrick: When can we expect publication of the education (admission to school) Bill, which will ensure schools’ enrolment policies are more open, credible and consistent?

The Taoiseach: I can confirm for the Deputy the draft heads of the Bill are out for consultation and will come back to the Minister for Education and Skills in due course.

Deputy Peter Mathews: No. 35 on page 1436 of the Order Paper is a motion tabled by the Minister for Finance, with four amendments tabled by Deputies of the House. It was put on the Order Paper on 12 February, debated on 13 and 14 February and adjourned to be resumed. It has not been called since. Is it possible for this debate to be resumed on the basis that there has been a change in circumstances of the country? Since February 25,000 people have emigrated, of whom 15,000 - that is, 60% - are highly educated third-level-degree-holding Irish citizens.

An Leas-Cheann Comhairle: I thank the Deputy. We are not going into the debate now.

Deputy Peter Mathews: This is a most pressing issue. Last week the Fiscal Advisory Council spoke about the national debt being at 122% of GDP, which put it in third place after Greece and Italy. The paper ignored the fact that private household debt and SME or non-financial corporate debt taken together with national debt puts Ireland in the worst position in the OECD.

An Leas-Cheann Comhairle: I want to call the Taoiseach. We will have a debate on it, but the Taoiseach will reply.

Deputy Peter Mathews: This is crucial. In the meantime, the Thirty-second Amendment of the Constitution (Abolition of Seanad Éireann) Bill, which had to go through the Seanad and the Dáil to be brought to the people, has passed. It was brought in under a very strict Whip system so that Deputies and Senators who advocated the retention of the Seanad voted against their own debate. Another Bill passed was the Protection of Life During Pregnancy Bill, which was also whipped. In the meantime, the debate putting the case for the Irish people for debt reduction, which is extremely valid by any measure of logic and financial assessment, has been left for seven months without discussion or conclusion.

The Taoiseach: I am not sure what the Deputy’s question is. This is a motion in the name

of the Minister for Finance.

Deputy Peter Mathews: It has not been resumed and is unresolved.

The Taoiseach: Clearly, the Deputy is aware of the outcome of the negotiations on the promissory note.

Deputy Peter Mathews: They are not over. The consequences are not over.

The Taoiseach: He is aware of the interest rate reductions and the lengthening of the debt profiles. He is also aware of the decision taken by the European Council on 29 June 2012 in respect of the European stability mechanism, which has the potential to deal with the recapitalisation of banks. He is aware of the progress made by our Minister for Finance, as chair of the Council of Ministers, in dealing with banking union, banking supervision, the Capital Requirements Directive IV and the opportunity to move to a point at which we can have assistance from our European colleagues.

Deputy Peter Mathews: All inconclusive and open questions.

The Taoiseach: This is work which is clearly ongoing.

Deputy Peter Mathews: We should have been speaking about it for seven months.

An Leas-Cheann Comhairle: We have only four minutes left, and four Deputies wish to speak.

The Taoiseach: Deputy Mathews certainly has not been quiet on this issue. I recall his visit to Berlin, when he voiced matters very vociferously.

Deputy Peter Mathews: And since then in May, when other issues occurred.

The Taoiseach: Many other people have been speaking about it also, and we will continue to speak about it and negotiate on it and hopefully get a solution which will reduce our debts very substantially-----

Deputy Peter Mathews: The promissory notes were a given.

The Taoiseach: -----and continue to drag the country out into open ground far from the catastrophic economic mess we inherited.

Deputy Seán Ó Fearghail: Before the summer recess the Taoiseach published the Betting (Amendment) Bill, which we welcomed. The programme for Government also promised the gambling control Bill. In addition, the Horse Racing Ireland Bill, which promises to amend the 1994 and 2001 Acts, is promised, as is the greyhound industry Bill, amending the 1954 Act. By any and every stretch of the imagination, these are importantly correlated matters. First, could we have some indication from the Taoiseach in regard to the timescale of these Bills? Second, will he inform the House whether there is somebody behind the scenes who is co-ordinating these important Bills?

The Taoiseach: The gambling control Bill will be in the earlier half of next year, we expect. The horse racing Bill will be introduced in this session. The betting Bill has been published but it cannot be taken before the end of October because it has been referred to the European Commission.

Deputy Bernard J. Durkan: On promised legislation, what is the progress on the criminal records Bill, which relates to the exchange of criminal records between this country, other European countries and other jurisdictions? Similarly, what is the progress of the trusts Bill, which is to protect the assets of trusts? I understand that particular legislation should be brought before the House as soon as possible for very compelling reasons. In both cases, when are the Bills likely to appear before the House?

The Taoiseach: The criminal records Bill is early next year. I do not have a date for the trusts Bill but I will communicate with Deputy Durkan on that.

Deputy Seán Crowe: The deadline in the Non-Use of Motor Vehicles Act ended yesterday. We see from our television screens and from the number of telephone calls to our constituency offices the difficulties people have in this regard; a common denominator seems to be difficulties for parents of emigrants. Will there be a directive from the Minister extending the deadline?

The Taoiseach: I will consult the Minister, Deputy Hogan. I presume that if those things were put in the post or dropped through the letter boxes, even though they might be just outside the official closing time, they could be accepted. I will have the Minister make contact or make a public comment on it.

Deputy Frank Feighan: We need to amend regulations to facilitate an all-island gas market. When is the common arrangements for gas Bill due to be published?

The Taoiseach: I do not have a date for that but I will come back to the Deputy.

Deputy Martin Ferris: Given that the Minister for Education and Skills is beside the Taoiseach, I ask that the Taoiseach try to ensure Bus Éireann is contacted by the Department of Education and Skills in regard to five exchange students in the Ashdee area of north Kerry who are not able to get on a bus, despite having registered for it, due to the fact they were not in the country in time to pay their money. There are also three other students in the Ballyconroy-Liselton area who-----

An Leas-Cheann Comhairle: The Deputy needs to table a parliamentary question.

Deputy Martin Ferris: I have been in contact with the Department and Bus Éireann in this regard. They have told me they need a report so this can be sorted out.

The Taoiseach: I suggest that if the Deputy give the information and the background on this to the Minister, Deputy Quinn, or the Minister of State, Deputy Cannon, they will respond to him.

Deputy Martin Ferris: I have already given the information.

Topical Issue Debate

Penalty Points System

Deputy Pádraig Mac Lochlainn: As the Minister knows, the Comptroller and Auditor General reported on his findings in regard to the fixed charge notice system. The outcome is absolutely shocking. What he has revealed is that because of clearly widespread maladministration and very poor procedures, one in five motorists facing fixed charge notices are getting off. We are talking about 42,000 cases a year, and half of the summonses that were issued by the courts in regard to these were not served.

This is a crisis. It is not good enough for the Minister to issue circulars. We need to see how the hell this happened. The Minister knows that two Garda whistleblowers brought this wider issue into the public domain last year. He and the Garda Commissioner, I believe, sought to undermine their credibility and talked down the numbers that were involved, and we now see very clearly that they have been vindicated. What is the Minister going to do about this? It is a massive crisis of confidence for the public. The 71% of people who pay their fine, take it on the chin and accept they did break the speed limit, or whatever they had done to break the traffic laws, need to know that the system applies to everybody.

Will the Minister now apologise to the two Garda whistleblowers for the attempts by himself and the Garda Commissioner at that time to discredit them and to undermine the scope of what they were bringing into the public domain? Will he acknowledge they were right that there was a widespread problem with the system of penalty points in this State and that it has to be sorted out?

Deputy Joe Higgins: The problem is that there is a huge contradiction between the report of the Comptroller and Auditor General and the report of the Garda into the penalty points issue. The Comptroller and Auditor General found 600 repeat offenders with three or four terminations; the Garda report found a few. The Comptroller and Auditor General found 3,000 statute-barred points cases; there was no mention of these in the Garda report. Thousands of fixed penalty notices went missing and were unaccounted for according to the Comptroller and Auditor General; there is no mention of this in the Garda report. The Comptroller and Auditor General said large volumes of notices were terminated by gardaí from outside their areas; the Garda report said there were three. The Comptroller and Auditor General said there were thousands of notices whose cancellation contravened the rules and regulations; the Garda report said it was 600. The Comptroller and Auditor General said €1.2 million had been lost; the Garda report said it was a few thousand euro. Can the Minister explain?

Is it not the case that the whistleblowers are exonerated as truthful and honest in light of this revelation? One person has left and another member is subject to sanctions. Will the Minister see that justice now prevails here?

Finally, another victim of the penalty points debacle, Gemma O'Doherty, a leading investigative journalist with Independent Newspapers, was sacked because she uncovered a story that the Garda Commissioner was a beneficiary of the cancellation of penalty points. According to the *Irish Post*, the editor of the *Irish Independent* who sacked her was also a beneficiary of cancellation. Is that not outrageous and does it not smack of a grotesque abuse of power? Will the Minister speak out on this also?

Minister for Justice and Equality (Deputy Alan Shatter): I will respond to both Deputies but, on the last issue raised by the Deputy who just spoke, I am not privy to the background circumstances of the termination of anyone's employment with Independent Newspapers and I am certainly not going to comment in any way on that issue.

I welcome the opportunity to comment on the findings of the Comptroller and Auditor General in his report on the Garda fixed-charge processing system. I welcome these findings because they confirm what went wrong with the system and what needed to be fixed. Broadly speaking, the findings echo those of the examination of the same allegations which was carried out by Assistant Garda Commissioner John O'Mahoney. I published the O'Mahoney report and a related report by the Garda professional standards unit earlier this year and referred them to the Joint Oireachtas Committee on Justice, Defence and Equality.

The O'Mahoney report broadly identified the same key issues of concern relating to the operation of the fixed-charge processing system as were identified by the Comptroller and Auditor General, namely, a failure to follow cancellation procedures in a significant number of cases, a lack of adequate record-keeping, and an inconsistency - in many cases, a laxity - in accepting justifications for speeding and other road traffic offences. There is absolutely no doubt that the findings of the Comptroller and Auditor General reinforce both the concerns identified by the O'Mahoney report about weaknesses in the fixed-charge notice system and the case for corrective action.

Such action has been taken. Disciplinary proceedings were initiated against several members of the Garda Síochána and a number of others were advised of the absolute necessity to follow correct procedures. A new Garda directive on the cancellation of fixed-charge notices was issued to the entire force on 30 August 2013, aimed at significantly tightening up procedures for cancellation. The Garda Commissioner has accepted and will implement specific and helpful recommendations by the Comptroller and Auditor General on improving the fixed-charge notice system and how it interacts with the Courts Service and the driver licensing system. In addition, as I previously indicated, I have referred the two Garda reports to the independent Garda Inspectorate for its advice on any further measures that might be desirable. I expect to receive its report in the near future.

I welcome the action taken by the Garda Commissioner in this area and his commitment to implement the further recommendations of the Comptroller and Auditor General. The result will be a fixed-charge notice system that is more open and transparent and more robustly operated. This is essential if public confidence in the system and in the enforcement of road traffic law is to be maintained. The Garda Síochána, the Road Safety Authority and other stakeholders have done much in recent years to improve road safety and reduce fatalities. Everything must be done to maintain that progress, and the Garda Commissioner has my full support in the strong action he is taking.

It is only fair to acknowledge that these reports, and their findings and recommendations, are in response to allegations of improper cancellation of fixed-charge notices. However, any fair assessment must also conclude, on the evidence available, that a great many of the most serious allegations have been found to be utterly without basis, including allegations of avoidable road fatalities linked to speeding drivers being improperly let off fixed-charge notices and allegations of hundreds of PULSE records being destroyed. Perhaps most significantly, the member of the Garda Síochána who made the allegations rejects the findings of the O'Mahoney report and continues to claim there has been widespread corruption and criminality on the part of senior members of the force. These are exceptionally serious allegations, for which the O'Mahoney report found no basis in fact. My Department has written to the member concerned urging him to come forward with any evidence he may have to justify these allegations. It is open to this person, if he so chooses, to make an appropriate presentation to the Joint Oireachtas Committee on Justice, Defence and Equality. He has not thus far opted to avail of that oppor-

tunity.

In conclusion, I welcome the findings of the Comptroller and Auditor General, which are in line with the findings of the report by Assistant Commissioner O'Mahoney published earlier this year. I fully support the Garda Commissioner in the decisive action he is taking on foot of those findings. I will do my best to facilitate any further co-ordination that is required between An Garda Síochána and the Courts Service to ensure the efficient enforcement of summonses in the area of traffic offences. I will seek to ensure that the courts have available to them all the documentation and information they require when addressing issues which properly come before them. It would, however, be highly inappropriate for me to interfere in any way with the independent approach taken by the courts or by particular District Court judges in any individual cases which come before them relating to charges arising out of road traffic offences.

Deputy Pádraig Mac Lochlainn: The 71% of citizens who paid their fine and took their penalty points on the chin must be appalled to discover that up to one in five of those facing the same sanction managed to get away with it. It is clear, given the massive scale of such practices, that they arose largely due to maladministration. However, there are cases which give cause for serious concern. We have had allegations, for instance, that judges, serving gardaí, State solicitors and others have had points written off repeatedly. We were recently informed that several senior journalists - who are supposed to be working to hold gardaí to account - have had the same write-off. It has been further alleged that one journalist, Ms Gemma O'Doherty, lost her job because of the investigative work she was doing in this area.

Will the Minister undertake to investigate why at least two senior journalists at the publication mentioned in the *Guardian* and the *Irish Post* had penalty points written off? Such an investigation is necessary to ascertain whether those write-offs arose from genuine circumstances, as they may well have done. The public has a right to know in either case. We must have the answers in the interests of democracy and if public confidence in the system is to be restored. As I said, the larger problem was clearly one of major maladministration, but there are also cases where very powerful and connected people apparently had their points written off simply because of who they knew. That is totally wrong and the Minister must investigate the extent and circumstances of that alleged practice.

Deputy Joe Higgins: All that is demanded is that any of us who have incurred penalty points are treated in the same way, regardless of whether one is a public figure or private citizen. The Minister indicated that the conclusions of the Comptroller and Auditor General are in line with the findings of the report by Assistant Commissioner O'Mahoney. That is clearly not the case, as is easily documented. I invite the Minister to get his officials to go through the records with a fine tooth comb to revise his view on that.

The Minister further stated that it is only fair to acknowledge that these reports and their findings and recommendations come in response to allegations by whistleblowers, as I would describe them. I am asking the Minister to go the extra mile and be generous here. Perhaps these individuals did not get everything absolutely right, but the vast substance of what they said has proved to be absolutely honest and true. Yet they have been victimised. The Minister must stand up and champion the right of people in vulnerable positions to come out for the public good. I am asking him to do so today and to apologise for the inaccurate comments he has made castigating these people.

Deputy Alan Shatter: Deputy Higgins should be assured that nobody has been victimised.

Deputy Joe Higgins: The individuals in question were victimised.

Deputy Alan Shatter: There is no basis for alleging that anybody has been victimised. The allegations that were made were taken very seriously. They included claims that a number of road accidents in which people lost their lives were a consequence of fixed-notice charges being cancelled. That was established, on a very detailed basis, to be untrue. Those allegations could have caused a great deal of distress to families already distressed as a consequence of losing a loved one. Despite the very detailed addressing of these matters in a report that is before the Joint Oireachtas Committee on Justice, Defence and Equality and was published by me, the individuals who raised these issues are adamantly insisting that they disagree with the contents of the report.

The allegations alleged widespread corruption and conspiracy in An Garda Síochána. There is absolutely no doubt that there have been administrative and bureaucratic failings. It is also clear that a number of fixed-notice charge cancellations were, based on the background circumstances as detailed in the report, absolutely justified. Anybody would stand by them. There were some decisions which I have described as “exotic” and are certainly open to question. That is one of the reasons the Garda Commissioner, having made an initial statement when the original reports were published, went on to oversee the provision of detailed new guidelines providing for greater oversight. It was suggested earlier today in this House that these new guidelines simply reproduce the ones that went before. That is not the case. The new guidelines address matters in such a way as to ensure there is proper oversight, cancellation decisions are made only where appropriate and everybody is treated equally and transparently. In fact, it could be said there is some disadvantage under the new system for people who are in prominent positions, such as Members of this House. They will be treated less than equally because there is an additional level and a particular layer in the new guidelines to ensure applications by them for cancellation are dealt with at a higher level of the Garda Síochána. There is complete transparency and everything is monitored. I am very happy with this.

In so far as individuals who raised issues are alleging that the Garda reports published are untrue, let them bring forward chapter and verse and proof of this. I am open to being convinced, but they have not done so. Having engaged with Members of this House and published material, they did not co-operate with the Garda investigations that took place. I do not know why that was the case. There is no question of anyone being victimised.

It is important to keep cancellations in perspective. I say this in particular to Deputy Pádraig Mac Lochlainn. The Garda Síochána and Comptroller and Auditor General’s reports are consistent in showing the level of cancellations of fixed charge notices to be around 5%, meaning that 95% of fixed charge notices have been processed correctly. Within that 5%, in half of the cases there was irrefutable evidence and indisputable reasons for cancelling them. The wrong people had received fixed charge notices or the registration number photographed turned out to be different for the car owned by an individual. It is true that the Comptroller and Auditor General’s report identified some weaknesses in the process, particularly in issuing enforcement notices, but I am glad that the Garda Commissioner is taking action in this area. The Deputy can assume I will continue to monitor the position to ensure matters are dealt with appropriately. I have no doubt that the Garda Síochána Inspectorate will keep oversight of the area in order that everyone in the House will be satisfied the system is fair and operating efficiently and appropriately.

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Community Welfare Services

Deputy Dara Calleary: I thank the Ceann Comhairle for allowing me to raise this issue with Deputies Seán Kyne and Thomas Pringle.

In the past week it has been brought to my knowledge that the Department plans to withdraw the community welfare service offices serving Ballyhaunis and Claremorris in County Mayo and transfer them to Castlebar. I sought clarification from the Minister's office, but I have not received it. I assume the move is going ahead. A number of rural community welfare offices in County Mayo have been closed in recent years, but they had the benefit of far greater proximity to the towns in which the service is now based. On this occasion, the entire service is delivered out of east Mayo and two towns with a particular need for it. This raises the need for a full-time community welfare service to be based in rural areas.

One of the difficulties people will not understand by looking at a map is the lack of public transport. People do not have the opportunities available in urban areas in terms of bus and rail transport. The clients who use the community welfare service have serious financial issues and do not have the cash for taxis. They may not have their own resources for transport and we will leave them in a serious position.

The broader issue is the withdrawal of Government services from rural areas and the need to examine this issue in an audit. The area in question has suffered in recent years from the withdrawal of services, including under the previous Government. Departments reorganising services need to come together to ensure they are not targeting specific areas for the withdrawal of services in order that the burden can be shared.

I would like to know what the position is on the offices in Claremorris and Ballyhaunis. I spoke to the Minister over the summer about delays in respect of domiciliary care allowances. She indicated that she would act and there has been a transformation in the delivery of the service since we spoke, which I acknowledge.

Deputy Thomas Pringle: I join Deputy Dara Calleary in thanking the Ceann Comhairle for allowing this issue to be raised.

As of yesterday, clinics have been closed in County Donegal. Some 12 clinics have been closed and clients are being asked to make their way to larger towns to avail of community welfare services. This does not recognise the geography of rural Ireland and counties and the difficulties many of the clients of the Department face in accessing services. The 12 clinics are in outlying areas where there is no transport link to get people to larger towns to access the clinics. It does not recognise that these are the most vulnerable people in society and, through their need to access services, they must have a lot of contact with community welfare officers. Many will be reviewed for rent supplement and must access the service on that basis. Others may be looking for exceptional needs payment and simply cannot afford to travel across the county to access these services.

The letter issued in County Donegal states that it is due to the roll-out of the Intreo programme and a one-stop shop for employment services. However, I fail to see what the community welfare offices will bring to the roll-out of the Intreo service when they need to be kept in place to provide the services which are vital to those using them. The Department has not taken account of the difficulties of people in rural areas in accessing services. In recent years we have

seen the closure of post offices and Garda stations and threats to rural schools. People see these public services being withdrawn and it leads to a huge amount of concern and difficulties in our communities. I, therefore, ask the Minister to reverse the decision, on which there was no consultation. Some of the clinics being closed are the busiest.

