



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Dé Céadaoin, 4 Nollaig 2013*

*Wednesday, 4 December 2013*

Chuaigh an Ceann Comhairle i gceannas ar 9.30 a.m.

*Paidir.*

*Prayer.*

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## Ceisteanna - Questions

### Priority Questions

#### National Digital Strategy Implementation

1. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources how he can facilitate the use by older persons of communications technologies; and if he will make a statement on the matter. [51573/13]

**Minister for Communications, Energy and Natural Resources (Deputy Pat Rabbitte):** One in five adults in Ireland has never used the Internet. Many if not most of these are older people. That is why older people are a key focus in the Government's national digital strategy, which I launched earlier this year. I awarded grants in July under my Department's benefit programme to 17 community and voluntary organisations to deliver basic digital skills training to people who have never used the Internet or are seeking to build on the skills they have. The benefit programme involves a network of approximately 200 stakeholders providing training in more than 580 locations nationwide. The training covers the use of different types of communications technology, particularly Internet-related technologies such as computers and smartphones. It includes training on the topics that are most likely to be of relevance and use to people, such as sending and receiving e-mails, conducting simple online transactions and using Government services online.

Some €1.4 million has been allocated to the benefit programme in 2013. More than 83,000 people have received training under the programme since it began, with approximately 7,000 completing training so far in 2013. Approximately 60% of the people undertaking training under the latest phase of the benefit programme are over 55 years of age and one third of them are over the age of 65. Therefore, the programme is making a very positive impact on older people. The feedback received from trainees has also been positive, with 99% of them saying they

would recommend the course. The latest phase of the benefit programme, which I launched in July, builds on the successes and lessons of previous phases. In response to requests from trainees, and older people in particular, the number of training hours has been increased from six to eight. The range of topics covered by the course has also been extended.

In addition to the programmes funded by my Department, a number of other initiatives are in operation to help older people to use digital technologies. Some of them are mentioned in the national digital strategy, including Google's Get Your Folks Online and Silver Surfer Towns initiatives and UPC's Internet Buttons initiative. As part of the development of the national digital strategy, my Department commissioned a number of audiovisual case studies, some of which focus on the relevance and value of digital engagement for older people, such as saving money and being better connected to friends and family. The national digital strategy sets an ambitious target to get 280,000 more people online by the end of 2016. Many of these will be older people. The strategy envisages a co-operative approach between the Government, industry and community and voluntary groups that are active in assisting elderly people. Those involved in the strategy are working with Ireland's digital champion, David Puttnam. It entails the continued roll-out of training and an intensified focus on awareness raising and motivation. The aim is to ensure more older people are shown the many great and simple things they can do with digital technologies so that they will want to engage with them.

**Deputy Michael Moynihan:** I thank the Minister for his response. I tabled this question in the context of the abolition of the telephone allowance. We have spoken in this House on a number of occasions about the development of a two-tier society when it comes to broadband. People in their 60s and early 70s have engaged with the digital era technologies to some extent. Those in the next oldest age group are increasingly isolated and vulnerable, however, as society continues to move towards Internet banking, online payment of bills, etc. People have been asked for generations to use cash less frequently and to stop keeping it in the house. I am talking about elderly people who have not engaged properly with technological advances. Is there a coherent plan to target those people in any of the Department's various strategies? I appreciate that the cohort of people I am talking about - elderly people, in particular - was mentioned in the strategy that was launched last July.

**Deputy Pat Rabbitte:** I agree with Deputy Moynihan that we have to be very careful to ensure a new digital divide does not develop in this country. Many older people did not have access to this technology when they were being educated or during their working lives. The Deputy is right to suggest that they can suddenly become isolated. The merit of the benefit programme is that it assists such people. The programme has achieved remarkable success even though the amount of money committed to it is relatively small. Its partnership with Age Action, for example, has been exceptionally successful. I have presented awards sponsored by Age Action, sometimes in partnership with a big company such as Google, to people in their 80s who cannot believe the world that has been opened up to them as a result of being able to Skype their grandchildren in Australia, perform basic transactions online or access Government services on the Internet. I believe it is a very valuable programme.

**Deputy Michael Moynihan:** It is. I know people in their 80s who have received awards at these ceremonies. We have to admit that the percentage of their peers in this age group who are engaging with technology and with the digital age is quite small. Older people who are active in their communities, retirement groups and day care centres are engaging with society, at least. We all know people who do not engage, however, perhaps because they have limited resources in terms of family members looking after them. These people, who are found in urban and rural

parishes, are becoming further isolated. Some of them are completely isolated. There should be a targeted and proactive programme to put people at ease. Everything can be checked online nowadays but many vulnerable people who need information have no idea where to go to find it because they do not engage in that way with society.