Deputy Seán Kyne: I thank the Ceann Comhairle for facilitating this Topical Issue debate.

I acknowledge the work of the Minister and her Department in ensuring the continued provision of services, despite the extraordinary and unprecedented challenges we face. The economic crisis has put extra strain on Departments' budgets, particularly that of the Department of Social Protection, and I appreciate the need to minimise administration costs. I understand the rationale behind Intreo offices and the provision of one-stop shops. I also acknowledge the support and advice I have received from the staff within the Minister's office. In the Galway office Mr. Eoin Brown has provided great information on the issue. However, the new rationalisation measure to centralise community welfare offices has been ill-thought out. The committee welfare services are required by people in a vulnerable state and experiencing financial difficulties through job losses or another traumatic event. I tabled a number of questions to the Minister last week. The replies inform me that the criteria on which the reorganisation is made include the distance between clinics, the available transport, the number of customers, as well as the time and duration of clinics. I find it hard to believe these criteria were applied to the office in Galway, which I am sure is similar to that in County Mayo and County Donegal. My fear is that the decision was taken without an understanding of the large geographical area which it serves. Ó inniu ar aghaidh, beidh ar daoine i gConamara a dteastaíonn seirbhís ón oifig leasa shóisialaigh uathu taisteal go Gaillimh nó An Clochán chun seirbhís a fháil. Tá a fhios agam go bhfuil plean d'oifig taistil ag teastáil agus go mbeidh seirbhís trí Gaeilge ar fáil, ach tá faitíos ar an phobal faoi an athrú seo. I understand the rationale and have seen it explained, but I am concerned about the distances people will be required to travel. They must access services in Galway and from tomorrow new services in Clifden. This is causing undue hardship for the most vulnerable of people.

Minister for Social Protection (Deputy Joan Burton): I thank Deputies Dara Calleary, Seán Kyne and Thomas Pringle for raising this issue.

The Department is examining the operation of all its services, including the community welfare service, in the context of the Pathways to Work commitments and the development of Intreo services nationally. The Pathways to Work programme represents a significant reform in the social welfare system and highlights the need for the Department to focus its resources on the provision of opportunities, supports and assistance for unemployed persons. The Department is intensifying its level of engagement with the unemployed, particularly those who are long-term unemployed. I think all the Deputies here would share that concern. The new Intreo service offers practical, tailored employment services and supports for jobseekers, a model which is currently being rolled out across the country. It is expected that 300 staff will be redeployed to activation work from within the Department's existing resources by the end of the year. The first 160 staff members are in the process of being redeployed. These include staff from the community welfare service.

Overall, this will result in a rebalancing of resources across the Department's range of activities, including the relocation of some staff to main centres, primarily Intreo offices. Intreo centres will provide a full range of services, including the community welfare service, and these will, in general, be available in one location. As a consequence, it has been necessary to

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restructure the operation of community welfare services, including those in County Galway, where changes came into effect this week, and elsewhere in Galway and Mayo. In preparation for these changes, the Department contacted all affected customers directly, advising them of the changes in the services. In addition, arrangements were put in place to provide dedicated phone services allowing, in most cases, for customer queries to be processed without the need for attendance at a clinic. I stress that the basis of the service should be a modern telephone service, so that customers do not have to travel to and queue up in a community welfare office other than in exceptional circumstances. However, if a person is unable to travel to a clinic - for example, due to illness - alternative arrangements are in place, including visits to the client's home should that be necessary.

It is important to note that under the new arrangements, the frequency of available clinics is being increased to five days a week in the case of Galway and to three days a week in the case of Clifden. In addition, the number of staff available to these clinics is being increased, providing improved access to services. It is planned to roll out similar changes in Mayo in the coming months. It should be noted that although more than 100 clinics closed in 2012, the service to customers was, I would argue - Deputies can check with their colleagues - not only maintained but expanded and enhanced, allowing vital social welfare staff to help the unemployed get back to work. This is a win-win situation, I hope, for everybody, not only the customers who need help - they are the most important - but also the unemployed, to whom I have given a commitment on behalf of taxpayers in Ireland to help them get back to work and become financially independent.

The Department is conscious of its obligations to those who are Irish speakers. We are committed to providing services through Irish to customers. There are a number of staff in the offices covering the Connemara Gaeltacht who provide a service through Irish, and this will continue to be the case. The Department is also committed to the continued development and training of staff to facilitate the provision of services through Irish. The Deputies will be aware that a range of forms, leaflets and other documents are available, in both Irish and English, on the Department's website. The staffing needs for all areas within the Department are continuously reviewed to ensure that the best use is made of all existing resources with a view to providing an efficient service to those who rely on the schemes operated by the Department.

Much of the old work and a significant part of the work of community welfare officers, as the Deputies will be aware, was to do with supplementary welfare. Where we introduced the Intreo office system, the need for supplementary welfare payments in many cases was reduced to a fraction of what it used to be, because we can sort out matters such as jobseeker's claims within a week. As the Deputies will be aware, such matters were a significant part of the work of the clinics.

Deputy Dara Calleary: The difficulty continues to centre on a number of issues such as access on a geographical basis. I note the Department will put telephone arrangements in place. There is a fantastic community welfare system, with front-line community welfare officers who work incredibly hard. Their personal knowledge of clients is essential in serving not only the clients but also the Department. They know the real circumstances of the clients. By moving to a telephone service, the Department will lose that.

The location of the Intreo offices - an important service whose roll-out I welcome - will be away from clients. The three Deputies who raised this issue all share the view that this seems to be missing in the consideration of the Department. The Minister is forcing those who do not

have resources to use the telephone. The possibility of engaging in human interaction about what they are seeking is not available, based on what she is saying.

Deputy Thomas Pringle: While there may be a telephone service available, it will be interesting to see how that will work where there are application forms to be filled out or paperwork to be sent in to the community welfare officer for a decision. I do not know how that will work out in practice. I ask the Minister to keep this under review with a view to reopening the clinics if necessary if the service fails the clients who deserve it.

One of the clinics closing in Donegal is in Pettigo, and an offer has been made to clients to use the clinic either in Ballyshannon or in Donegal town. There is one bus service a week to Donegal town from Pettigo and there is none to Ballyshannon. For those in Gaoth Dobhair, where the service is closing, there are two clinics: one in Dungloe, which is 15 miles away, and one in Falcarragh, which is also approximately 15 miles away. One cannot get a bus to Dungloe. If one gets a bus to Falcarragh, one arrives at half past ten in the morning and cannot get a bus back again until half past five in the evening. These are the type of service that these clients must access and it is simply not the best way of dealing with them. The Minister at least should be willing to keep this under review over the next number of months and, if it is not working, to reinstate these services.

Deputy Seán Kyne: I thank the Minister for her reply. I concur with Deputies Calleary and Pringle regarding keeping this under review.

There is a concern that the Minister is taking the community out of community welfare provision. While telephone, e-mail, letters, etc., are fine, some living in parts of my area who must see a community welfare officer may have to travel 60 kilometres one way for a service, and, as Deputy Pringle outlined, using an infrequent public transport system. It would be like sending somebody from Blanchardstown to Drogheda or from Clonsilla nearly to Mullingar to avail of a service, and if the person had to go to those places, he or she would have a much better public transport system than we have in Connemara and the other regions mentioned. Where it is vital that a service is provided, we need to ensure that we provide it. I again ask that this be kept under review.

I have spoken to officials in Galway to see whether a service can be provided on a half-day-a-week basis, concentrated, for example, in An Cheathrú Rua, where the Minister was present for the opening of the MABS office. The Minister will appreciate the distance even from An Cheathrú Rua to Galway city. The Minister might be able to keep that under review.

Deputy Joan Burton: I thank the Deputies.

Let me explain a little of the background. Some 1,000 staff transferred from the HSE to the Department of Social Protection in October 2011. At that time, my Department took over 900 clinics, many of which were situated at crossroads and in hotels, as the Deputies will be aware, for an hour, a half-hour or even, in some cases, ten minutes.

Previously, a large part of the work of a community welfare officer was providing supplementary welfare payments. With the transformation of the service, when somebody goes into the new Intreo office and identifies what he or she wants to claim - for instance, jobseeker's allowance - by and large, the person will get it within a week.

The following may be of some reassurance to the Deputies, because I understand why they

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are concerned about it. To date, we have closed 268 clinics, and to be perfectly honest, we really have not received the kind of negative feedback about which the Deputies are apprehensive. Of course, I will bear in mind Deputy Pringle's request that we keep the situation under review.

6 o'clock

The Department provides a telephone service and in special cases of illness, for example, it will send an official to the home. It will have an extra 300 officials available whose work it will be to get people back to work. I refer the Deputies to the significant support provided by my Department for community employment and Tús schemes in their areas. It identifies and selects those eligible to participate in these schemes. Therefore, there is a significant level of work being carried out by the Department. From my travels around the country and in the areas represented by the Deputies, I know about the significant contribution of some of these schemes to the different areas all this year, including the Tidy Towns competition and The Gathering. I ask the Deputies to be aware that the work of activation, particularly the expansion of community employment scheme opportunities, Tús and other schemes, has produced a significant dividend at local level in the areas to which they have referred. This is a trade-off arrangement which I undertake to keep under review. That is why we gave everyone involved very detailed information in advance. We will certainly keep the conversation going.

I thank Deputy Dara Calleary for his comments on the domiciliary care allowance. I have said in the House that we took on the job to revamp the IT platform. This was a risk and it took quite an amount of time, but we have now cleared the backlogs in respect of domiciliary care allowance and carer's allowance. Not everyone who applies is eligible, but those with a clear, solid and substantial application will receive an allowance. This also applies to family income supplement and the Department is now able to be more up to date on changes in family circumstances. These reforms, although painful for many Deputies, have produced a significant gain. I hope when we come to discuss the matter in the future, we will see similar gains to the benefit of everyone in the local community, as well as getting people back to work.

Apprenticeship Programmes

Deputy Robert Dowds: I thank the Ceann Comhairle for choosing this topic for discussion. I also thank the Minister for Education and Skills for his reforming work in his Department.

It is agreed by everyone that gas and electrical installations must be installed by a qualified technician because the safety and lives of people depend on such work being done properly. The same does not pertain in the motor industry, even though the work is related to safety and the preservation of life. Courses are available in all areas of car maintenance such as body repair, tyres, engine and windscreen maintenance. While many workers in this sector are qualified, I understand there is no recognised national regulatory system or national professional register of qualified personnel, despite the fact that the work done in the motor industry is so important for our safety.

Other advantages of a good regulatory system and a professional register of qualified personnel would include a guarantee for customers that the work is undertaken by qualified individuals. It would give trainee mechanics and others working on cars a recognised qualification; it would help to eliminate fly-by-night car repairers who give the business a bad name; it would guarantee that waste products were disposed of safely. It could even be a requirement of the

NCT to have fully traceable documented and accredited repairs and it would also lead to higher levels of tax compliance in the car industry. We should aim to have EU-wide recognition for all motor qualifications. This would guarantee standards across a wide range of countries, meaning that a person with recognised skills could move to work elsewhere in times of work shortages.

I ask the Minister to sort out this regime in order to help strengthen road safety and reward those who are playing by the book. I ask if there could be links with other countries in order that qualifications acquired here would be recognised in Britain, France or Germany, for example.

Minister for Education and Skills (Deputy Ruairí Quinn): I thank the Deputy for raising this issue. Economic recovery will depend significantly on the quality of skills available in the workforce. A clear link has been demonstrated internationally between skills and qualification levels, on the one hand, and productivity and income growth within the economy, on the other. It is important that those who exit the education and training system have relevant and up-to-date competencies required by the 21st century labour market. In that context, my Department is undertaking a review of apprenticeship to ensure the model of apprenticeship which has been in place in Ireland up to now is fit for purpose in producing individuals whose qualifications address the needs of the economy. Obviously, as well as trades such as electrician, plumber and bricklayer, the review will look at the apprenticeship model which has applied in the motor industry. Certain trades within the motor industry already attract a nationally recognised qualification.

Apprenticeship is the recognised means by which people are trained to become craftspeople in certain designated trades in Ireland. It is a programme which is driven by employer demand, aimed at developing the skills of the apprentice to meet the needs of industry and the labour market. The designated trades include several in the motor industry such as heavy vehicle mechanics; motor mechanics and vehicle body repairs. While FÁS has responsibility for promoting and overseeing the training and education of these apprentice trades, the curriculums for all trades is validated by Quality and Qualifications Ireland, QQI, as an NFQ level 6 advanced certificate - craft.

The review of the apprenticeship system in Ireland which is under way will address a number of themes: consideration of the strengths and weaknesses of the current model of apprenticeship and what improvements can be made to its current structure; an examination of the alternative methods of work-based training in Ireland; consideration of the structural mechanisms and criteria under which collaboration with industry-employers can be pursued into the future, either through improved, alternative or complementary models of work-based training. It is in this context that the needs of the motor industry and the individuals who wish to work in that sector will be examined. I am aware that the Society of the Irish Motor Industry, SIMI, has provided a submission for the review and that it will be examined, together with the submissions of the other relevant stakeholders.

Deputy Robert Dowds: I thank the Minister for his reply. I ask him to indicate whether a professional register which is fully recognised nationally will be provided. I also ask if moves are afoot - if not, I encourage him to do so - to ensure qualifications acquired in Ireland in this area will be recognised in Britain, France and Germany and, similarly, that qualifications earned in these countries are recognised here. Fixing a car in Ireland or Germany is the same job and cultural issues do not impede the work involved.

Deputy Ruairí Quinn: I thank the Deputy for his supplementary comments and questions.

The answer to the second question is that we are moving within the European labour market towards having a set of recognised standards applicable and recognised across all 28 member states. The Irish ten point national framework administered through QQI, Quality and Qualifications Ireland, is replicated in similar forms across the European Union. In tandem with the apprenticeship review, it is my intention to return to a much more healthy, balanced supply of trained individuals in the workforce with recognised qualifications for which there is a demand. The model that failed during the height of the Celtic tiger madness was completely driven by employers. When the construction boom ended, many young people who were halfway through their training process were left high and dry and unable to complete their training. We are trying to find a model that will balance the need for people to obtain qualifications in trades in which they wish to work and the need for industry to have a regular supply of competently trained individuals. That is the objective.

Deputy Robert Dowds: Is there a timescale for the review?

Deputy Ruairí Quinn: I expect to have the apprenticeship review at the end of the year. I would like to see something emerge in the next 18 months.

Long-Term Illness Scheme Coverage

Deputy Michael McCarthy: I thank the Ceann Comhairle for selecting this issue. It has been well publicised in recent years that the incidence of chronic illnesses such as Crohn's disease has significantly increased, yet the long-term illness scheme has not been updated since 1970. It is time for it to reflect this increase and I am asking the Minister to relay to his colleague the need to provide some assistance for people suffering this blight on their health. It is a very unpleasant condition.

Crohn's is a serious, chronic inflammatory disease of the gastrointestinal tract that affects approximately 5,000 people in Ireland. There is no medical or surgical cure for it and there are few treatment options for patients suffering with this chronic condition. Crohn's disease affects people of all ages, but it is primarily diagnosed in adolescents and young adults, with onset typically between the ages of 15 and 40 years. It can have a devastating impact on the day-to-day lives of people and commonly occurs during a time of life when people are most active such as when they are in school, going to college or having a family. It can limit personal choices, resulting in many dropping out of third level education, working part-time rather than full-time, or working closer to home to reduce travel time. Many opt for low stress lifestyles and less pressurised careers. The condition poses challenges for those who wish to travel and some are also fearful of starting a relationship or family. It varies in an acute or chronic form and can be characterised by flare-ups and periods of remission. The severity of symptoms, the times without illness and the length of flare-up vary from person to person and there is no identified cause for its occurrence and little public understanding of the pain and chronic suffering with which patients cope every day.

People with long-term illnesses have a heavy load to bear in terms of the cost of treatment, the effect on their lives and their ability to and availability for work. The costs incurred in having an inflammatory bowel disease can have a huge effect on family finances. With Crohn's disease, the issue is not just medication, there is also the matter of consultant fees, the cost of GP blood tests and other procedures that mount up. Sufferers face a lifetime of medication, GP sessions, blood tests, endoscopy and regular consultant visits. As such, a Crohn's disease

patient may spend thousands of euro per year in managing the condition, with little potential for State support via the provision of tax relief at the standard rate.

Symptoms which patients can experience include abdominal pain and cramps, diarrhoea and blood loss, exhaustion, loss of appetite, nausea, fever and weight loss. It is a horrible illness. Crohn's disease patients are often treated with immunosuppressant drugs, resulting in infections being contracted on a regular basis. As a result, expensive visits to the GP are a requirement. Furthermore, one of the common side effects of Crohn's disease is joint pain, which means a trip to the physiotherapist is also a necessity. There is also the cost of health insurance and the drugs which are not available on prescription but which are also a necessity for treatment. These include paracetamol, medication for heartburn, anti-inflammatory gels, vitamins, etc.

Many patients suffering from Crohn's disease are prescribed steroids in times of flare-up. These drugs are extremely harmful to bone density and often lead to the onset of another long-term illness, osteoporosis, which is not covered by the scheme either. Does the Minister agree that by including Crohn's disease in the long-term illness scheme, it would help keep patients well and manage their conditions? I am sure the Minister is well aware of the affliction I have described and people suffering from the condition. I would appreciate it if we could, in straitened economic times, spare a thought for those who must endure this severe illness on a daily basis and deal with the associated cost.

Deputy Ruairí Quinn: I am taking this issue on behalf of my colleague, the Minister of State at the Department of Health, Deputy Alex White, and thank the Deputy for raising it.

The long-term illness scheme is a non means-tested scheme introduced in 1971 which provides free medicines and medical appliances for people with specified conditions. The conditions covered by the scheme are mental handicap, mental illness for those under 16 years only, phenylketonuria, cystic fibrosis, spina bifida, hydrocephalus, diabetes mellitus, diabetes insipidus, haemophilia, cerebral palsy, epilepsy, conditions attributable to the use of thalidomide, multiple sclerosis, muscular dystrophies, Parkinsonism and acute leukaemia. There are no plans to extend the list of conditions covered by the scheme.

People who cannot, without undue hardship, arrange for the provision of medical services for themselves and their dependants may be entitled to a medical card. In the assessment process the Health Service Executive can take into account medical costs incurred by an individual or a family. Those who are not eligible for a medical card may still be able to avail of a GP visit card which covers the cost of general practice consultation. Non-medical card holders and people whose illness is not covered by the long-term illness scheme can use the drug payment scheme which protects against excessive medicine costs. Under this scheme, no individual or family pays more than €144 per calendar month towards the cost of approved prescribed medicines. The scheme significantly reduces the cost burden for families and individuals incurring ongoing expenditure on medicines. In addition, non-reimbursed medical expenses can be offset against tax.

The Government is committed to a major reform programme for the health system, the aim of which is to deliver a single-tier health service, supported by universal health insurance, UHI, where access is based on need rather than income. Under UHI, everyone will be insured and have equal access to a standard package of primary and acute hospital services. An insurance fund will subsidise or pay insurance premiums for those who qualify for a subsidy. The De-

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partment is preparing a White Paper on universal health insurance which will provide further detail. The Government is also committed to introducing, on a phased basis, a universal GP service without fees within its term of office, as set out in the programme for Government and the future health strategy framework. It has been agreed that a number of alternative options should be set out with regard to the phased implementation of a universal GP service without fees. A range of options are under consideration, with a view to bringing developed proposals to the Government shortly.

Deputy Michael McCarthy: It is widely speculated that in the next budget the Government will extend free GP cover to those under five years, which would be a wonderful initiative that could reduce the increased burdens on families struggling to deal with the current economic recession. We should also bear in mind the people I have described. We owe it to such persons to consider them in what I know are very difficult economic circumstances. They are trying to survive and not blessed with good health; therefore, we must do our best to ensure any significant financial burden can be offset in as much as it can be, given the straitened economic times in which we live.

Deputy Ruairí Quinn: I understand the Deputy's concern about the matter. I also understand that not only are the physical consequences of the disease debilitating and very painful in some cases, but that they can also generate emotional turmoil because of a sense of helplessness. That is an additional burden that the people concerned and their immediate families must carry. I will convey the remarks made by the Deputy to the Minister of State, Deputy Alex White.

Road Traffic (No. 2) Bill 2013: Order for Second Stage

Bill entitled an Act to amend and extend the Road Traffic Acts 1961 to 2011, to amend section 20 of the Road Safety Authority Act 2006, section 16 of the Road Transport Act 2011 and the Road Safety Authority (Commercial Vehicle Roadworthiness) Act 2012 and to provide for related matters.

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move: "That Second Stage be taken now."

Question put and agreed to.

Road Traffic (No. 2) Bill 2013: Second Stage

Minister for Transport, Tourism and Sport (Deputy Leo Varadkar): I move: "That the Bill be now read a Second Time."

I thank the House for giving me the opportunity to introduce the Bill. It will build on the record of improvement in safety on our roads over the past decade and introduce measures

that will further contribute to road safety in the years to come. We have witnessed a dramatic reduction in the number of deaths from 415 in 2001 to 161 in 2012. This did not happen by chance; it was achieved against a backdrop of increasing numbers of vehicles in the country. We have discussed previously the measures that led to the improvement in road safety statistics in recent years. The establishment of the Road Safety Authority, RSA, the introduction of the fixed charge and penalty points systems, random breath testing for alcohol and lower permissible limits, the enactment of targeted legislation, the establishment of a dedicated Garda traffic corps and the introduction of safety cameras are some of the contributors to the reduction in fatalities and the positive change in driver behaviour.

Crucially, there has been broad all-party support for road safety measures in recent years. That was important and I hope it will continue. The first legislation passed by this Dáil related to road safety. I would like to acknowledge the essential work done by the Garda in enforcing the law on our roads. In addition, we should remember the vital role of the Medical Bureau of Road Safety in the battle against intoxicated driving. Finally, the RSA has played a central role in the many improvements in road safety in the past seven years since its foundation. I would like to acknowledge, in particular, the enormous contribution made by Mr. Noel Brett, the first chief executive officer, who will soon move on from the authority. The RSA has grown in stature and effectiveness under his leadership. The public owe him and the staff of the authority a great debt of gratitude. Few State agencies can measure their success in terms of lives saved and the dramatic decline in road deaths in the past seven years is something in which Mr. Brett and his staff can rightly take pride. The RSA will continue to build in the coming years on the work done under his leadership.

All stakeholders have played a part in bringing the safety message to road users and in stressing, above all, the importance of personal responsibility for drivers, motorcyclists, cyclists and pedestrians who all share our roads. The record low in road fatalities last year of 161 was testament to the work and commitment of a number of individuals and agencies but, most important, it was an indication that the public is heeding the message and amending its habits and behaviour for the good of all. Unfortunately, it looks as though fatalities in 2013 will show an increase on 2012. As of today, 145 people have died on our roads this year. This is 18 higher than at the same date last year. The reasons are not immediately clear. The average monthly death figure has increased to 16, as against 13 in 2012 and statistics show that the increases apply to almost all parts of the country. The two main agencies involved, the RSA and the Garda, meet regularly to discuss the causes of collisions and the steps necessary to address the issues arising. We must all redouble our efforts in this area to try to keep the number of fatalities to the minimum possible for the remainder of this year and to revert to the downward trend of previous years. We must continue to ensure that our cars and vehicles are safe, that road users are educated about how to use our roads safely and, as we move into winter and the days get darker, wetter and icier, that enforcement is stepped up.

The Bill introduces measures that will better prepare learner drivers for dealing with the conditions they will face on our roads and by aiding the Garda in its fight against traffic offences. With a view to building on the success of previous years, I launched, in March of this year, the Road Safety Strategy 2013-2020. The new strategy identifies 144 actions to be implemented by key partners in the eight-year period that will lead to a further significant reduction in fatalities. The strategy also highlights, perhaps for the first time, the need to devote attention to serious injuries caused by traffic collisions. We will not lose our focus on reducing road deaths but we will expand that focus to embrace reductions in serious injuries as well. This is

the first road safety strategy to set targets for reducing serious injuries as well as fatalities.

The first step taken on this issue was a conference held in Dublin Castle during the Irish presidency of the EU earlier this year when experts from a number of countries provided insightful input into how the matter of serious injuries should be addressed and why it is important to do so. The main causes of road crashes are excessive and inappropriate speed, intoxication, fatigue and distraction. Initiatives and measures are being taken on an ongoing basis to address all of these. Speed is perhaps the issue that requires greatest attention. I am informed that excessive speed is a factor in the vast majority of road collisions that result in fatalities or serious injuries. As a nation of drivers, we drive too fast and without due care for road or prevailing weather conditions. I established a speed limits review group last year to examine this issue, which comprises representatives of my Department, the RSA, the Garda, the National Roads Authority, the County and City Managers Association, local authorities and the Automobile Association. The group is finalising its report and I expect to publish it in the next few weeks.

Driving under the influence of intoxicants has been a serious problem on our roads for a long time. In recent years, the Oireachtas passed legislation to discourage the consumption of alcohol by drivers. We have reduced blood alcohol concentration levels for all drivers and made mandatory the testing of all drivers involved in collisions where injury has occurred. I am taking a further step in this Bill by providing for the testing for alcohol of drivers left incapacitated or unconscious and removed to hospital following collisions. In recent times, there has been a reduction in the number of drivers detected with alcohol in their systems and while drink driving remains a significant driver behavioural issue, it is timely that we strengthen road traffic legislation in regard to drug driving. Unfortunately, it will not be as straightforward as the approach taken to alcohol detection. Alcohol is a chemical and its presence in the body and levels involved can be measured reliably and scientifically by the devices that have been developed and improved over a number of years. Drugs are not as easily detected and no device can provide evidence of the presence of all drugs.

A number of countries in Europe, including Ireland, are liaising on developments that are taking place in identifying suitable devices. I have asked the Medical Bureau of Road Safety to address this issue as a matter of priority. The focus of the bureau's studies is on oral fluid based roadside screening devices and the implementation group, established under the chairmanship of the bureau, is currently examining the specifications of the required device as part of a future tender process. It is hoped to publish the invitation to tender early next year. In the meantime, while the work of the group is proceeding, I am introducing provisions in this Bill that will assist the Garda in determining if a driver is under the influence of an intoxicant. When I am assured that devices have been developed to permit roadside testing, I will introduce appropriate legislation to allow for their use at that time.

The legislation builds on the work done in recent years and focuses on strengthening the law in three particular areas. These are driver licensing, penalty points, and testing of drivers for intoxication. There are also a number of miscellaneous measures, which I will explain later. The changes proposed in this Bill will contribute to a better quality of driving on our roads and to greater deterrence of intoxicated driving. All the major elements of this Bill have been discussed in advance with the Joint Oireachtas Committee on Transport, Tourism and Sport. In the course of drafting, it became clear that it is possible to deal with a number of proposals through secondary legislation which were included in the heads of the Bill that were sent to the committee. These relate to proposals originally made by Deputy Eoghan Murphy in a private members' Bill. Regulations to allow road authorities to provide on-street spaces for car clubs

and recharging of electric vehicles have been prepared. In response to input from the joint Oireachtas committee, regulations to prohibit texting with hands-free devices while driving have also been prepared. These are currently being drafted by the Office of the Parliamentary Counsel and I intend to bring them into force as soon as possible.

In recent weeks, there has been much talk of Dáil reform and the need to include committees and backbenchers in the legislative process in a more meaningful way. This is a debate worth having and many have made valid and interesting contributions to it. Sadly, however, some contributors are not as well informed as they might be and do not seem to have noticed the changes that have already taken place; whether it is requiring the chairpersons of State boards to appear before a committee prior to appointment, Friday sittings to enable backbenchers to have their own legislation discussed or the new practice of sending Bills to committee at heads of Bill stage, the pre-legislative stage, for early input and political-proofing by members. The two statutory instruments I will sign into law in the coming weeks are a direct result and concrete outcome of those Dáil reforms. I am accepting the smarter travel Bill proposed by Deputy Murphy and will enact it through secondary legislation and I am doing the same regarding proposals made by the committee at pre-legislative stage relating to mobile phones. Furthermore, a number of other Members have proposed private members' legislation in the broad area of road safety, including Deputies Dooley, Ellis and Lawlor. In so far as amendments are practical and work within the existing policy framework, I am keen to facilitate them and, therefore, I ask that they advise my office as early as possible as to the amendments they are tabling order that I can provide appropriate assistance with a view to accepting them, if possible. Some might find the legislative work done by Deputies and Senators on their own or in committee to be boring or "not newsworthy" but it is important and the changes being made to the way the Dáil operates are opening up opportunities for them to make law.

I refer to the main provisions of the Bill. Part Two of the Bill will make important reforms to driver licensing. Since 2010, Ireland has been committed to introducing a graduated driver licensing system, GDLS. The system is a phased approach to driver learning designed to enhance the learning process and contribute to greater road safety. There is no internationally agreed template for a GDLS. The elements which go into the system vary from country to country depending on what is most appropriate to national circumstances. In Ireland, following an extensive consultation process, the RSA developed nine proposals which form a GDLS appropriate to Irish circumstances and these were published in 2010. The RSA's proposals included mandatory tuition, minimum hours of experience of accompanied driving and a period of restricted driving after passing a driving test. The RSA decided not to recommend some GDLS elements used in other jurisdictions such as a curfew on learner drivers or restrictions on the number of passengers a learner may carry, as they would not be appropriate in an Irish context, particularly in rural communities. Of the nine GDLS measures, three have now been introduced - compulsory basic training with an approved driving instructor; lower alcohol levels for learners; and the reconfiguration of the driver theory test.

The Bill will introduce three more GDLS measures. Sections 3 and 4 will create a new category of novice driver, defined as a driver in the first two years of holding a full licence, and require the display of an N-plate. A person will be a novice driver only once - if he or she holds a full licence in one category, he or she will not revert to being a novice if he or she later qualifies in any other category. The countdown of the two year novice period will be frozen during any period when the driver is disqualified.

I will also provide in section 8 for learners and novices to have a disqualification threshold

under the penalty points system of six points, as opposed to the normal 12 point threshold. Section 5 will allow vehicle insurers access to endorsements on a person's entry in the national vehicle and driver file, subject to certain conditions.

Section 6 provides that people taking the driving test must first complete a minimum amount of accompanied driving. The amount of experience required will be set out in regulations. The intention behind this change is twofold. At an obvious level, it is aimed at ensuring a minimum of experience before drivers take the test. More fundamentally, I also intend to promote a culture change in attitudes towards accompanying drivers. In Ireland we still have a tendency to see the need for learners to be accompanied as something of a nuisance or just a technicality. International experience shows, however, that accompanying drivers can and should play an important role in the learning process. Each of the nine GDLS measures is beneficial on its own. However, the more measures we introduce, the greater the cumulative effect of the whole system in enhancing the driver learning experience and, ultimately, improving safety on the roads.

Part 3 of the Bill deals with penalty points. The system of penalty points was first introduced in the Road Traffic Act 2002. The main goal of the system is not to penalise people but to make them more aware of unsafe driving behaviour and encourage greater caution and awareness in driving. The system is always open to change: times and practices change and what might have been a serious problem at one time might not be as great an issue at another. Equally, new problems might arise. For example, few could have realised 20 years ago the issues that might arise from people using mobile phones while driving. The year 2012 marked the tenth anniversary of the penalty points system. While there have been additions and changes to the system over the decade, I decided that this milestone provided an appropriate point at which to conduct a comprehensive review of the entire system and identify any change necessary.

The review of the penalty points system which my Department conducted made recommendations for the introduction of new penalty point offences and changes to the number of penalty points to be applied to certain road traffic offences. When it was completed, I forwarded the review to the Oireachtas Joint Committee on Transport and Communications for consideration. As part of its deliberations, the committee met the Road Safety Authority, AA Ireland and the Irish Insurance Federation. I received the views of the committee on 28 September 2012. I am pleased to say the committee was broadly supportive of the changes proposed in the review. We are all agreed on the great importance of reducing the number of road traffic cases that come before the courts. At the same time the committee made a number of very helpful suggestions which have fed into the preparation of the Bill.

The committee also made some very useful recommendations not directly related to the current Bill. For example, it recommended a general review of speed limits which, as I mentioned, is under way. A further suggestion was to provide for routine examination of mobile phone records of drivers involved in serious road traffic collisions. I discussed the matter with An Garda Síochána which has informed me that it does, in fact, have the necessary powers already. The powers in question come from wider justice legislation, rather than road traffic legislation.

In finalising my proposals for changes to the penalty points regime I considered carefully the recommendations contained in the review and the views expressed by the joint committee. I was also conscious of the GDLS proposals to reduce the penalty point threshold for disqualification from driving for learner and novice drivers and the need to keep the path open to harmonising practices here and in Northern Ireland, with a view to mutually recognising penalty points

North and South at a later stage. The penalty points proposals in the Bill, therefore, represent the product of a considerable amount of examination and consideration of the issues and input on the part of a wide variety of people and organisations.

Section 7 will repeal section 53 of the Road Traffic Act 2010. That section was designed to introduce a process for recording and accumulating penalty points where an individual was not a licence holder, or where a licence record could not be identified or where the driver held a foreign driving licence. The need for such a provision arose from the Department's national vehicle and driver file having a significant number of such records. In many instances, there was a high confidence in the ability to match such points with known driver records and facilitate the accumulation of points. However, it was also recognised that the Department required additional legal power to carry out this work and, accordingly, the provisions of section 53 were included in the 2010 Road Traffic Act. Subsequently and following receipt of legal advice, it became clear that these provisions were not sufficiently robust to permit such matching. I, therefore, intend to repeal section 53 and replace it with a revised procedure. A number of minor matters also addressed in section 53 will be restated in the Bill.

Section 8 which provides for the new penalty point disqualification threshold for learner and novice drivers also provides for the definition of endorsement of penalty points in cases where a second record relating to the same individual is identified or created.

The principal purpose of Part 3 is to amend the penalty points regime in the light of the Department's review. This involves a significant amount of detail which will be examined further on Committee Stage. At this point, however, I shall give an overview. The changes proposed involve: 11 new penalty point offences; the introduction of the option of paying a fixed charge and receiving lower penalty points rather than going to court for three offences, including driving without an NCT certificate; increases in penalty points on payment of a fixed charge in respect of 17 offences; and increases in penalty points on conviction in respect of 15 offences. The offences where penalty points are being increased include speeding, driving while holding a mobile phone, dangerous overtaking and failure to obey traffic. New penalty point offences include non-display of an L or N-plate, contravention of rules on mini-roundabouts and a failure to respect a Stop sign.

Intoxicated driving issues are addressed in Part 4 of the Bill. In section 11 I will provide for intoxication impairment testing which involves non-technological cognitive tests such as walking in a straight line or touching one's nose. It was originally provided for in legislation in 2010 which has not been commenced. The 2010 provisions are already obsolete. The new provisions which will replace them will allow a member of the Garda Síochána to require a person to undergo such tests, with the details of the tests to be prescribed in regulations. The results of the tests may be used in support of the Garda forming an opinion that the person is intoxicated and will be admissible as evidence in court. The Garda has already received instruction from the Medical Bureau of Road Safety, MBRS, on the operation of impairment testing.

Section 12 will allow a specimen of blood to be taken from an incapacitated driver following a road traffic collision, subject to medical consent. The testing of drivers for intoxication, whether through alcohol or other substances, is an essential part of ensuring safety on the roads. It is our policy that all drivers should be tested for alcohol and drugs following serious collisions. The law, as it stands, leaves a gap - drivers must give consent to provide a blood or urine sample and so drivers who are unconscious or otherwise incapacitated cannot be tested. The current Bill will close that loophole. In developing the proposed new system for testing

incapacitated drivers my Department held extensive discussions with An Garda Síochána, the MBRS, the Irish Medical Organisation, the Irish Hospital Consultants Association and the Irish Association of Emergency Medicine. This involved a considerable amount of work in order to devise a procedure which would be both practicable and legally permissible. Under the proposed procedure, a specimen of blood can be taken from an incapacitated driver but only in a hospital and only subject to medical consent. Where a specimen is taken, it will be split in two and both parts forwarded to the MBRS. The existing procedure, with conscious drivers, is that the specimen is split into two parts and one is offered to the driver. I understand it is common for drivers to refuse, in which case both parts are sent to the MBRS. The MBRS will conduct the necessary analysis of a specimen from an incapacitated driver in exactly the same way as a specimen is treated under the current system. This involves tests to determine the presence and concentration of alcohol or the presence of a drug or drugs in the specimen. The result will be retained on file by the MBRS until the driver regains capacity. If and when the driver regains capacity, he or she will be asked to consent to the use of the test result in evidence. Refusal will constitute an offence equivalent to that of a driver with capacity refusing to provide a specimen. If the driver gives permission for the use of the test result in evidence, the MBRS will issue a completed certificate of analysis and offer the second part of the sample to the driver. The taking of a specimen from an incapacitated driver could be a basis for future prosecution of the driver, if he or she were found to be intoxicated. Equally, it could provide exonerating evidence, if he or she were proved not to be intoxicated. The public good, as well as the justice system, will be served by closing this loophole. I have included several consequential amendments which follow from the testing of intoxicated drivers.

In Part 5 of the Bill I address a range of other road traffic issues. In addition to my making a number of minor and technical amendments, I will give a legal basis to an agreement between my Department and the Motor Insurance Bureau of Ireland on recovering moneys from uninsured drivers and provide for the use of summary summons in cases of this kind. Pension provisions in the Road Safety Authority Act 2006 will be brought into line with the provisions of the Pensions Act and the Pensions Ombudsman regulations. I am amending section 87 of the Road Traffic Act 2010 which provides an exemption from some road traffic legislation for the emergency services to provide greater clarity on the meaning of the term “ambulance service”.

I am making a number of amendments to the Road Safety Authority (Commercial Vehicle Roadworthiness) Act 2012 in the light of experience since the passage of that Act. These will enable regulations to be made prescribing the conditions to which a commercial vehicle roadworthiness, CVR, tester authorisation is subject. They will allow the RSA to revoke an authorisation of a CVR tester in cases of repeated breaches of conditions and allow for the revocation of an authorisation as a CVR test operator or a CVR tester where it is discovered that the person, when applying for an authorisation, provided false or misleading information. In addition, the provision of information which the applicant knows to be or should reasonably know to be false or misleading is made an offence.

An amendment to the Road Transport Act 2011 will allow for the prescription of lower fees for those applying online for road transport operator licences. Since the Bill was drafted, I have decided to address a number of other matters that have arisen and I expect to present some amendments on Committee Stage.

In summary, the core objectives of the Bill are to move further towards graduated driver licensing, overhaul the penalty points regime and strengthen the provisions for testing for driver intoxication. Each of these measures, in different ways, builds on what has been achieved to

date and will make a meaningful contribution to greater safety on the roads. As such, the Bill is very timely and appropriate. We have seen great achievements in reducing the number of deaths on the roads during the years. We must not become complacent. We need to build on achievements and push harder to increase safety. The Bill does just that by building on and extending reforms in driver licensing, penalty points and intoxication testing, all areas in which we have made and will continue to make a significant impact on road safety. I hope Deputies will support these valuable initiatives. Road safety is not a partisan or ideological issue and I know we all share the same goals. I look forward to hearing Members' views and a constructive discussion on the proposals contained in the Bill as it passes through the Oireachtas.

Deputy Timmy Dooley: Fianna Fáil broadly welcomes the Road Traffic (No. 2) Bill and will support its provisions. It will also be bringing forward amendments to strengthen road traffic legislation even further. Our amendments would crack down on hit and run drivers by introducing tougher penalties and extending the powers of arrest of gardaí. I will outline these provisions on Committee Stage. They will be in line with a Bill that I published previously and which the Minister mentioned in his opening remarks. I will happily engage with some officials in his Department at the earliest possible opportunity to try to ensure we do not go through a period of rejection rather than acceptance of the provisions. Like the Minister, I agree fully with the principle that road traffic safety is not the preserve of any one Government or party. In the past ten years this has probably been one of the areas on which all sides of the House have been able to co-operate in a manner beneficial to the country. This approach saved lives and prevented critical injury on the roads.