**Deputy Pat Rabbitte:** The figures show that 23% of the population have never accessed the Internet. The programme to which I referred has trained some 83,000 people in basic digital literacy skills. In respect of the particular cohort to which the Deputy refers, especially those who may be living in remote locations, the whole point of the benefit programme is that it sponsors these programmes in partnership with community and voluntary organisations. In those circumstances, the first step is that some kind of local organising is required, whether by the GAA or by community or residents' organisations. Those local groups are entitled to access funding and to provide courses such as those that are in place in 580 different locations.

### **Bord Gáis Privatisation**

2. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources in view of his rejection of private sector bids for Bord Gáis Energy, his views on the fact that privatisation is not a viable option and that the optimum strategy for BGE going forward is to retain and develop it in public ownership. [51805/13]

4. **Deputy Michael Moynihan** asked the Minister for Communications, Energy and Natural Resources his future plans for the sale of Bord Gáis Energy; the way in which the deferral of this sale will impact on the Irish energy market; and if he will make a statement on the matter. [51861/13]

**Deputy Pat Rabbitte:** I propose to take Questions Nos. 2 and 4 together.

In May of this year, a process was initiated to sell the Bord Gáis Energy business. This process was led by Bord Gáis Éireann and overseen by a government steering group which included officials from my Department, the Departments of Finance and Public Expenditure and Reform, and the NewERA unit of the NTMA. I am advised that the process was conducted in a professional, open and transparent manner and attracted significant interest from a broad range of potential international buyers, reflecting the positive international sentiment towards Ireland.

However, based on clear advice, I have determined that the bids received last week were not a fair reflection of the strength and potential of the Bord Gáis Energy business. On 27 November last, I announced that I had confirmed to Bord Gáis Éireann that none of the final bids received for the Bord Gáis Energy business was of an acceptable value. The Minister for Public Expenditure and Reform and I have been clear from the outset of this process that Bord Gáis Energy would only be sold if a sale price was achieved which fully recognised the inherent value of the business. This decision underlines our commitment to proceed with asset disposals only when we are satisfied with the outcome.

My Department and NewERA will now work with Bord Gáis Éireann to ensure continued investment in the development of the Bord Gáis Energy business. We will also work with the company to complete the separation of Bord Gáis Networks and Bord Gáis Energy, as required by the EU gas market directive. This work is already well under way. Last Wednesday, the Oireachtas passed the Final Stage of the Gas Regulation Bill, which underpins the restructuring

of Bord Gáis Éireann and the sale of the energy business.

The Government will keep all options open as regards the future of Bord Gáis Energy, which is a growing and successful business. I am confident that regardless of its ownership structure, Bord Gáis Energy will continue to enhance competition in the all-island energy market for the benefit of the economy and consumers. The continued roll-out of the Bord Gáis wind generation portfolio will also help to ensure that Ireland meets its legally binding renewable energy targets, as well as building further value in this business.

The Government remains committed to retaining Bord Gáis Éireann's gas networks and interconnectors in State ownership as strategic infrastructure. We are also continuing our programme of divesting non-strategic assets, the proceeds of which will be used for re-investment in support of employment and economic recovery.

**Deputy Michael Colreavy:** I am very disappointed with the Minister's response. When it was first proposed that Bord Gáis Éireann would be sold off I predicted that the venture capitalists, or vulture capitalists as I called them at the time, would be swooping and looking for a basement bargain. I also pointed out that the privatisation of public utilities in the neighbouring island had been nothing short of disastrous and had resulted in poorer service and increased costs to consumers.

We need to remind ourselves why these companies were in public ownership in the first place. We need to put ourselves in the place of a board of directors or managers at Bord Gáis Éireann. How can any company engage in strategic or even short-term planning when the status of that company is uncertain? I am disappointed that the Minister has not said that the reasons it was set up as a public company in the first place are as valid today as they were then and that the door has been closed and locked on any privatisation of Bord Gáis Éireann.

**Deputy Michael Moynihan:** Fianna Fáil opposed the sale of the company in the first instance and we raised concerns during the passage of the Bill. What has been the cost to the Exchequer in the process of preparing the company for sale?

**Deputy Pat Rabbitte:** It seems there is nothing I can do to make Deputy Colreavy happy.

**Deputy Michael Colreavy:** The Minister could say that he is not going to privatise the company.

**Deputy Pat Rabbitte:** He does not want me to sell the energy business of Bord Gáis, yet when I do not sell it he is also unhappy. I am sorry about that, but I think it was the right decision because we did not get value in so far as we regard the energy business of Bord Gáis as a very good business. We made plain from the beginning that unless we got value we would not sell. It would appear that some people inside and outside the House did not believe that. The origins of why we are doing it have been well traced and I will not go back over them.