We can be proud of the dramatic reduction in the numbers of road deaths in the past seven years. From 2001 to 2011 the then Government introduced a road traffic policy and massively expanded the motorway network. That was supported by the main parties in opposition at the time and largely welcomed. It resulted in an almost 50% reduction in the number of deaths on the roads and this achievement was hard won by investing in first-class roads, increasing enforcement efforts and establishing the Road Safety Authority, to which the Minister gave due recognition. The past seven years have seen a continuous and sustained reduction in the numbers of deaths on the roads. The figures for the past five years point to record low fatality numbers. Ireland is now the sixth safest country in Europe in terms of road safety. That is welcome, but it is not enough and I know the Minister agrees. We must continue to update our legislative framework to ensure we continue to make significant achievements. There is still much more work to do. In 2012 there were 162 fatalities, as the Minister said. This was 162 too many. The outgoing chief executive of the Road Safety Authority, Mr. Noel Brett, stated these were not accidents and that each death could have been prevented. He was right. We need to work harder to prevent fatalities.

I recognise the tremendous work of Mr. Brett. He was a shining example of a public servant who put his job ahead of his personality. He appeared regularly before the Oireachtas Joint Committee on Transport, Tourism and Sport, of which I have been a member for seven or eight years. He had a no-nonsense approach and his challenge to Governments, regardless of hue, was inspirational and a breath of fresh air. The way in which he took on his job, advised the Government and worked in the authority played a very significant part in reaching the kinds of targets we have reached. It is often the case that public servants are subjected to the wrath of certain sections of the media and the public. Mr. Brett, however, is a shining example of somebody who did a fantastic job without fear and who did not seek favour in return. He is a significant loss to the State sector.

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We should not forget that there were 485 people seriously injured in traffic accidents last year. These accidents often left people with life-shattering illnesses and injuries that had a devastating impact on them, their families, wider communities and workplaces. A reduction in the number of collisions, in addition to a reduction in the number of fatalities, must be pursued. This will be brought about only by ensuring resources are in place to enforce the current rules of the road. Roads that are not of a high standard but which have a high volume of traffic must be upgraded continually. I am not suggesting this is necessarily easy in the current climate. It is a challenge for the Minister to ensure he has the appropriate budget to continue with the care and maintenance of the road network. There always was and will continue to be a stream of funding required to remove accident black spots. The placement of speed cameras is an important part of the strategy.

There has recently been growing concern in the Road Safety Authority that the Government is wavering in its commitment to road safety. I am not concerned about the Minister and compliment him on the continuation of the bipartisan approach and bringing forward a range of measures. Fianna Fail is seriously concerned, however, that road safety is not a priority of the Government. It is not just our concern. In August the chairman of the Road Safety Authority, Mr. Gay Byrne, stated the Government, particularly the Minister for Justice and Equality, whom he singled out for particular criticism, had about as much interest in road safety as he had in snipe shooting. These words are quite telling. I read in my research that Mr. Byrne had recognised the Minister's considerable interest in road safety. He received particular support from Mr. Byrne. That is welcome from the Minister's perspective, but the challenge is trying to ensure the Department of Justice and Equality will play its part in providing the appropriate funding for An Garda Síochána to ensure an appropriate enforcement regime is in place that will ensure the legislation enacted in this House acts as a deterrent and ultimately saves lives. Many of the dramatic improvements in road safety in recent years will be set at naught or reversed unless we ensure there is no slippage in the area of enforcement.

The context of the comments made by the chairman of the Road Safety Authority is central to understanding the difficulties present as a result of Government policy in this area. Mr. Byrne was speaking in the wake of the resignation of the former chief executive of the authority, Mr. Brett, who had left the authority to take up a role with the Irish Banking Federation. While Mr. Brett did not want to be drawn on the reasons for his departure, he did say he was looking forward to getting away from some of the frustrations, as he put it, within the public sector. He singled out employment control as one of the frustrations. I do not want to second-guess the areas about which Mr. Brett was talking but must state he alluded, both at committee meetings and in other fora, to the necessity of maintaining a rigorous approach to enforcement. I can only assume that when he was talking about employment controls, he was talking about the continued reduction in Garda numbers that had been countenanced and put into effect by the Minister for Justice and Equality.

It is not just about the necessity of having adequate Garda numbers. It is often the case that Government representatives will make the argument that it is not possible to have a garda on every corner when a crime is committed and that is a given. The Minister for Justice and Equality talks a lot about smart policing in the context of gardaí patrolling rural areas. I have my own views on that issue and do not believe it is appropriate. It certainly has the potential to be very telling in the context of deaths on the roads.

I do not want to over-emphasise the fact that there has been an increase in the number of deaths on the roads. However, it must be set against the backdrop of a very considerable re-

duction in economic activity and a significant reduction in the population as a result of forced emigration, yet, as the Minister said, to date 145 people have been killed on the roads this year, an increase of 18. By 12 August 118 people had been killed, an increase of seven on the same period last year. While there was an increase in the first six or seven months of the year, the rate of increase is continuing and that is what is particularly worrying. I will always accept that there can be one-off blips on a monthly basis. One multiple vehicle crash resulting in the deaths of five, six or seven people is, for want of a better term, an aberration across the statistical gamut. However, the fact that the increase has been continuing from August as we move into October is worrying, particularly when set against the backdrop of reduced economic activity, fewer people socialising, fewer young people with vehicles on the road and so forth. There is a significant lesson to be learned from what the chairman of the RSA, Mr. Byrne, said and the comments of Mr. Brett. While their comments were not directed at the Minister for Transport, Tourism and Sport, he does have a challenge at the Cabinet table to ensure the Minister for Justice and Equality, Deputy Alan Shatter, is a partner with him from a road safety perspective and that the latter does not just devolve his responsibility to the Garda Commissioner. The standard reply that the Minister for Justice and Equality will always give is that it is an operational matter for An Garda Síochána to determine how it will invest its resources. A targeted approach is needed if we are not to see a further increase in the number of road deaths. It is clear from the comments of both Mr. Brett and Mr. Byrne that there was a deep fracture in Government relations with the RSA and, in particular, the Department of Justice and Equality. The departure of Mr. Brett was seen as a blow both to the RSA and the Government's road safety policy overall. He was deemed to be an excellent chief executive who had proven results in delivering impressively on road safety targets during his tenure at the RSA. He was instrumental in guiding the RSA from its establishment in 2006, through its formative years to a point where it is now held in the highest regard, not just in Ireland but also internationally. Perhaps the Minister for Transport, Tourism and Sport might outline what exactly brought about this unfortunate situation in the RSA, why, in his opinion, the RSA lost its chief executive and what actions the Government is taking to ensure the replacement for Mr. Brett will not find himself or herself in the same position.

Of even more concern was the chairman of the RSA's subsequent comment that due to the Government's disengagement from road safety and a lack of commitment of resources, the fear was that all of the progress the people had made in recent years might unravel. That is the genesis of my concerns, too. Worryingly, he went on to state the level of enforcement was way down. If that is borne out, the Minister's good work and that of his Department will ultimately be for naught.

Fianna Fáil demands that the Government allocate the resources necessary to ensure this legislation and all other road safety legislation will be enforced. To do otherwise would make a mockery of this legislation and the Government's commitment to road safety. The Minister must take personal responsibility for the charge that the Government has disengaged from road safety enforcement. The RSA falls within the Minister's remit and while I do not for one minute suggest the comments of Mr. Byrne are in any way directed at him, responsibility for road safety falls to him. There is no point in us passing new legislation in this House if the Government is not going to provide the resources to enforce it. The Minister must commit to backing up his legislative proposals with the money necessary to enforce that legislation. That is particularly a requirement of the Department of Justice and Equality.

As I said, Fianna Fáil fully supports the measures in the Bill. The main proposal about

which the Minister spoke on the licensing side, one of the most important provisions in the Bill, is the introduction of the novice category of driver. This category will apply to all drivers during their first two years after qualifying for a full driving licence. A novice driver must display N-plates on his or her car. That has been a problem in other jurisdictions where some young people find it an inconvenience or a burden. It can negatively impact on the ego of some young drivers which makes enforcement of this provision particularly important. Novice and learner drivers will face a lower penalty point disqualification threshold, at 6 points instead of 12, which is appropriate and will I hope help to ensure the initial phase of a young driver's graduation towards being a mature driver will be safer. It is during the formative years of driving that we all develop our driving habits, whether good or bad. If the proper structure is in place, we can ensure that as drivers come into the system, they have the appropriate skills and learned them to the extent required. Learner drivers will also have to record a minimum amount of accompanied driving before taking the driving test. The Minister outlined the reasons behind this provision.

The Bill introduces a number of new penalty point offences, including a failure to display an N-plate and an L-plate. So long as that is enforced, I will be pleased. Other penalty point offences are also introduced relating to proceeding beyond maximum vehicle length, width or weight signs where that length, width or weight exceeds the maximum displayed, which is very important.

I raised an issue with the Minister during the debate on one of the first Bills to be enacted by this Dáil and I am pleased to see it included in this Bill. The Bill will empower members of An Garda Síochána to require people in charge of a car in a public place to undergo intoxication impairment testing. These tests will include non-technology-based cognitive tests such as walking in a straight line or tipping one's nose. The results of these tests may be used in evidence in support of the Garda forming an opinion that the person is intoxicated. That is important in dealing with the challenges that continue to be made against road safety legislation. It will be an offence to fail to comply with a request to undergo this testing and a power of arrest will also be granted where there is a failure to comply.

The Bill addresses another issue which I raised with the Minister previously in that it will allow for the first time the taking, subject to medical approval, of a specimen of blood from an incapacitated or unconscious person following a road traffic collision involving death or injury. It is important that the procedures carried out are highly prescriptive to ensure no abuse of this provision takes place. Having said that, it is an important provision and one which Fianna Fáil raised with the Minister previously. I know that a group of concerned parents whose loved ones have been killed on the roads were adamant that a provision like this would be brought forward.

In May 2013 Fianna Fáil published a Bill to crack down on hit and run drivers by introducing tougher penalties and extending the powers of arrest of the Garda. I did this at the time based on conversations I had had with the family of the late Shane O'Farrell, a young man who sadly had lost his life while cycling in Monaghan. While I do not want to get into the outcome of that case, it would be fair to say it was less than satisfactory from the point of view of his parents, siblings and wider society. I tried in that Bill to take into consideration the concerns of the family and the wider concerns of popular and public opinion to reflect the appropriate way to deal with such circumstances. The O'Farrell case informed that Bill, as did other issues and cases that had been brought to my attention. Under the Bill, Fianna Fáil proposed that it would be an indictable offence for anyone to leave the scene of an accident resulting in injury. The offence would carry a punishment of up to ten years imprisonment and-or a fine of up to €5,000.

The Bill also would have significantly increased the Garda's powers of arrest in any hit and run incident, extending the time available to test offenders for drugs and alcohol from three hours to 24 after the accident, based on the successful Canadian model in tackling the issue. I know there are issues around the timing and extent to which the chemicals remain in a person's body. We looked at the Canadian model and considered it provided an appropriate methodology for dealing with it. I would be happy to engage with departmental officials on this issue before tabling amendments on Committee Stage to strengthen the legislation.

Fianna Fáil fully supports these provisions and believes they will have a positive impact on road safety. However, the Government has failed to provide the resources necessary to ensure the progress made in recent years is safeguarded. The Minister has been open and willing to engage with the committee on the heads of the Bill. His approach has been transparent and forthright in this regard. Last month the transport committee heard from the chairperson designate of Dún Laoghaire Harbour Company who is an exemplary character with a wonderful vision for the development of the harbour. I asked why someone of her calibre would allow her name to go forward when one considered the flak and grief such persons take. While there has been a greater effort to engage chairpersons designate of semi-State bodies in the political process by bringing them before committees, it is still abused to make political points and score cheap shots. The same will apply to replacement appointments to the Road Safety Authority and other State boards. This over-politicisation of appointments discourages those whom we really want from taking up these positions. As long as I am transport spokesperson for Fianna Fáil, I will not engage in that kind of behaviour. It is neither appropriate nor acceptable and does not do public service any good. If a chairperson designate has a political affiliation similar to that of the Minister, it should not preclude him or her from taking up the position. I hope the Minister continues the approach he has taken in his efforts to save lives on the road.

7 o'clock

Deputy Dessie Ellis: Ba mhaith liom fáilte a chur roimh an mBille seo. I welcome this Bill as it clearly intends to deal in new ways with the issue of road safety, a very important matter to many people on this island. Due to the small close-knit nature of our country, there are few people who have not lost someone on our roads or know someone who has.

I will make much use of the word "responsibility". It is crucial to how we look at road use. To get into a car and sit behind the wheel is to take on a responsibility. Cars have the potential to be fantastic, individually liberating machines but they also have the potential to be very dangerous under the control or lack of control of an irresponsible person who drives intoxicated, drives too fast or does not obey the rules of the road or take note of fellow road users or pedestrians. The law should protect the responsible from the irresponsible and punish those who take no care for the life and safety of others. It also must engender responsibility in those who seek to use the roads.

There are inherent dangers in operating a motor vehicle on a public road. It will never, save for a massive leap in technology, be a completely safe endeavour. While one death or injury will always be too much, especially for family and friends, years of dedication to tackling road safety by successive Governments, local authorities, the Road Safety Authority, media outlets, community groups and, of course, the Garda has led to a dramatic drop. The well-used term "carnage on our roads" is in this era leaning towards hyperbole. We should be glad of this. It is to our credit as a society, but we should not rest on our laurels.

The operation of a vehicle on public roads is a serious undertaking which should be done responsibly and should only be open to those who treat it as such. This is where the Government's role is most crucial in ensuring those who should not be on the road are not, those who need to be more responsible are corrected, those guilty of irresponsibility are reprimanded and those who seek to use the roads are suitably trained and monitored in their progress to fully fledged and certified drivers. Any further changes that can be made which would improve safety, while not negatively affecting the public's ability to get from A to B responsibly, are welcome.

The introduction of an N-plate is a good step. Reports from the use of this system, known as graduated driver licensing, are positive, showing improvements in driver skill and a reduction in road fatalities. The system means that a new driver will for two years after successful completion of his or her driving test have to display a N-plate or tabard similar to the one displayed during the learning period, with "N" standing for novice. Novice drivers will be under closer scrutiny and will have fewer opportunities to make mistakes and carry on driving than other drivers. This probationary period means that new drivers will have to remember their lessons and the formal rules of the road much better for a longer time, allowing them to become better drivers and giving time for proper road use to be fully ingrained in how they behave. This system will clearly weed out drivers who are not yet suitable while providing encouragement to newly licensed drivers to continue to improve and not to think that, now that they are fully licensed, they can drive with reckless abandon.

I have concerns about plans in the future for a requirement that applicants for a driving test must have a certain amount of accompanied driving experience that can be certified. Proper professional training for something as serious as road use is essential and I am happy that future drivers will have this. However, it presents a financial barrier to many in a time of great difficulty. Being able to drive is not only a skill that opens up a number of careers; it is also a skill that allows people to access employment in different geographical locations and to widen their search for employment. If someone who is currently unemployed wanted to learn how to drive, the expense of paying for lessons could easily be out of their reach. I am aware of individual cases in which people on social welfare were supported in getting driving lessons, but some formal entitlement to those who would benefit from these skills should be part of the social welfare training programme. Will the Minister consider this and raise it with the Minister for Social Protection?

This point is also relevant to young people, especially from communities with long-running problems with joblessness and educational disadvantage. Schools should be equipped to provide some driving-skills training and young adults who would be disadvantaged by the cost of meeting new licensing requirements should be accommodated. If a young man or woman wants to access employment but cannot because he or she cannot afford to get the skills necessary, then the blame falls at the door of the Government, which has a responsibility to ensure access to training needed by the public for economic prosperity.

I support the use of stiffer penalty points for some offences. Road use is a serious business and those who cannot behave with the responsibility required for safe road use should not be tolerated, whether that means the corrective influence of points, fines or suspension, or the last resort of disqualification.

I am concerned by the potential implications of changes to allow the taking of a blood specimen without consent from an incapacitated person involved in a road accident. Of course we need to know if people involved in road accidents were intoxicated and whether this contributed

to the accident, but we must also seek to respect the bodily integrity of individuals and be mindful of the potential minefield of allowing such waivers to consent. The taking of such samples can be very time-limited and while it is understandable that the gardaí, who have to deal with so many tragic cases, would want to ensure that someone who was intoxicated and caused an accident will be punished, we must also protect individual rights. This kind of legislation was brought in nearly ten years ago in the UK and I have not heard of many problems arising from it, but it is clear that in a state where people are detained for months and years on end without trial, civil liberties can become an afterthought or an inconvenience. I ask the Minister to consult with rights groups such as the Irish Council for Civil Liberties and ensure this provision is respectful of the rights of individuals to bodily integrity in these cases.

Another matter of serious concern is penalty points and fixed charges. These have been successful in reducing road deaths but there are serious questions over how the system is managed and monitored. It is believed that approximately 4,000 fixed penalties were cancelled and people were able to avoid paying for their offences without any explanation. This has led to very worrying concerns that there is corruption behind some, if not all, of these cancelled penalties. A member of the Garda who came forward regarding this and became a whistleblower subsequently lost his job. This is nothing short of scandalous. The lack of review is particularly hard to take in these difficult economic times when the Government is pushing through cuts on local essential services but allowing this scandal to go unchecked.

Earlier, Deputy Clare Daly raised the need to allow for fixed penalties to be administered to company cars. This should be done as part of this Bill. The loss of revenue in that regard is also hard to take. On the issue of intoxication impairment testing - or field sobriety tests, as they are known in some parts of the world - it seems questionable whether or not these are in any way reliable in determining whether a random person is intoxicated. To drive the roads of the country, one does not need to be able to extend one's arm and touch one's nose, count backwards or whatever such a test might include. There is no norm in these relatively unstandardised tests and there is no evidence that they are effective in determining whether someone is under the influence or just a bit clumsy. Maybe the Minister has reviewed evidence that this is an effective method and, if so, I would welcome if he would share it with us.

My final point is the crucial one which will determine whether this Bill will be successful in curbing road deaths further. How will the Garda be resourced to implement many of these provisions? Over the lifetime of this Government, Garda hours, resources and allowances have been cut, opening hours of stations have been cut and stations have been closed. It is hard to see how gardaí will be able to do more and more, as required by this and other Bills, which are well-intentioned but are asking much of a profession that has been given little and is getting less and less.

I acknowledge the contribution of the chairman of the RSA, Gay Byrne, and I wish the chief executive, Noel Brett, the best in his new engagements. Both have done excellent jobs and performed miracles over the last number of years. During their tenure in the RSA we have witnessed a significant step forward in road safety throughout this country. This Bill, in general, is a further step forward in the process of making our roads safer and setting proper standards for those who use our roads. Sinn Féin supports this Bill in general and I look forward to debating it further.

Deputy Clare Daly: I propose to share time with Deputy Mattie McGrath.

As the other Deputies have said, road safety is an enormously important issue. The purpose is clearly to set up a system under which we can reduce fatalities as much as possible, and there are many different cogs in the wheel. The system must be absolutely transparent, and it feeds into many aspects other Deputies have touched on. I will not repeat points but I will deal with some of the issues the Minister is attempting to address.

The issue of young drivers needs careful attention. In many ways, like the benefits that accrue to young people who engage in sporting activities, I am all in favour of young people having a car because it can teach them to be more responsible and careful if it is done properly. Experience in other countries shows that part of that education should be provided through the school curriculum. While I appreciate the Minister's intention in introducing a requirement for people to acquire a minimum amount of logged accompanied driving experience, that means extra cost. It would have a far greater impact if road safety were taught in schools, and if a certain amount of driving experience were included in the school curriculum it could help people to be more responsible.

Regarding intoxicated drivers and the changes in the testing regime that the Minister proposes, I have sympathy with a number of Deputy Ellis's points. When we get into the realm of non-technological, cognitive tests we must rely on the evidence of maybe one or two gardaí against the witness. Where is the corroboration if, for example, a garda has an agenda against a person whom he or she stops? If the garda carries out a test, *mar dhea*, it may not be a technological test, with the evidence there for all to see, but may be based on the garda's arbitrary, visual assessment of the situation. That could be discriminatory against the person who is stopped. There are areas in which that could be misused by gardaí, and I am quite worried about that.

Commercial vehicle roadworthiness is incredibly important because it is not just driver activity but vehicle roadworthiness that dictates whether road safety will be enhanced. This area has been riddled with inaccuracies with regard to types of vehicle. For example, we have changes in the taxi regulations whereby a taxi driver can carry a maximum of four or five people, and where a taxi over the age of 15 years must be taken off the road, but a bus over the age of 15 years is fine. Age on its own is not a determinant of whether a vehicle is safe. The testing should be able to stand up regardless of the age of the vehicle.

I am worried because I have had dealings with people who operate commercial vehicles. One resident who was in touch with me had purchased a vehicle which had a full roadworthiness certificate attached to it. He bought the vehicle, brought it back and noticed a number of problems with it even on a visual inspection. He commissioned a private test and it found that the vehicle failed on an number of counts. On his behalf we have taken up that issue with the RSA and others to determine how this reputable centre could have certified this vehicle as roadworthy when two subsequent organisations said it clearly was not and could not have been at that time. The RSA has not been hugely helpful on that. It carried out a very casual inspection. The person did not receive a written report or anything like that. I wonder if this will be addressed in the new regulations. How can we really say the vehicle roadworthiness issue has been addressed without doing that? It is very important that we examine this.

My main point is with regard to penalty points. There is no point in adding a plethora of other offences to be covered by penalty points if the system we have has a big question mark over it. The dogs on the street know it has. Perhaps it was a verbal error on the part of Deputy Ellis when he said 4,000 tickets were terminated. The Comptroller and Auditor General dem-

onstrated that over 40,000 tickets were terminated in a period of a year and a half. The amount identified in the Garda report was approximately 66,000 - for a longer period of time. As the Minister for Justice and Equality said earlier, some of those terminations could be easily explained - some related to tax discs on vehicles which had transferred ownership or the driver could not be identified - but some could not.

It is appalling to see the numbers of terminations of points involved relating to commercial vehicles revealed in the Comptroller and Auditor General's report today. Problems in this regard were identified in the penalty points system six, seven or eight years ago. Obviously, we cannot impose penalty points on a company. Penalty points must be applied to an individual. Therefore, there is a requirement to make companies accountable for saying who is driving their vehicle when a traffic offence occurs. So many tickets are written off due to cases not being pursued, summonses not being issued and summonses remaining unpaid. Approximately 75% of the summonses issued on commercial vehicles remained unpaid and were never pursued. This is the inverse of the scenario with regard to ordinary drivers' penalty points. If we want to deal with the issue of road safety, we must deal with the issue of drivers of commercial vehicles and this must be addressed immediately in legislation. It strikes me as timely and fortunate that this legislation is being introduced today, alongside the Comptroller and Auditor General's report and I suggest the Minister could factor in some standards in this regard.

What is the Minister's view with regard to the need to have an independent assessment of this situation. We now have a number of reports which reveal huge discrepancies. Deputy Shatter's comments earlier were correct in part, when he said assistant commissioner O'Mahony's report revealed levels of terminations of approximately 5%, roughly akin to the figure revealed by the Comptroller and Auditor General. However, the Deputy's attempt to move on and dismiss that as hardly relevant does not stand up to the facts behind the 5% figure, which means there are tens of thousands of terminations. Hundreds of terminations relate to vehicles caught for points on multiple occasions, including at least three members of the Judiciary in this category. There is a problem with our penalty points system if members of the Judiciary who benefit from having penalty points terminated then sit in our courts adjudicating on the cases of others. There is a strong body of legal argument to suggest that anybody who is convicted on the word of a garda who gave that judge the termination could have their penalty points and fines quashed because of the unlawfulness of that interference.

To my mind, the Minister for Transport, Deputy Varadkar, was correct in his call - at the time the original O'Mahony report and the GPSU report came out - to insist that they dictated the need for an independent inquiry. I think that still stands. The Minister for Justice and Equality was wrong when he stated earlier that Members of this House - I think he was talking about me - said the new criteria were only a replication of what existed before. I did not say that. What I said was that a whole number of measures in the report reiterated protocols which already existed, but that is not the full picture. It was already unlawful for officers to terminate tickets outside their districts, but lots of them did it. It was already unlawful for them to do so without a written request and without a paper trail, but they did it and did so on numerous occasions. It was unlawful for them to do it without an excuse, but they did.

Some of the new measures which restrict the access officers have to the system are welcome. The provision of an audit is welcome. However, the question must be asked as to whether the political will exists to say these criteria will be implemented when previous criteria were not. We can only judge that by the people doing the implementing. Without being personal about it, the Garda Commissioner and the assistant commissioner have systematically sought to mi-

nimise this problem, saying it is not a cultural problem nor a systemic problem. Basically, they put it down to a little bit of inadequate accounting. That is not what this is. This problem is rooted in the current system.

I see a problem if we bring in new criteria and toughen up rules- I welcome that these rules exist now - and brazenly pass over what has happened as if these criteria and rules are just a good idea being brought in now, rather than as being brought in based on evidence given to the Minister by two whistleblowers, one of whom has lost his job and the other who cannot conduct his job. There is a problem if these are the only ones penalised in this situation. How can this moderate the behaviour of other gardaí in this regard? The Comptroller and General's report revealed that while these terminations were not widespread around the country, they were located in areas that can be pinpointed, areas like Ennis, the top area for termination of penalty points. Other areas terminated 50 times the amount that happened in Birr. That is not natural. There was obviously something odd going on and it was not that gardaí in Birr could not identify driver offences.

Action must be taken. Otherwise, the signal the Minister is giving is that we do not acknowledge that any wrong was done, but we have dreamt up this new system and will not acknowledge the past. People must put their hands up on this situation. They must take responsibility for what they stood over. That responsibility rests primarily on the shoulders of the leadership of An Garda Síochána, who have not acquitted themselves well in this. Contrary to what the Minister for Justice and Equality stated here today - he had a bad day today with a number of inaccuracies in his comments - the whistleblowing gardaí did not refuse to co-operate with the investigation. The whistleblowing gardaí were never asked to co-operate with it. Subsequently, while they were being disciplined in a letter from the Garda Commissioner, they were told that if they had anything to add, they could give it to assistant commissioner O'Mahony. That is not being asked to participate in an investigation. The Minister was completely wrong in that regard.

I welcome the changes that have been made to this system, but they are not enough. There are many unanswered questions, not least the fact that two vulnerable people have been left exposed, in breach of whistleblowing legislation. Those who stood over the hounding and persecution of those people, whose contribution led us to a situation of improved regulations, must be made pay for that and be accountable for their actions. We want a transparent and safe system so that everybody knows that if they go out and speed, they will not get away with it on a nod and a wink because they are connected to the Garda or because their relation is a garda. In order to do this and restore confidence, we need an independent investigation.

I would like the Minister for Transport, Tourism and Sport to comment on whether that is still his attitude. I agree with that demand and disagree strongly with the points made by Garda Commissioner Callinan, who said there is not a culture in this regard. The facts imply otherwise.

Deputy Mattie McGrath: I am glad to have the opportunity to speak on this Bill. With hindsight and experience regarding penalty points from the different situations and evolving campaigns for safer roads over past years, we should now be in a position to bring in legislation that has been well thought out. It is important also that it is drafted well by the Departments concerned. Much of the legislation we introduce is not assessed with regard to the impact it has on the public.

The main intention behind this legislation is to have safer roads, fewer fatalities and better driver behaviour. However, we in this House seem to deal with issues in isolation, rather than think of the wider picture and the impact of the legislation we introduce. I will never forget driving home from here one Thursday evening after only two years or so in this House and hearing Gay Byrne or Noel Brett announce that from a date three weeks hence no driver on a provisional licence could drive without being accompanied by a fully qualified driver. That was the first I heard of that and my office was overrun with calls. That announcement caused mayhem. People on provisional licences needed to get to work or college and even people in their 50s and 60s were on L-plates. All of a sudden these provisional drivers were going to be blamed for everything and were going to be banished to hell or to Connacht. This proposal was worked out through the system and common sense dawned, because everyone's office was inundated with queries about it. For various reasons, people could not get up to date with the legislation instantly.

We had a similar situation this week. Last May we passed legislation on off-road vehicles. I spoke on it, as did other Members of the House, and it was passed by the Government with its large majority. Again, no effort whatsoever was made to educate the public on the fact it was happening. People were affected for many reasons, such as vintage car owners, those no longer in jobs whose cars were parked up, others who had emigrated and others who could not afford to keep the car on the road. There has been mayhem in recent weeks. People have been unable to get their machines or cars passed and local authority officials have been put under pressure. I salute the officials in Tipperary and other places throughout the country for the effort they made. In many places gardaí had to be called, not because people were violent but because they were frustrated and the crowds were so big. We cannot introduce knee-jerk legislation without having an overall assessment of what is needed.

With regard to road safety, the three prongs of enforcement, visibility and education are necessary. We must start with education in our schools. For years I have been calling for the transition year to be used. My daughter is in a transition year programme at present and it is fabulous. My other children also took part and did many very interesting and good things. It is a vital area and we should go into the schools with a programme for teachers. Roads which were national roads until recently could be used because vast areas are just turning into halting sites. They are adjacent to towns and should be used by schools with the Road Safety Authority and gardaí involved in training people on proper driving behaviour. The Civil Defence and the fire brigade could also be involved, as could others who must deal with the horrible casualties of a serious road accident. Young people in particular should be educated. Many people my age and older have bad habits and we must live with them and pay the price of penalty points. We should be trying to improve, but it is hard to teach an old dog new tricks. It is certainly necessary to examine this issue.

I support the Bill with regard to many areas. Young drivers aged between 21 and 25 remain the group with the largest number of road deaths. For years I have stated that we must examine a deeper issue in this regard, which is suicide. Many incidents are not accidents; they are deliberate acts. People are desperate for many reasons. There are single-car accidents unexplained by the coroner's report.

The majority of fatal collisions, approximately 63%, occur on local and regional roads outside built-up areas. This must be examined. A number of years ago we reviewed the speed limits and changed every sign in the country from miles to kilometres, and now every boreen and cul-de-sac has a speed limit of 80 km/h. This is pure daft because one could not cycle up many

of them. We cannot have road signage without having an impact on wildlife services. I do not know how to put sense in their heads to insist that the hedgerows along all roads be cut. Representatives of farm contractors are in the Visitors' Gallery. They have been lobbying on safety for a number of years. The Minister and the Acting Chairman know that someone building a house must have visibility of 70 metres on a road with a speed limit of 80 km/h and 140 metres on a road with a speed limit of 100 km/h. However, a number of roads are closed in. We have legislation whereby every farmer can receive a hedge notice to cut the hedgerow. My late father was prosecuted in the 1950s. It should be used. It is pointless having Noel Brett and Gay Byrne on road safety advertisements if we neglect this simple issue. Wildlife people cannot insist that we not cut the hedgerows in a month without an "r". This is ridiculous. Surely road safety and one life is more important than any wildlife specimen. I support wildlife totally and I salute the work done by gun clubs, wildlife clubs and fishing clubs, but we must be sensible. We must have common sense. We should put the quangos in a room and knock heads together to tell them this is nonsensical. It would be a basic tool to insist every farmer cut his or her hedges and allow and force every local authority to cut back hedges. Large machines have longer bonnets and one cannot see anything when coming onto a road. It is lethal. I appeal to the Minister to consider this aspect. If road safety is considered with regard to planning permission, why not have it considered in this most vital area to save people's lives?

The speed limit of 80 km/h on minor roads should be addressed. It is a nonsense. I do not disagree with the speed vans which are everywhere, but they were supposed to be in places where fatalities had occurred. I see them in many places doing nothing but being a moneymaking machine. Sometimes they are in places where fatalities have occurred, but I have seen them in places in my county that I know well where I never heard of accidents occurring. They are like machines hauling in money. I salute the traffic corps, but it has been depleted due to a lack of transport and equipment since before the Government came to power. They did not even have cars in my area a year ago. I acknowledge the fact they have some now, but how are they to do the job without the tools of the trade?

This year we had good weather. During the harvest I saw a member of the traffic corps apprehending a combine harvester with no tax. The tax was out for three months. It was apprehended when it was crossing the road. The Garda decided the vehicle had to be impounded and sent to Dublin for a lorry. After hours of waiting the lorry arrived, but they were not able to put the combine harvester on it. The Garda insisted the combine harvester be driven to the pound in Dublin. Two days' harvest were lost and huge fines had to be paid to get the combine harvester back. This is nonsensical. Combine harvesters and silage harvesters are on the road for only 20 days, or perhaps a month, each year and should be taxed accordingly. The new law does not acknowledge this. A leisure boat is something different, but these machines are bread and butter for Harvest 2020. The incident was very frustrating. The man could have overlooked it. Anything could have happened. On many other occasions road vehicles that should have been seized were not, such as defective vehicles and those driven by people with several convictions. I have evidence on this which I will present to the Minister. In Monaghan a young boy was killed two years ago by a car that had been stopped an hour earlier. It had no road tax. The drugs squad stopped it looking for drugs. The driver was not fit to drive the car but the drugs squad made an assessment. I welcome the fact that we can now test for drugs. The gentleman, a foreign national, had 40 charges North and South. He killed a young Monaghan man. He mowed over him, drove off and left the scene. He went home to his wife and told her he had knocked down somebody, but by the time he was tested it was too late. The law is not administered fairly.

I will not discuss penalty points like the previous speaker. They are needed in many cases and we must deal with it. We must be pragmatic and have some common sense. We should start with our roads. Visitors from other countries cannot believe the road safety issue. The roads have been closed in. For his own sake, the Minister should be aware that roads that can dry out with the wind and sun will last much longer than a road that stays damp, because when the frost comes it erodes the surface.

Gardaí go to schools to speak to pupils, but they should be brought out for practical experience to be taught how to drive. I am in favour of dealing with learner drivers when they start out but we are not all geniuses. People in my constituency cannot get past the theory test and cannot get a licence. Some of these people had licences that expired. I am not ashamed to say this. I have represented people who were educated at a different time and may have dyslexia or dyspraxia or they are not computer-literate. One chap I know almost passed it the first time he did it, but has now done it 18 times and gets worse and worse because he gets very nervous and frustrated at the idea of it. We should consider such people when we draft legislation. We must think of those who cannot deal with situations such as this. We must be conscious that we are not all computer-literate whizz kids like the young people.

Changes have been made with regard to taxi regulations. I am all for vehicle roadworthiness tests but I am not in favour of an age limit for cars. We tried it here and put many businesses into debt. We must remember the economy; people cannot afford to change cars. Taxis must pass two tests, namely, the NCT and a measurement test, which is normally done in a hotel. The test measures the capability of the car to carry people, and I am all for that as well. However, why put them off the road? They have good cars with good life left in them but they are not able to continue their business, which is very difficult. I appeal to the Minister, as I, Deputy Healy-Rae and others did last week and the week before, to ask his colleague, the Minister, Deputy Hogan, to intervene in the situation which came to a head yesterday evening. We passed that legislation here months ago but there was no public awareness until three or four weeks ago when the campaign and the advertisements began.

People who want to comply are not able to comply. I have heard of some appalling cases, including that of a 70 year old man travelling to a centre in the country yesterday to collect two combines he had bought. The combines were bought in 1977 off Mahon and McPhillips, which the Acting Chairman might remember and which has long gone out of business. None the less, they insisted he had to have invoices, which of course was not possible. They demanded photographs of the front, rear and both sides of the machines, with the chassis number also identified by photograph, rightly so. However, they then wanted to know the number of hours on the clock. What difference would that make given combines are only used for a month at most and perhaps for only ten days in the year? In any case, most speedometers and clocks on agricultural machines do not work due to dust and dirt, as they are not covered like those in cars. To get a clear photograph of them is impossible.

The legislation is making ridiculous requests. That man could not tax his machines. He called in to me when he came back. He waited ten days for an appointment to go down and then went there yesterday. He had sat up until 3 a.m. or 4 a.m. the night before, getting everything ready, then he went down and was just dismissed, literally, because he had not this, that and the other. Where is he going to get an invoice? The company is long since gone, so he is not going to get an invoice from it. These are still working machines, while they would be classified as vintage. I contacted the county council and was told he is going to have to back-tax them to 1977, which will cost thousands.

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I know this is a racket to collect money, but it is wrong to be so naked and bullish about it, and to be so intimidating of ordinary business people and farmers, including elderly retired people. Legislation must be sensitive to the people. There must be an awareness campaign and, above all, an impact assessment should be carried out in regard to its implications. It is fine to pass legislation here, send it off to the Bills Office and then send it off to the Seanad. We will soon not have a Seanad to find many things. To be fair, it has found 520 or 530 anomalies in legislation in the last two and a half years and sent them back to this House. Most of the time this made no headlines and the Ministers, their advisers and the drafters accepted the changes. That is one benefit of the Seanad. We passed four Bills in this House on the last day before the holidays. How is any Deputy going to be up to speed with that? I believe it is a retrograde step.

Above all, the fact is the public are getting a raw deal from us all the time. We are elected and we then come in here to a kind of bubble. To hell or Connacht was Cromwell's attitude, but for the Ministers, Deputy Varadkar, Deputy Shatter and Big Phil, it is to hell or wherever. It is a case of croppies lie down or peasants lie down. I tell the Minister that they will not lie down. They will be out there. There will be a fine vote next Friday against it, but there will be a worse vote when Ministers come knocking on the doors in the local elections-----

Acting Chairman (Deputy Bernard J. Durkan): Excuse me, Deputy. It is not in order to refer to a Minister as Big Phil.

Deputy Mattie McGrath: Minister Big Phil, I always say. He is a fine big man and he likes to be called Big Phil a lot of the time.

Acting Chairman (Deputy Bernard J. Durkan): I know the respect Tipperary people have for Kilkenny people.

Deputy Mattie McGrath: We have a good healthy respect when it comes to the hurling field. However, I know the jackboot tactics that are happening here and I am appealing to everybody, officials included, to be sensitive. They should understand that we do not have broadband in many parts of rural Ireland. I am not saying we are backward, because we are not. We do not have it. It is not a case of getting a DART, a bus or a taxi. We do not have them in rural Ireland, as the Minister knows better than I do.

Most of this is to collect extra revenue. It is wrong to penalise people who try to comply with legislation that was not properly advertised, although it was passed here, and to try to charge them thousands of euro they do not have.

Another point is the requirement to bring machines to NCT centres, which are only used to dealing with cars and light vans, not machines. I do not want to be disrespectful as they obviously have good, trained fitters. I have no problem with an engineers' report. People have to have roadworthy vehicles and we have to-----

Acting Chairman (Deputy Bernard J. Durkan): Excuse me, I have to ask the Deputy to move the adjournment of the debate.

Deputy Mattie McGrath: Beidh lá eile ag an bPaorach. I move the adjournment.

Debate adjourned.

Message from Select Committee

Acting Chairman (Deputy Bernard J. Durkan): The Select Sub-Committee on Communications, Energy and Natural Resources has completed its consideration of the Gas Regulation Bill 2013 and has made amendments thereto.

Mortgage Restructuring Arrangement Bill 2013: Second Stage [Private Members]

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

I move this Bill because of the complete inaction by either the Government or the banks to resolve a crisis that now affects almost 100,000 home owners and families. The Government failed to deal with the specific problems faced by family home owners when it introduced the Personal Insolvency Act. This Bill is designed to operate in conjunction with the Personal Insolvency Act and the Insolvency Service of Ireland.

The statement by the Central Bank Governor, Professor Patrick Honohan, that 62% of the sustainable solutions offered by the banks to meet the Central Bank targets for the end of June this year involved the demand for voluntary surrender - that is, hand back the keys - or repossession is quite incredible. Is the Government really prepared to sit back and watch banks put potentially 60,000 families on the roadside, based on the targets for the end of June, leaving people languishing on social welfare housing, which is already in crisis?

There is at present a terrible situation in Dublin South-Central where people who are waiting on medical priority for turnover of houses in the area have been informed recently there is no money in Dublin City Council for the turnover of those houses, and that St. Teresa’s Gardens regeneration will be a target because the Department of the Environment, Community and Local Government is the only one with the money. Is the Government talking about putting more people on the social housing list, which is in crisis, or putting them into the rented property market where rents have already increased greatly in recent months, particularly in Dublin? If that is the case, I will throw the threat into the Minister’s court and say to him that there will be a fight-back against these evictions and repossessions. People will not accept having other people thrown out of their family homes, as in the situation in Kanturk at present, where a family is threatened with repossession and eviction. I fully support the people who are supporting that family in Kanturk. I have not been able to get down there myself yet but I will do so.

I know Ministers will come in here and say the Personal Insolvency Act can be used by home owners in difficulty to put pressure on the banks to come up with affordable solutions or restructuring of mortgages. Increasingly, however, appointed personal insolvency practitioners are saying loud and clear this is not the situation. It is becoming clearer every day that ordinary home owners will have difficulty using the Personal Insolvency Act to force banks into affordable solutions. It is also becoming obvious that, rather than deal with the problems of ordinary home owners, the Personal Insolvency Act was designed to meet the needs of investors with large debts and multiple creditors.

The recent report from Grant Thornton, Debt Solutions, found a huge number of debtors earning less than the reasonable living expenses set out in the Insolvency Service of Ireland guidelines, which leaves debtors with nothing to contribute to creditors under a debt relief deal, effectively making the system redundant for these people. Some 43% of applicants seeking debt relief deals - some 430 applicants out of 1,000 - were told bankruptcy is their only option. Bankruptcy is not a choice for families. It may be a choice for bankers, although not really for them either, but morally and socially it is not an option for families.

The Personal Insolvency Act should have included specific measures to deal with mortgage arrears of average households. Bankers and developers have been bailed out. If people have multiple properties and debts, they use the Personal Insolvency Act. However, the average family trying to keep a roof over their heads is expected to rely on the mercy of the banks.

Another key point Professor Patrick Honohan made at the Committee on Finance, Public Expenditure and Reform last week was that, in his opinion, the claims by banks about strategic defaulters were “phoney” - his word, not mine, but I agree with him completely. That formula concerning strategic defaulters should not be used, willy-nilly, by anybody when they are talking about people in distress in their family homes. Nevertheless, in drafting this Bill, I have gone to great lengths to ensure only those genuinely in difficulty and engaging honestly in disclosing their financial situation will be able to secure a mortgage restructuring arrangement. Moreover, such an arrangement will only be available to owner occupiers and in the case of private residential dwellings.

Section 1 of the Bill defines a mortgage restructuring arrangement, MRA, as an “arrangement to restructure the terms and or payment schedule of a secured debt held in respect of the principal private residence of the debtor or debtors concerned”. Such arrangements would only apply in respect of a family home and where it was clear that the homeowner could not meet his or full mortgage repayment. In devising these provisions I looked at legislation introduced following the mortgage property crisis in Norway. A property bubble developed in that country in the late 1980s and went on to have a significant impact on its economy at the beginning of the following decade. The legislation in question was introduced against that background with the objective of providing protection for the family home.

This Bill would operate in conjunction with the Personal Insolvency Act 2012 and avail of the services of the personal insolvency practitioners appointed by the Insolvency Service of Ireland. It is not being proposed as an alternative to that legislation but to deal specifically with an issue not addressed by it. In essence, it would offer a guarantee to the owners of suitable family homes. Section 10(2)(c)(i) specifies that a mortgage restructuring arrangement would “not contain any terms which would require the debtor to make payments of such an amount so as to have insufficient income to maintain a reasonable standard of living for him or her and his or her dependants”. Section 10(2)(c)(vi) provides that an MRA would “not require that the debtor dispose of his or her interest in his or her principal private residence or to cease to occupy such residence unless the provisions of *section 5(1)(a)(iii)* apply”. The referenced section, 5(1)(a)(iii), sets out one of the conditions of eligibility for an MRA:

in the case of a property which is substantially larger and or more costly than is required to sustain a reasonable standard of living for the debtor and his or her dependents, the debtor can provide evidence of why he or she is unable to lessen the debt owed by selling the property and purchasing a smaller property in a location and of a size appropriate to meet his or her needs and those of his or her dependents in maintaining a reasonable standard of living

This reflects the unique provisions of the Norwegian legislation and, together with section 10(2)(c)(vi), would effectively offer a guarantee that distressed mortgage holders would not lose the family home provided they complied with disclosure, engaged with their lender and kept up repayments on the restructured mortgage.

Section 5(2) reflects a situation we have encountered in many instances, where only one person is left to engage with the bank, often because a partner has left or is refusing to engage with the lending institutions. These are mainly women with young families trying to protect their home. The provision states that where two or more debtors are jointly party to the secured debt to be covered by an MRA, “those debtors may jointly propose a Mortgage Restructuring Arrangement or one or more but not all debtors may propose a Mortgage Restructuring Arrangement”. This is an important provision which I hope the Minister will take on board.

The legislation seeks to counteract the veto afforded to the lending institutions in respect of owner occupied homes in the Personal Insolvency Act. It would provide that where a personal insolvency practitioner proposed a mortgage restructuring arrangement which was not voluntarily agreed with the bank, he or she may then refer the matter to the appropriate court. Section 12(3) states:

In determining an application under this section the court shall make the order directing the creditor to comply with the Mortgage Restructuring Arrangement as proposed unless it is satisfied that—

(a) the debtor has not acted in good faith in making the proposal for the Mortgage Restructuring Arrangement,

(b) the debtor is not eligible to have his or her secured debt covered by a Mortgage Restructuring Arrangement under the terms of this Act, or

(c) to do so would cause significant and irreparable loss to the creditor and that creditor has cooperated to their fullest ability with the debtor and personal insolvency practitioner.

This is another important provision which seeks to redress the imbalance of power between lender and home owner.

Many of the Bill’s provisions reflect the amendments we brought forward to the Personal Insolvency Bill late last year. This legislation is necessary to make the banks deal fairly with people. The legislation introduced in Norway in the 1990s adopted a novel approach to dealing with people in negative equity who were unable to make their regular mortgage repayments. It is a situation that applies to 7% to 10% of private residential mortgage holders in this country. In such cases the property should be revalued, the security in the loan set at 110% of market value and the balance, that is, the negative equity, regarded as unsecured debt. Provided people meet the terms of the restructured arrangement, they could then deal with the unsecured debt at a later date, over five years, as set out in the Personal Insolvency Act.

It is important to reiterate that any such write-down would be considered only in the case of owner occupiers who demonstrated that they could not meet their existing payments. The Bill would not provide for a blanket write-down of negative equity, notwithstanding my personal and political view that such is necessary. It would involve the lending institutions taking some hit on their loan books, but that will have to happen in any case. If the banks repossess homes and sell them at market value, the negative equity becomes an unsecured debt which will not

be paid because people simply do not have the money. There is no way around this reality. It is better to leave people in their homes rather than having thousands, perhaps even tens of thousands, potentially evicted. I urge all Deputies, including Government backbenchers, who are aware of the nightmare in which people throughout the country have been living in recent years to support the Bill. It offers a solution that is morally sound and reflects the social and economic reality for many people in Ireland.

Deputy Clare Daly: I compliment Deputy Joan Collins and her team on bringing forward this legislation. There is no doubt whatsoever that this is the defining issue in Irish society. Hundreds of thousands of individuals are already in crisis as a result of mortgage difficulties, with tens of thousands of others waiting in the wings to join them. The question of whether our society responds to this issue effectively will define the fate of a generation.

The reality is that the measures put forward by the Government are not working. They are unsustainable and will remain so, because they avoid the central issue, namely, the massive debt that cannot be repaid and which feeds into all aspects of people's lives. There are communities all across the commuter belt, in the suburbs of Dublin, Kildare and Wicklow, where people bought homes on the back of jobs in the city centre to which they commuted. Many of these jobs are now gone and people are left unable to pay their mortgages without the services to support them. The perception is that the Government has put forward a solution which deals only with the wealthy people who, in many ways, were responsible for the crisis in the first place, including those individuals who have ended up in NAMA, while ordinary citizens are left paying their bills. There is also a perception - like the other perception I mentioned, it is a reality - that it is those struggling homeowners who have a little equity in their properties who are perhaps among the most disadvantaged in that they are the ones who are being mercilessly squeezed by the banks.

People do not want sympathy. They do not want quangos or personal insolvency mechanisms which they cannot access. They want a solution to their problems, which is what this legislation would provide. It would offer a statutory footing for the protection of the family home, not speculative properties. It points a way forward for people to be released from their debt.

8 o'clock

It is not just a human cost to these families, as has been articulated here, but is necessary for society to recover. This is not pie in the sky but is based on the real knowledge of what happened in Norway, as Deputy Joan Collins said, and Iceland. No one is putting these forward as perfect societies, but they are in a hell of better position than Ireland. The recovery came quicker and people were able to move on with their lives. The model is simple: we value the property at market value with 10% extra. Then the negative equity is parked and if the person engages with the process for a five-year period the unsecured debt is written off and the person can move on with his or her life. The banks have been recapitalised for this. People ask why it must be them and why the people at the top can get write-offs and move on with their lives but others cannot when all they tried to do was put a roof over their family. Every Deputy has heard those stories. Unless there is a debt write-off, there cannot be movement forward.

Where one or more mortgage holders are involved, it is a disproportionate number of women who are disadvantaged. I received four phone calls to my constituency office today, all involving separated people. In all cases, the female partner was left at home with the children, with an uncooperative partner and a millstone of debt. Those people must be able to secure

their homes, and I support the measures in the Bill in that regard.

What is proposed is lunacy. Before I came into the Chamber I had a conversation with a man in my constituency who had lived in his home for many years. Over the years, he had re-mortgaged the house. He worked all his life but lost his job in later years and is now in a lower-paid job. He did not have the money to enter into an arrangement with the bank for 12 months because he was too poor, so he was denied access to mortgage interest supplement because of changes introduced by the Government. Due to his inability to access mortgage interest supplement, the bank decided to move in and repossess the property because the resident could not give the bank the money. If the banks get away with that and succeed in ousting people from their homes, the consequence will be that people will be on the social housing list with nowhere to live and, lo and behold, the State will pay more in rent allowance than it needs to pay at the moment to assist people to stay in the family home. That is the lunacy of what is being proposed. It is bad social policy as well as being morally wrong for the people involved. It is incredibly destabilising.

The Government can mess around with its plans, but reality belies its efforts. The reality is that the banks are getting away with the veto and real families on the ground are being left behind. Early on, that was all right, even if it was not morally all right. The Government might have got away with it when dealing with people with mortgages in new developments. This includes people with five-year-old mortgages in ghost estates that were not integrated into the community. Now, it is affecting settled communities where people brought up their families and are rooted in the area. The Kanturk situation is an example. There will be resistance. Irish people and evictions do not go hand-in-hand. The Government is sowing the seeds of a rebellion in the country, grown out of necessity. All people are looking for is a secure roof over their family's heads. It is morally right and socially right and, based on the Bill put forward by Deputy Joan Collins, it is economically viable if the Minister pursues the Bill to the next Stage.

Deputy Thomas Pringle: I welcome the opportunity to contribute to the debate on the Mortgage Restructuring Arrangement Bill 2013. I commend Deputy Joan Collins and her team for putting together this Bill. The Bill is modelled on legislation introduced in Norway in the 1990s after the housing bubble to relieve the debts of embattled homeowners and to ease the burden on them. We need to repeat that approach.

The legislation guarantees the security of family homes, meaning that families in mortgage distress will not suffer the threat of being put out of their houses. Homes will be protected. The legislation removes the veto over insolvency arrangements from the banks. It ensures the banks do deals with families in distress and ensures the mortgage element of the debt is written down so that affordable solutions are put in place. The Bill deals with negative equity among people who are in arrears with mortgage debt. These are the key themes of this vitally important legislation. It should be a key theme of Government policy in dealing with mortgage distress in the State. The legislation was introduced in Norway in the 1990s and has been modified for the Irish situation to take into account the personal insolvency arrangements. This will assist people in dealing with debt. In Iceland, a similar procedure was put in place, whereby the mortgage was re-fixed at the market value plus 10%, making it manageable for people in arrears. That is what we need to do in Ireland.

The media coverage of personal insolvency arrangements shows they will not work for people. What is more disturbing is that they will not be accessible to people. Only one in seven will be able to put up the fee of up to €7,000 to engage a personal insolvency practitioner to

deal with their debts. If people had €7,000 up-front, they would use the money for the mortgage rather than to engage a personal insolvency practitioner.

The Bill is necessary because, over the past five years, we have seen the banks calling the shots in the State. The previous Government introduced the bank guarantee in September 2008. The heads of AIB and Bank of Ireland came into Government buildings in their fancy suits and talked to Brian Cowen and Brian Lenihan. Lo and behold, they introduced the bank guarantee. In the lifetime of this Government, the banks call the shots and dictate the pace. We saw this in the case of the personal insolvency legislation, which was amended on Report Stage so that the banks could extend the time someone could be in an arrangement. If someone is lucky enough that his or her fortunes improve over the three years of an insolvency arrangement, the banks can go back for another bite of the cherry and extend the period for five years. We have been kowtowing to the banks for too long in this country and we need some form of legislative backup to force banks to do deals with people.

The voluntary system clearly is not working. The Governor of the Central Bank told the Oireachtas Joint Committee on Finance, Public Expenditure and Reform that the banks are supposed to have issued 35,000 proposals for sustainable solutions. We discovered that 60% of the so-called sustainable solutions consisted of the voluntary surrender of houses, to be sold at the will of the banks. These are the sustainable solutions that the Government wants the banks to put in place, whereby people either voluntarily surrender or are forced to surrender their houses. That is not a solution we should use. We should use legislation to force the banks into a situation in which they must do deals with people. The only way to get out of this crisis and the only way to bring vitality and life back to the economy is to remove the millstone of mortgage debt from people's necks. We need to ease the burden on people, and that is the only way we can do it. Members on the other side of the House will talk about moral hazard but the real moral hazard is in doing nothing and letting the banks continue as they are, offering solutions under which people must voluntarily surrender houses. A bigger moral hazard is for society not to take this measure and not to force banks into write-down situations.

Figures from the Central Bank in June of this year show that 79,000 mortgages have been restructured, yet only 42,000 were not in arrears at that time. Of the 79,000 restructured mortgages, 37,000 are back in arrears. These are not sustainable solutions. The Governor, Professor Patrick Honohan, said, "[D]espite all of our efforts, and despite real progress in policies, processes and staffing, far too many arrears cases have remained untreated." Why have they remained untreated? Because the banks do not have to do anything. They must only sit tight and force families deeper into debt and then they will take the houses and sell them off, leaving families on the social housing lists, as outlined by Deputy Clare Daly. What we need is legislation to force banks into doing deals.

I also believe the Government should get rid of the sub-prime lenders from this market by going in and forcibly taking over their loans. We own AIB. Why not buy the mortgage debts off these sub-prime lenders and take them into AIB where they can be dealt with and we can force a proper restructuring on them? Unless we do that and unless we remove the burden from citizens, the economy will not recover and there will be years of stagnation. We need to give people the wherewithal to be able to manage the debt they can afford and to participate fully in society again.

Deputy Richard Boyd Barrett: I commend Deputy Joan Collins for the considerable work she and her team have put into this Bill. It is often stated by the Government, in a rather unfair

and somewhat disingenuous way, that this side of the House is good at criticising but does not put forward alternatives. That is untrue. On many issues, we have put forward alternatives. It is clear from this Bill that considerable effort has gone into producing a well researched and well thought-out alternative and I hope the Government will seriously engage with the suggestions being made. As has been underlined, Deputy Joan Collins did not pull this out of her hat. She has researched it and looked at a comparable experience in Norway and a solution that worked there. The Government at least has a responsibility to engage seriously with this and even if it does not agree with its every aspect, it should let this proceed to the next Stage so we can seriously debate an issue on which the Government cannot claim it has a monopoly of wisdom. The Minister, Deputy Shatter, may say the insolvency legislation will work but it is clear, after five years of this unprecedented crisis of mortgage distress, that the crisis is still with us and we need to look again at how we deal with it.

We need to be open, if we are serious and if we are being honest about dealing with this crisis that affects 180,000 families - 140,000 who are in distress and 40,000 who have been in restructuring arrangements - and tens of thousands more who are just about making their mortgage payments but are screwed to the wall in the process. If the latter group are victims of further austerity measures, such as stealth taxes and social welfare cuts, in the forthcoming budget in October, they could find themselves going into arrears, as has happened following all of the recent budgets. There is no more serious crisis than this, and if the Government is honest and fair, even notwithstanding disagreements with this side of the House of an ideological or other nature, and if it is open to a serious discussion about dealing with this most serious of crises, it will take this Bill seriously and will allow it proceed for further discussion at the next Stage.

We are talking about a crisis of human suffering for all those families, of anxiety and, in extreme cases, of borrowers taking their own lives. We are talking about a crisis that is having an extraordinarily damaging effect on the economy and its ability to recover. We are talking about a crisis that is all the more galling and enraging, both for those who are its victims and for those who are looking on at it, because it is one where those who are at the sharp end of it have not been bailed out and are not being protected, but those who were responsible for it have been bailed out to the tune of tens of billions of euro and are protected at every hand's turn. The bondholders are protected. The executives who made the decisions who are still on astronomical salaries and expenses are protected while tens of thousands of ordinary families are suffering the threat of the loss of their home, are unable to pay their bills and are having to make stark choices between putting the food on the table and paying off their mortgage at the end of the month.

As was clear to all across the political spectrum at the Joint Committee on Finance, Public Expenditure and Reform when all of those banks came in, the banks' only agenda is their balance sheets. In the case of the bank least under State influence because the State is only a minority shareholder, frankly, it showed a contemptuous attitude towards the pleas of the Government and the public for write-down, fairness etc. They just did not give a hoot. They only care about their balance sheet and shareholders. Some of the nationalised banks sound a little different but, in reality, are behaving in the same way.

Of course, these bailed out banks which the State funded are giving write-downs to some borrowers. They are absorbing the funding that we provided to bail out ordinary householders to give write-offs to the corporate debtors. There is one extraordinary example to which I never got an answer and which I raised on three or four occasions here. How is it that Anglo Irish Bank wrote off €110 million worth of debt for the company Sierra, owned now by Mr. Denis

O'Brien, which has got the contract for water meters? It can get €110 million written off but for those who are struggling to keep a roof over their head, the banks, we were told blankly by them at the aforementioned committee, do not do write downs. However, they do it for some, and this is allowed. The schizophrenia of the banks is extraordinary.

I still heard them trotting out the line at the committee that they lent the money in good faith, it is money that is owed and they have the right to get it back, as if those banks somehow were separate entities from the ones that were lending hundreds of millions of euro to the profit-driven developers who pumped up the market in the first place and forced customers into a situation of borrowing far too much just because they wanted to put a roof over their head. The banks pretend these two activities were somehow separate from one another.

Simply, we ask the House to shift the balance. As Deputy Joan Collins has said, some of us would go much further in how we would deal with this but this is a modest proposal to shift the balance, to force the banks to take some hit and to ensure the protection of the borrower's family home.

I put it to the Minister, Deputy Shatter, that it is a test for the Government as to whether it is listening to the people and the Opposition and willing to have a debate. We are willing to have a debate with the Government. We accept this raises questions, such as about how this can be paid for, but the Minister should not bat us off with soundbites. He should have a discussion with us about whether it is possible for the banks to give some write-down in a way that makes borrowers' mortgages sustainable and protects their homes. Let us discuss the detail of that and whether it can be done. I appeal to the Minister not to dismiss the Bill and vote it down because it was not his idea.

Deputy Stephen S. Donnelly: I commend Deputy Joan Collins's proposal.

The proposal would see the mortgages of insolvent borrowers written down to 110% of market value. This would be one specific solution within the new insolvency legislation and I want to illustrate for the House how this would work.

For example, let us take two borrowers, both of whom are insolvent and with no chance of getting out of insolvency in the next five years. They both owe €400,000 and the houses are now worth €200,000. One borrower is a higher earner than the other. Under the new insolvency legislation, here is what would happen. One mortgage would be written down to, let us say, €220,000, which is what that person could afford to pay and live with dignity, the other mortgage would be written down to €300,000, as that borrower is a higher earner and would get a smaller write-down, and after approximately a five-year period, the amounts that had been written down would essentially be written off. There are two advantages to this. First, both borrowers get to stay in their houses and get on with their lives, and second, the minimum write-down required is achieved. However, there are serious disadvantages. The higher earner is being penalised for being a higher earner by getting a write-down of €100,000 versus a write-down of nearly twice that amount for the next-door neighbour. This creates a very serious incentive for the higher earner to become a lower earner so that he or she can avail of the better write-down. It leads to perceptions of unfairness and inevitably would lead to a certain amount of resentment.

Under Deputy Collins' proposal both mortgages would be written down to €220,000, which is 10% above their market value. The main disadvantage of this is that the banks would end up

writing down more money than they would under the new insolvency legislation. However, there are several very serious advantages. The first is that the higher earner is not penalised for being a higher earner. The deal is more transparent because it is the same deal for everybody so the banks do not need to hide who got what. Another advantage is a perception of fairness and, of course, it would be very difficult for the banks to do deals. The Minister may have been following developments in the mortgage arrears crisis in that the banks are doing all they can to stay away from the personal insolvency legislation. Some of them are acting more reasonably than others. I ask whether it is better to go through the insolvency legislation or to adopt Deputy Collins' proposal.

Last year I met with some IMF officials who pointed me to recent research from the IMF which studied over 100 years of housing crises all over the world and which arrived at three main conclusions. First, governments do not tend to become involved in these complicated matters. Second, when governments get involved, it tends to fail and it fails because of perceptions of a lack of fairness - the perception that someone else got a better deal - and because of the complexity involved. Third, the only two successful examples in 100 years were Iceland and Norway - Iceland a few years ago and Norway in the early 1990s. Both of those models, as evidenced by the IMF, are the same as Deputy Collins' proposal; a writing down of the unsustainable mortgages to 110% of market value. This is some serious food for thought.

I acknowledge that cost is the obvious challenge with regard to Deputy Collins's proposal. The banks would have to write down more money. I would like to see a cost-benefit analysis. It is clear there are additional costs and additional advantages. The IMF believes that Deputy Collins's proposal is the only one that has worked anywhere in the world in 100 years. Therefore, it merits very serious examination and some serious cost-benefit analysis because the current process is not working.

Along with other members of the finance committee I met with the chief executives of the four main lenders and with the Governor of the Central Bank, Professor Honohan. I saw threatening legal letters masquerading as offers of sustainable solutions with the blessing of the Central Bank and a huge variance in how borrowers are being treated by banks. Some are being treated quite reasonably while others are being treated very badly. There is a very different quality of offers as between the banks. Split mortgages will essentially result in marginal tax rates of 76% for the next 20 years for people who avail of them; virtually no write-down in capital, in spite of the billions of euro made available for that; mortgages being restructured in such a way that they will suck the cash out of the economy for many years to come.

Deputy Collins's proposal does require more capital but it is the model that worked in both Iceland and Norway. Unfortunately, the process as I see it evolving here is taking us down the path of Japan where boom time debts were locked in for many years and Japan saw two decades of economic stagnation.

While Deputy Collins's proposal is being considered there is an interim solution which achieves the benefits of what she is trying to achieve without the very great capital requirements which may be required. It is a debt for equity solution.

If we return to the previous example the mortgages would be written down to what is affordable, not necessarily to 110% but affordable for the two borrowers. The bank would take an equity stake of the difference which they would get back at death from the estate - hopefully in very many years' time. The advantage is that both borrowers get to continue with their

lives. Critically, the banks are not going to knock on their doors and take more money if the borrower's economic situation has improved. This proposal is transparent and fair. It does not require the additional capital from the banks. There is no potential stigma attached because the bank gets paid back in full. Critically, it does not encourage the higher earner to try to earn less so that he or she can get a better write-down.

I would like the Government to undertake a rigorous cost-benefit analysis of Deputy Collins's proposal, on the basis that it is the model that seems to work. I draw the attention of the Minister to the fact that the current process, as it is evolving in front of us, will lock-in economic stagnation for many years and unnecessarily. I ask the Minister to look at the debt for equity solution which I would be very happy to discuss with him. I believe it achieves many of the advantages Deputy Collins is seeking without the potential capital implications for the banks and the State.

Minister for Justice and Equality (Deputy Alan Shatter): I hope to conclude after 20 minutes and I will then share my time with Deputies Seán Kyne and Joe Costello.

Deputy Collins and the Technical Group have provided us with a further opportunity to discuss the plight of persons in mortgage arrears. This is evidenced by the Private Members' Bill being discussed which proposes the creation of a further new debt resolution mechanism. The Government accepts the motivation of the Technical Group to seek to make further progress on achieving realistic and workable debt resolutions between debtors and creditors. This is a proposition that this Government has made a priority since coming into office in early 2011. Deputy Collins's Bill proposes the introduction of a new personal insolvency arrangement - to be known as a mortgage restructuring arrangement - which would be in addition to the three new debt resolution arrangements introduced in the Personal Insolvency Act 2012.

The central element in the Bill is for the forced restructuring of secured credit or mortgage debt, by writing off part of that particular debt. The process involved is for a personal insolvency practitioner - which is a creation of the Personal Insolvency Act - to prepare a proposal for a mortgage restructuring arrangement on behalf of the debtor for submission to creditors. The Bill would make it mandatory that creditors accept repayment on the terms set out by the PIP. It is proposed that repayments would be based on the reduction of the amount of the secured debt to a maximum of 110% of the current market value of the property. Any residual debt would be classified as unsecured, to be resolved potentially by another debt resolution arrangement. The proposal contained in this Bill is not accompanied by a cost-benefit analysis nor has there been any detailed consideration to that issue given by any of the speakers to that issue and that aspect of matters, other than the reference by Deputy Donnelly.

The content and details of a mortgage restructuring arrangement would effectively be determined by the PIP alone and would be binding on the secured creditor. In addition, the creditor would not then be permitted to take any enforcement or other action against the debtor. The creditor would be allowed, provided they have fully co-operated with the PIP, to appeal to the court. The proposal by Deputy Collins would turn what is a negotiated debt resolution approach to mortgage arrears into an adjudicative process, with the adjudication being done solely by the PIP. Such a development would dramatically change the basic philosophy and working of the legislation and completely undermine the rights of creditors. We cannot turn the PIP into a court nor can we have a system where debtors would decide that they are either agreeable to arrangements or could veto them, but where creditors would have no say at all. If we put such a system in place, I have absolutely no doubt that it would be unconstitutional.

Deputy Collins and her colleagues may believe that the financial institutions are the source of all evil, but it is important, however, that we have a functioning banking system in this country. We cannot deprive the banks of funds they are entitled to recover from borrowers while also encouraging them to make a constructive contribution to the economy by lending money to small businesses and individuals who are financially viable and who wish to purchase homes. We also need to keep in mind that with regard to secured creditors where financial institutions are involved, there is a public interest in ensuring that more taxpayers' money does not have to be put into our banking system. However, no person in genuine financial difficulty and, in particular, no person who bought a reasonably sized appropriate home during the so-called property boom should now be simply sacrificed to pay for the mistakes made by our financial institutions without regard to his or her financial capacity to deal with their indebtedness over a reasonable period of time. The proposed approach in the Bill - the imposition of a settlement on the creditor without proper regard to all the circumstances - is significantly out of kilter with the negotiated approach taken in the Personal Insolvency Act 2012. Whereas I do not wish to be unduly critical, it would be remiss of me not to point out a number of significant flaws.

First, Deputy Collins's approach to dealing with mortgage arrears is predicated on having the debtor's representative decide what should be repaid to the creditor without any particular regard to other circumstances, such as real ability to pay or the equity level available in the property. Second, there is a significant possibility that permitting such an interference with the legitimate property rights of secured creditors, as proposed in the Bill, would infringe Article 43 of the Constitution. The courts have been very cautious about devaluing or depriving individuals of property rights in any way and any intervention in this regard must be proportionate and take account of the property rights of all concerned. The State cannot impose retrospectively a settlement on parties to a private contract involving the provision of goods, services or capital.

As I mentioned, one of the main priorities of this Government has been to put in place the best solutions possible for people living under the burden of unsustainable debt. When I took office as Minister for Justice and Equality, it was immediately clear that little work had been undertaken to reform or modernise legislation in the areas of bankruptcy and insolvency, despite the enormous financial difficulties being experienced by so many people. The introduction of a modern, practical and humane insolvency procedure and a reformed bankruptcy process through the Personal Insolvency Act and the establishment of the Insolvency Service of Ireland, ISI, were necessary priorities in our path to recovery and growth. The three new insolvency arrangements, offered through the ISI will be of substantial assistance to thousands of individuals crippled by unsustainable debt. They provide fair and equitable solutions for those who have no prospect of repaying their debt, and the solutions are not confined to the rich or those who were rich, as has been suggested by some speakers. According to most recent statistics on the ISI website, to date 50 personal insolvency practitioners and 28 approved intermediaries have been authorised; 4,788 telephone calls have been taken by the service; 1,630 e-mails have been received; and there have been over 85,400 visits to the website.

The guidelines on reasonable expenses provide an essential defensive shield to ensure that neither financial institutions nor other creditors can deprive debtors of funds they need for reasonable household and family expenditure or deprive those in employment from benefiting from continuing in employment where a debt settlement or personal insolvency arrangement is completed. The new personal insolvency arrangement, or PIA, has been the most significant development in addressing the area of mortgage arrears. The PIA will enable the agreed settlement of secured debt up to €3 million, a cap which may be increased with the consent

of all secured creditors. It introduces a concept, which I understand is unique in international insolvency law, in providing for the negotiated resolution of secured debt in a court-sanctioned process that provides certainty for creditors and hope and relief for debtors. It offers a second chance mechanism for talented and capable individuals and entrepreneurs to return not only to solvency, but to contributing to the economic development of our society.

To protect the constitutional rights of all concerned and to prevent potential actions for judicial review, the Act provides for enhanced oversight by the courts of the three new debt resolution procedures. This enhancement of court involvement has the significant benefit to the debtor of providing protection from enforcement actions by creditors, either during the negotiation period or during the life of the arrangement. In order to deal with this anticipated volume of work and to facilitate the speedy consideration of insolvency applications, a new cadre of specialist judges of the Circuit Court has been appointed. The Act deals with the law and procedures necessary to operate a modern personal insolvency process and its focus is, by definition, confined to insolvency. It is not, however, solely concerned with those who are currently in financial difficulties but rather it is about dealing in future with those who find themselves in difficulty for a wide variety of reasons and providing a new legal architecture to facilitate addressing those difficulties in a proportionate and fair manner as between debtors and creditors.

It is important that all households can contribute to our economic recovery and that all those affected by unsustainable debt have real hope for the future. The central objective in regard to the personal insolvency arrangement is that it facilitates persons to reside in and retain ownership of family homes when the arrangement has been successfully complied with over the agreed period, which is expected to be six years.

The new approach led by this Government avoids contentious court hearings, long delays and substantial legal costs inherent in earlier approaches. This is a significant objective designed into the personal insolvency arrangement and offers light at the end of the tunnel to the borrower. Deputy Collins would agree that this is a desirable objective. There is a necessity to allow time in order to see this legislation working rather than labelling it as a failure at the time it is starting and people are making applications to have debt issues resolved. We must remain conscious that many people are in genuine distress and cannot pay their debts. Such debts extend beyond mortgage debt and for understandable family reasons in recent years, such people have been juggling finances. However, the Deputy's Bill might risk providing a means of evading obligations for debtors who may be able to pay those obligations. Some may be refusing to pay in the hope of picking up free debt forgiveness.

This Government is determined to ensure that assistance is targeted at those who cannot pay, as opposed to those who will not pay. People cannot expect to maintain a lifestyle which is beyond their means and at the same time expect financial institutions to reschedule or write off outstanding debt, with taxpayers carrying the burden of their doing so. It is also important to recognise that not all creditors are banks and financial institutions. Many creditors are small and medium-sized businesses and individuals who frequently find themselves in financial difficulties due to the non-payment of moneys owed to them.

The debt resolution initiatives already in place include those under the Personal Insolvency Act 2012, those under the code of conduct for mortgage arrears, the targets set by the Central Bank for financial institutions for resolving mortgages in arrears, and court protection permitting an adjournment of a repossession action for consideration of a possible personal insolvency arrangement. Taken together, these represent a significant and credible set of policy responses

by the Government in regard to mortgage arrears. These initiatives, and particularly the personal insolvency arrangement, which is at an early implementation stage, must be allowed time to progress.

I assure the House that the matter is being very closely monitored by the Government on an ongoing basis. If necessary, as I have previously indicated, further adjustments or appropriate measures may be brought forward in due course. In that context, we will continue to have regard to legislation that has in the past operated in other countries and any legislation that may currently be in place in other countries to address similar difficulties. As the Minister responsible for the introduction of the new personal insolvency legislation, it is my expectation that the banks will co-operate in the implementation of the Act and not obstruct its objectives, in particular with regard to agreeing personal insolvency arrangements. I share the concerns expressed in this House and outside that, to date, not all of the banks have adequately engaged with debtors in a manner that is in the interest of debtors, banks and the wider community.

It was necessary, given the nature of the crisis which hit this State and specifically its economy and the banking sector, that the initial focus of the Government initiatives to be complied with by the banks has in recent years been on creating a breathing space for debtors in arrears. This has meant various options such as payment breaks, discharging only a portion of capital and interest, interest-only payments and a moratorium on repossessions. That has involved some 70,000 mortgage debtors. These measures have provided temporary relief and occurred when financial institutions had no other alternative. Many persons in financial difficulty benefited from these measures as they relieved immediate pressures, although the measures were, by their nature, temporary. We must now move on to permanent sustainable solutions that offer certainty to both debtors and creditors.

The Central Bank requires the financial institutions to achieve certain targets in regard to proposing and agreeing sustainable long-term solutions. Unfortunately, a disproportionate amount of the proposed sustainable solutions, as reported by the financial institutions for the second quarter of 2013, relate to legal proceedings or the threat to issue legal proceedings. There was, to say the least, an insufficient response from the banks to entering into viable arrangements with mortgage debtors whose financial situation would enable them to conclude such arrangements. This approach could be likened to a doctor deciding to shoot most of his patients rather than treating their condition as the preferred solution.

During his appearance before the Oireachtas Joint Committee on Finance, Public Expenditure and Reform on 26 September, the Governor of the Central Bank, Professor Patrick Honohan, was rightly critical of the slow and legal approach of the banks. He noted that 74,000 of the 98,000 mortgage holders in arrears of more than 90 days at the end of June were not yet in an arrangement with their lender. He was of the view that the banks are engaged in “wishful thinking” on the issue of resolving the mortgage arrears crisis and may have a belief that many cases will cure themselves.

The Central Bank set targets earlier this year for lenders to provide sustainable solutions to customers with mortgage arrears of 90 days or more. The bank is auditing a sample of the cases to see whether the solutions proposed can be regarded as sustainable and the Government very much welcomes that approach. The Governor was of the view, which I share, that a sustainable solution for mortgage holders is one that is affordable for the borrower in both the short and the long term. Disturbingly, of the 35,000 proposed resolutions offered by banks to the end of June, as required by the Central Bank, 62% referred to surrender or repossession of the property

concerned. It should be noted that the approach of the banks occurred at a time the personal insolvency legislation had not come into operation.

It is not acceptable, based on the existing information, that only one regulated Irish financial institution has made more mortgage modification offers that are classified as “sustainable solutions” than threats of legal proceedings to seek orders for possession before the courts. I agree with the view of the Governor that travelling the legal route should only qualify as a sustainable solution when some form of financial arrangement or a more formal personal insolvency arrangement, PIA, cannot be reached or is inappropriate given the circumstances of the case. That would most likely arise where the borrower is not co-operating or where the borrower’s financial position is such that their mortgage is not sustainable and where it is not possible to propose an alternative sustainable arrangement and, in such circumstances, the borrower does not agree to a voluntary sale.

I fully recognise that in appropriate cases, the reconstruction of debt in mortgage arrangements will lead where appropriate to the writing off of a portion of outstanding capital. This is an approach and a reality that to date has been avoided by our financial institutions. I am conscious, however, that some of those in mortgage debt have failed, for whatever reason, to engage with their banks or to communicate with them. It is my hope that such individuals will rapidly engage with their financial institution before, rather than as a consequence of, repossessions proceedings. If our financial institutions refuse to constructively and realistically engage, then I have made it clear on a number of occasions in this House and in the Seanad that the Government will in the future take necessary measures to refine our approach to ensure the debt resolution processes work. I realise that banks must have regard to commercial considerations but they must also behave with greater flexibility and insight and apply a broader range of common-sense options based on financial reality. It is my hope and it is the intention of the insolvency legislation that the engagement by Personal Insolvency Practitioners, PIPs, with financial institutions on behalf of debtors proposing realistic and sensible solutions where individuals are caught in unsustainable debt will produce a more constructive and insightful approach from banks that has necessarily been the case to date.

Irish banks have been recapitalised and stress tested on the understanding that there will be losses resulting from excessive financial lending during the property bubble and there is little excuse for their delay in coming to terms with this. They have had adequate time to equip and train their staff to adequately engage with those in arrears. I understand that the banks may have a fear of debt forgiveness. This would be especially so for individuals who could pay but who might contrive to create circumstances for debt write-off where such is not warranted. Despite exaggerated claims by banks, no information on the extent of such action by debtors has been produced. As the Governor of the Central Bank noted during his recent committee appearance, “[T]here are a huge variety of reasons why people are paying other things first”. There is no doubt that some of those in debt difficulties have decided rightly or wrongly that they are going to pay short-term debt first as opposed to secured long term debt.

Taxpayers have been financing the banks. No matter how one might deplore the previous behaviour of financial institutions, everyone in the State has an interest in ensuring the banks’ capitalisation is sound and in the banks playing a normal role in the economy. The Insolvency Service of Ireland is fully operational and ready to do business. Given the scale and complexity of the work involved, it is a remarkable achievement that the service is fully operational little more than a year after the publication of the Personal Insolvency Bill on 29 June 2012. PIPs will play a vital role in negotiating on behalf of debtors realistic and workable solutions which

are agreed by creditors. A total of 50 persons are registered as PIPs, with more expected shortly.

The economic and financial effects of the proposals in the Deputy's Bill would be damaging should it be accepted. The costs to the financial institutions could run into billions of euro and have consequences for their solvency and stability. There is every good reason for taking care in this area so as not to impose on taxpayers an additional burden arising out of bank debt that would detrimentally impact the capital base of our existing financial institutions. There has been some recent publicity with regard to one of the State's final commitments under the troika programme. The commitment is to examine aspects of the operation of the courts' repossession framework, including by the end of October, the possibility of more expedited proceedings for buy-to-let properties and the assignment of additional functions to specialist judges. In addition, an expert group will consider issues around the more general efficient operation of the repossessions system and is to report by end of 2013. There are no proposals for further legislative changes in this area at this time.

These commitments will not have any particular impact on the engagement between banks and co-operating borrowers in seeking to conclude a sustainable solution to a mortgage problem. The protections available to co-operating borrowers under the Code of Conduct on Mortgage Arrears will continue to remain in place. The recent Land and Conveyancing Law Reform Act 2013 provides the power to a court, as it considers appropriate having regard to the individual circumstances, to adjourn a repossession case to enable an alternative PIA to be considered.

The Government's objective in everything we have done in the development and introduction of various debt resolution processes has been to help people in genuine financial distress to facilitate their return to solvency and full participation in economic life and to allow individuals and families struggling under the weight of unsustainable debt to restart their lives. The critical message to all those experiencing mortgage debt problem is that they must engage with their financial institution to attempt to negotiate an appropriate resolution. That also requires the financial institutions to engage properly with customers. Now that the architecture of our new insolvency legislation is settled and up and working, I expect financial institutions to more readily and effectively so engage. However, I fully accept Deputy Collin's motivation in proposing this Bill. I share with her a determination to offer the best possible debt resolution processes to home owners in arrears. This Bill, unlike the Personal insolvency Act 2012, unfortunately, does not achieve that aim and, therefore, I must oppose it.

Deputy Seán Kyne: It is important, as the Minister said, to continue to discuss this important issue, which affects so many of our citizens. I commend Deputy Collins on her work on this Bill. From my limited experience, producing a Bill is no easy task. It requires a great deal of time for research, drafting and re-drafting as well as communication and consultation with the Bills Office. It is not easy to find that time. The upcoming reforms to this House, including additional Friday sittings, should be extended to include provision for additional supports for those producing Bills, whether they are in government or opposition. Ministers have the immense benefit of support staff for such work. That would increase participation in the legislative process.

Deputy Collins's Bill clearly seeks to make use of the provisions contained in the Personal Insolvency Act 2012. The Act was introduced to reform our bankruptcy laws which had become obsolete and were of no benefit to most citizens. The Act came about a decade too late and one can only speculate as to the positive effect it might have had if it had been in place prior to the economic crisis. This Bill seeks to apply the Act's provisions to the issue of mortgage

arrears. Mortgage arrears and the high level of personal debt are factors that set this current recession apart from previous ones. Mortgage difficulties can be all-encompassing, detrimentally affecting a person's everyday life. I agree with the intention of the Bill, which is to remove or reduce the burden on indebted citizens.

Just as mortgage arrears take time to accumulate, it also takes time to design and implement solutions. The Government has taken a number of significant steps including, primarily, the Personal Insolvency Act but also setting targets for the banks to address cases more speedily while respecting the measures contained in the Code of Conduct on Mortgage Arrears. The mortgage advisory service with its advice telephone line and comprehensive website is rooted very much in the need to be informed. Borrowers in distress can access information which will help begin the process of resolving difficulties. As with many problems, early action and intervention is crucial to creating sustainable, workable solutions.

It also appears that the Bill seeks to allow for the forced restructuring of secured mortgage debt and the effective writing-off of part of that debt. Under this scheme a person with a mortgage debt would be able to enter into a mortgage restructuring arrangement created by a personal insolvency practitioner which would then be binding. I have concerns about such an arrangement, as any situation which is grounded in compulsory action would be cause for concern as it goes against the principle which has been observed until now, namely, the aim of finding a solution through honest communication, cooperation and consensus.

Imposing a solution which effectively writes off mortgage debt has negative consequences, first, for the creditor, which may or may not be a financial institution, and second, for the taxpayer. The taxpayers' stake in Irish financial institutions is still at a level that would necessitate further public funds on account of the losses which this legislation would precipitate. Further public money for the banks is something which nobody would wish to see.

An Leas-Cheann Comhairle: The Deputy should be careful to ensure the Minister of State has four minutes. There is one minute remaining.

Deputy Seán Kyne: Yes, I will wrap up. I am interested in the comment that similar proposals to those outlined in the Bill have worked elsewhere, specifically in Norway and Iceland. The Bill is worth further investigation to see whether some elements of it could have merit, notwithstanding the workings of the negotiated personal insolvency arrangements. I appreciate that we need time to assess how the new personal insolvency system works.

Minister of State at the Department of Foreign Affairs and Trade (Deputy Joe Costello): I welcome the opportunity to speak on the Mortgage Restructuring Arrangement Bill. I compliment Deputy Collins on producing the Bill and introducing it to the House in order that we can debate the issue. Mortgage arrears are one of the most significant problems that continue to face thousands of people in this country. We must make every effort to help people in mortgage distress in order that they are able to get on with their lives. As long as a serious effort is being made to deal with the situation, we must avoid any situation where a family loses the roof over its head because of an inability to meet its payments, irrespective of the attitude of any financial institution. That is the key to the approach we should take.

A policy of putting the interests of big developers and the banks ahead of people seeking to purchase a home was a direct cause of Ireland's disastrous property boom and bust. However, this Government is committed to helping home owners in distress to weather the current

economic problems and ensure Ireland has a sustainable housing policy. It is essential we do everything we can to help people in mortgage distress. Unfortunately, the provisions in this Bill have a number of serious drawbacks. The Bill essentially proposes the introduction of a new personal insolvency arrangement in addition to the three new debt resolution arrangements introduced in the Personal Insolvency Act 2012. The imposition of a settlement on the creditor without proper regard to all the circumstances is at odds with the negotiated approach taken in the Personal Insolvency Act.

Furthermore, the Bill would encourage people to default where their circumstances do not warrant it. If a large number of people were to do so, it could cost financial institutions billions. While I have little sympathy for the financial institutions, our economic well-being requires that we return to having banks that function. Yesterday saw the anniversary of the disastrous bank guarantee, which only the Labour Party had the good sense to oppose at the time. In any case, the financial institutions are now, in large part, publicly owned, and it would be the public and taxpayer who again would be left to pay for the Bill's provisions.

The Government has developed a credible set of measures to assist those in mortgage arrears. Budget 2012 introduced a special mortgage interest relief rate of 30% for the tax years 2012 to 2017 for first-time buyers who bought their sole or main residence in the years 2004 to 2008 or paid their first mortgage interest payment in this period. This measure offers special assistance to those who bought their homes at the height of the boom and are now likely to be in negative equity. The mortgage-to-rent scheme should be used to a greater degree.

The Personal Insolvency Act is a major advance on previous legislation and should encourage banks to reach an agreed solution with individual borrowers to resolve mortgage arrears problems. Important additional steps have been introduced by the Government to deal with mortgage arrears. They include the code of conduct for mortgage arrears, the resolution targets set by the Central Bank for financial institutions in relation to mortgages in arrears, and the protection included in the Land and Conveyancing Law Reform Act whereby a court can permit an adjournment of a repossession action for consideration of a possible personal insolvency arrangement as an alternative to repossession. That function should be used to a much greater degree.

We have seen the number of people experiencing difficulties with mortgages. As of June 2013, a total of 97,874 or 12.7% of private residential mortgage accounts were in arrears of more than 90 days. That is an horrendous figure. Furthermore, 223 properties were taken into possession by lenders during the second quarter. Of those, 63 were repossessed on foot of a court order and the remaining 160 were voluntarily surrendered or abandoned. I previously outlined in the House two cases in which I have been involved that are live issues. The first one involves a self-employed project manager who became unemployed and was entitled to no support from the State. He has three young daughters in secondary school. He was not entitled to jobseeker's allowance, mortgage interest supplement or support from a community welfare officer. After a lengthy process, he got jobseeker's allowance but he was refused mortgage interest supplement because his wife is working, although it is a meagre wage. The repayments for a home that was bought during the boom are substantial. Despite that, two years later he has been served with an ejection order because no meaningful restructuring has taken place. That is why it is so important that the current provisions are implemented, and done so effectively.

An Leas-Cheann Comhairle: I am sorry but I must call the next speaker. The clock has beaten us.

Deputy Michael McGrath: I welcome the opportunity to speak to the Private Members' Bill, the Mortgage Restructuring Arrangement Bill, introduced by Deputy Joan Collins. I join other Deputies in thanking and congratulating Deputy Collins on bringing forward this comprehensive Bill. I am aware from my own experience that it requires much work. It is important to note that three of the last four Private Members' debates tabled by the Opposition have been dedicated to mortgage arrears. That means two out of three Private Members' debates in this session and the final motion in the previous session that ended in July were on mortgage arrears. One might say there is too much debate on the issue and ask why we are not discussing other issues. It is vital that we debate this issue and get the approach right because all of us in the House and people throughout the country have a collective interest in giving people in mortgage arrears every opportunity possible to work their way out of their difficulties.

Sometimes, one needs to stand back from the detail of the debate and remember that, at its heart, this issue is about people. It is about men, women and children who are living in houses they might lose through repossession or which they might voluntarily have to surrender. The statistics are frightening. The Minister of State, Deputy Costello, alluded to some of them - approximately 98,000 family home mortgage accounts are in arrears of 90 days or more. If one adds those that are in arrears of less than 90 days, one approaches 143,000 family home mortgages in some level of arrears. If there is an average of three or four people living in those homes, one might well be talking about between 400,000 and half a million people living in houses where the mortgage account is in arrears. That is the scale of the crisis we are facing. We have a collective responsibility to address that and to come up with solutions. That is why I thank Deputy Collins for introducing the Bill.

In recent weeks the Oireachtas Joint Committee on Finance, Public Expenditure and Reform has done some excellent work. It has shed much additional light on how mortgage arrears are being handled. It is rare for a Deputy to compliment a Member from another side of the House but I compliment Deputy Ciarán Lynch on the manner in which he handled those hearings very effectively, not just the hearings with the banks but also the hearing with the Governor of the Central Bank, Professor Patrick Honohan. Not only did we learn a lot about what is being done well in terms of mortgage arrears but we also learned a lot about what is not being done so well.

9 o'clock

That is where the focus has to be to determine whether we can improve. It is fair to say that the targets laid down have generated some activity within the banks. We can argue about the nature of that activity but the threat that the Central Bank can impose more onerous provisions concerning losses on the balance sheets of the banks has certainly made those concerned sit up and take notice. It is the response to the targets and the way in which they were initially framed that I take issue with.

During the course of the hearings, we have found out what is not working well. An example concerns the definition of a sustainable solution. It is clear that the definition is too vague. The banks have the final say on what constitutes a sustainable solution. There should be independent oversight of the issue. We have categorically found a lack of consistency in the way the banks are dealing with individual arrears cases. People who appear to be in quite similar circumstances are being dealt with very differently depending on the institution. Sometimes within individual institutions customers are being dealt with quite differently depending on the staff they deal with. We have seen the rolling out of solutions being handled in an inconsistent manner. This was highlighted not least by the issue of split mortgages and by how the ware-

housed portion of the mortgage is treated in terms of interest.

We have learned that the banks have been relying very heavily on the issuing of threatening legal letters to count towards the targets set by the Central Bank and endorsed by the Government. In this regard, I welcome some of the comments of the Minister tonight. I take the Government at its word when it says it was surprised by the manner in which the banks responded to the target. However, it is clear that this was with the complete endorsement of the Central Bank. The Minister for Justice and Equality, Deputy Alan Shatter, went further than any Minister has in recent times in criticising the banks in that he referred to a disproportionate amount of the solutions involving legal proceedings. He referred to an insufficient response and implied it was like a doctor deciding to shoot most of his patients rather than treat their conditions as the preferred solution. The Minister referred to it as disturbing that, of the 35,000 proposed solutions offered, 62% related to repossession. That would all be fine, except that the Government has endorsed the approach of the Central Bank. The latter has told the banks that in certain circumstances the threat of legal repossession constitutes a sustainable solution. The Government welcomed that approach, but when it sees it being rolled out in practice, it is changing its tune. I welcome that. Some of the Minister's comments certainly represent a step forward but they now need to be followed up by action. The Minister referred to the need to refine the approach, the need for greater flexibility and the need to apply a broader range of common-sense options. That is what we have been calling for. If one stands back from the detail of all the proposals that have come forward, one notes they have essentially been about providing genuinely long-term sustainable solutions to people's individual mortgage arrears cases. There is a need for the Government to follow up on the observations that have been made on the banks' handling of the targets, particularly on the manner in which they have jumped straight to the threat of legal proceedings to repossess homes.

The picture presented to us at committee meetings was that many of the people affected have not responded to telephone calls in a year and have made no repayment in two years. However, I can tell the Minister for a fact that there are many people in respect of whom no effort whatsoever was made by the banks to put in place an alternative repayment arrangement, in addition to no effort being made to restructure the mortgage. The banks went straight to the nuclear option - that is, the option of threatening to repossess the homes - because it allowed them to reach their targets. Any reasonable person would have to accept that is not a good approach and that we can do a lot better.

I have been critical of the Central Bank. The first set of targets related to the quarter ending at the end of June, yet we still do not know whether the banks met their targets. We need independent verification. The audits are now being carried out by consultants acting on behalf of the Central Bank. The Central Bank should have been crawling over the banks in the month of July to determine whether the targets were being achieved.

An issue coming to the fore is that the Central Bank is acting strongly in its role as a prudential supervisor. The definitions provided in the mortgage arrears targets programme were very much designed to fulfil prudential responsibilities rather than to have a role in the area of consumer protection. The Governor, Professor Honohan, made that very clear in the contribution he made at the committee. He implied that the definition pertaining to arrears targets was established from a prudential supervision perspective - in other words, from the point of view of regulating the banks and protecting their balance sheets as opposed to looking after the needs of those in mortgage arrears.

I accept that there will be an increase in the number of home repossessions. It is inevitable, and anybody who says otherwise is not recognising the reality. However, the approach that is currently being adopted will result in an unnecessary number of repossessions because the banks are not, in many cases, engaging meaningfully with borrowers to achieve proper sustainable solutions. Two weeks ago, when we discussed our own motion on mortgage arrears, I acknowledged the need for the banks to be cautious with capital because the capital was given to them by taxpayers, who are still shouldering the burden of having injected it. I would be the first to acknowledge that. Widespread debt forgiveness and free-for-all arrangements are not an option in dealing with mortgage arrears because we must also take into account those who are just about managing to pay their mortgages. That said, it is not an excuse for not putting forward proper solutions for those who want to engage, including permanent interest rate reductions. We have only seen a couple of hundred of those. There should also be proper split mortgages that are sustainable and debt-for-equity solutions along the lines suggested by Deputy Donnelly.

The banks still have not got their internal systems right for dealing with customers. Many people who want to engage and negotiate with the banks have been frustrated by the lack of response. They are receiving telephone calls from the banks at all hours of the night. They are asking the banks, on my advice in many cases, to send their information in writing. The banks refuse to do so, yet they want an answer over the telephone as to whether the proposed restructuring of a mortgage is acceptable.

Let me refer to the Bill. It is, in some respects, similar to a Bill we published ourselves, the Mortgage Resolution Bill. In broad terms, it provides for independent oversight of the way in which the mortgage arrears crisis is being handled. In that respect, I welcome it. I firmly believe there is a need for independent oversight, not in the manner in which the Central Bank is proceeding but in a manner whereby binding solutions can be imposed where an agreement is not being provided for.

I acknowledge that in respect of some of the proposals in the Bill, particularly those relating to negative equity, there is an absolute need for a cost-benefit analysis. There is a need to assess the impact not just on the borrowers, whose primary interest we are dealing with, but also on the banks. We need to know whether these proposals, if implemented, would result in another requirement for large-scale capital injections. The Government should allow this Bill to proceed to Committee Stage, in which we can get into these details and discuss them properly.

Where a creditor disagrees with the proposal for a mortgage restructuring arrangement, he must appeal to a court. Where possible, we should keep the process of resolving mortgage arrears in a non-judicial environment. I refer to the perspectives of both debtor and creditor. We have called for a legal right to be established to a solution for those in mortgage arrears. That must be considered carefully. I have listened carefully to what opponents of this proposal have said, particularly regarding the issue of property rights in the Constitution and the implications for the mortgage market if a third party can intervene in a contractual relationship. That issue needs to be teased out but I see no reason the broad thrust of this Bill cannot be accepted so it can proceed to Committee Stage for further debate. The reality is that we cannot stay on the current path. The current path is not resolving the problem. Anyone who listened to the comments of Deputy Shatter tonight will see that he, as a senior Minister, does not believe the current approach will resolve the issue.

The jury is still out on the new insolvency service. Nobody would be more happy than I

would be if it worked and if it could deliver genuine solutions for those who have secured and unsecured debt.

The *Sunday Business Post* recently reported on a study of over 1,000 individual cases by Grant Thornton Debt Solutions which found that bankruptcy was going to be the best option for 43% of those seeking debt relief deals because many of them were not earning enough to avail of the new insolvency regime. That presents a fundamental challenge and a threat to the new insolvency service and its operation will have to be very carefully monitored. The point Grant Thornton made in its report was that those earning less than the figure for reasonable living expenses set out in the guidelines provided by the Insolvency Service of Ireland would not be able to avail of any deal because a deal must involve some contribution being made by debtors to their creditors in respect of their liabilities. That issue is extremely important. Another Limerick-based personal insolvency practitioner estimated that seven out of ten of those seeking debt relief deals were on very low incomes or social welfare payments. They have no money to pay creditors after reasonable living expenses have been deducted. That issue must be examined immediately. I know the ISI will not publish statistics until the first quarter has expired, but I would expect the Minister to be engaging on an ongoing basis with the service.

We also have the cost of engaging a personal insolvency practitioner being a potential barrier to gaining access to the service in the first place for those who most need debt relief. If one takes a person on a very low income which is below the figure for reasonable living expenses set out by the ISI and where there is no prospect of a deal being agreed, there is no incentive for a personal insolvency practitioner to take on that case because he or she will not get any financial return on it.

I could use a lot more time, but I know my time is up. I thank Deputy Joan Collins for bringing forward the Bill. Fianna Fáil would like to see it pass Second Stage. While it is far from perfect, it is worthy of further debate on Committee Stage. Any debate we can have on the mortgage arrears issue with a view to coming up with credible, practical and realistic solutions is a debate worth having.

An Leas-Cheann Comhairle: Before proceeding, I wish to welcome a visitor to Dáil Éireann, accompanied by the Cathaoirleach of the Seanad, Senator Paddy Burke. I welcome Mr. Ed Fitzgerald, County Executive and Democratic Party candidate for Governor of Ohio in the elections in November 2014. I hope he has a very enjoyable visit and I wish him well in his work.

Deputy Sandra McLellan: I welcome the opportunity to speak on the Mortgage Restructuring Arrangement Bill and commend Deputy Joan Collins for her work on it. It gives us an opportunity to debate what is a very important and extremely serious issue. Sinn Féin welcomes the Bill. Clearly, the Government's hear-no-evil, see-no-evil approach is failing pathetically. The concept behind the Bill is laudable, namely, that the family home must be protected in law. Fine Gael and the Labour Party have taken the opposite approach and removed whatever protection was provided previously. However, we are concerned by how much the Bill relies on the structure of the Personal Insolvency Act as its basis. The Act is barely alive and already there are many obvious problems with it. It has become clear that a public insolvency service would have made more sense and would have been better suited to meeting the needs of citizens rather than financial experts and the banks. A study carried out by Grant Thornton Debt Solutions showed that only one in seven struggling mortgage holders was in a position to benefit from the new personal insolvency arrangements. In other words, the Government's great solution is a dud if one has a mortgage.

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There may be a role for Deputy Joan Collin's Bill in the solution to the mortgage crisis. Any measure that protects the family home and assists those trying to pay their way is to be commended and should be fully considered. There are reports that the troika is discussing fast-track repossessions in the case of buy-to-let properties. The primary concern must be to ensure tenants' rights are fully respected and that tenants are not made to pay for a defaulting landlord.

Sinn Féin has presented its proposals, too. Our approach is to put it up to the banks. The Government has been played for a fool by the banks time after time. With the troika egging it on, it has rolled out the banks' agenda. We saw the revision of the code of conduct on mortgage arrears to suit the banks. We saw the Government remove the Dunne judgment, with no attempt being made to replace it with any other safeguard. Now the banks are so cocky that they can appear before the Joint Committee on Finance, Public Expenditure and Reform and state baldly that they are surpassing the Government's targets by relying on repossession letters. They can do this because they know the Government is on their side.

At its heart, the Bill seeks to remove the banks' veto over insolvency and mortgage arrangements. This is an admirable objective and one Sinn Féin fully supports. However, the removal of the veto would ultimately rely on the courts. Sinn Féin would rather see a mortgage restructuring panel, democratically accountable to the Minister, empowered to force the banks into reasonable arrangements. We believe the banks must face reality. We have already seen that this does not come easily to them. The people bailed out the banks, but now they are sitting on that money, while trying to squeeze blood out of a stone in the case of many families across the State.

The mortgage crisis continues to be out of control and the Government's actions have, arguably, made it worse for many in arrears. It is time to take power from the banks. It is time for a solution that would protect the family home and implement fair, sustainable solutions on a case-by-case basis.

Again, I thank Deputy Joan Collins for bringing forward the Bill and commend her for her work.

Debate adjourned.

The Dáil adjourned at 9.15 p.m. until 10.30 a.m on Wednesday, 2 October 2013.