I cannot answer Deputy Moynihan's question because we do not yet know the position with regard to fees. Individual contracts were issued following a competitive tendering process and some of it was on a no-foal-no-fee basis. Therefore, figures are not yet available, but I will inform the Deputy as soon as they are available.

**Deputy Michael Colreavy:** The Minister says it is impossible to make me happy, but that is not true. I welcomed the decision not to sell the company off to the bargain basement hunters.

However, I am pointing out that privatisation would be detrimental to this company and to the people of Ireland, and there are ample examples - remember Eircom - in which privatisation damaged a utility that the public had enjoyed. The people of Ireland paid for this company. I argue that it is impossible for any company to plan for the future when its status is unknown. If the Minister wants to make me completely happy, there is a very easy way to do it. He should close the door and lock it on the future sale of Bord Gáis Éireann, because it would be the right thing to do.

**Deputy Michael Moynihan:** There is an issue with regard to the privatisation of State companies in general. We have learned hard lessons from past experience with these companies. There is no benefit to the State in dealing with the lowest bidder, the lowest common denominator. Any privatisation of State companies should be put on the slow burner. There are people who are trying to get it at the lowest possible cost. We should not be bargain selling.

**Deputy Pat Rabbitte:** Deputy Moynihan is correct in that market conditions are affected by various developments, not least the shipping of cheaper coal into Europe by the US as a result of the revolution in prices therein arising from the exploitation of shale gas. This is just one of the factors affecting gas market conditions to which the Deputy referred.

Deputy Colreavy raised a comparison with Eircom. We learned from the mistakes made in that case and we have retained the networks in State ownership. In the case of Bord Gáis, there is a parent company and essentially three subsidiaries, those being the networks company, the energy business and Irish Water. They are under the umbrella of Bord Gáis Éireann. All three are prospering. Irish Water will be a significant company in its own right. The legislation that we completed last week has the energy business as a stand-alone company, stripped out from the networks. If someone comes along and makes an offer that the Government believes is value for what is being purchased, we will consider it because of the agreement entered into with the troika and so on. Just in case anyone fears that there will be a fire sale or a sale of any State asset at a bargain basement price, it will not happen.

Deputy Colreavy is right in stating that the energy business of Bord Gáis is thriving. It will continue to expand and is providing valuable competition. It will not be impeded in the slightest by the fact that it constitutes a separate energy company in BGE's stable, like Irish Water and the networks company.

## **Energy Resources**

3. **Deputy Richard Boyd Barrett** asked the Minister for Communications, Energy and Natural Resources if he has any knowledge of actual production of oil from the Connemara field; and if he will make a statement on the matter. [51906/13]

**Deputy Richard Boyd Barrett:** Time and again the Minister has told the House that the justification for a low tax regime on oil and for licensing arrangements whereby ownership of our gas and oil reserves has effectively been handed over to oil companies is that we only have potential reserves, not actual reserves. If that is the case, could he explain how this jar of light crude oil, just a small sample taken from a tanker-----

**An Ceann Comhairle:** We do not display items in the Chamber.



**Deputy Richard Boyd Barrett:** I will put it down. An oil tanker was filled-----

**An Ceann Comhairle:** Could we have the reply, please? The Deputy's time has concluded.

**Deputy Richard Boyd Barrett:** -----in 1997. A week's pumping filled a tanker. Where did it go, who took it and did we get any money for it? This is real oil, not potential oil.

**An Ceann Comhairle:** The Deputy's 30 seconds are well up. In case the Minister of State is not aware, as this is his first Question Time since the change-----

**Deputy Fergus O'Dowd:** It is.

**An Ceann Comhairle:** -----it is now open to a Deputy by right to use up to 30 seconds, if he or she wishes, to explain the question.

**Deputy Pat Rabbitte:** We are getting more democratic every day.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd):** I am delighted that Deputy Boyd Barrett has raised this issue. I will happily confirm to him that the Connemara field was subjected to an extended well production test by Statoil between July and September 1997. The test involved regular stopping and restarting of the flow from the well, which was named block 26/28-A1Z, to test flow rates and reservoir pressure levels. Stable flow rates were never achieved throughout the test. The decline in reservoir pressure observed from only a limited volume of production, coupled with the slow build-up in reservoir pressure following the production period, confirmed that the well was incapable of sustaining commercial production rates.

Oil recovered from the test was transferred directly to the tanker *Berge Hugin* instead of being flared off. The cumulative volume of oil recovered during the entire 69-day test was 16,500 barrels. The well was not commercially sustainable. Since exploration began in the Irish offshore in the 1960s, there have been a number of non-commercial discoveries, including the Connemara field. There have been no commercial discoveries so far.

In 1997, as part of the full field development of the Connemara field, Statoil drilled two appraisal wells. Neither was found to be commercially viable. On the basis of the results of the appraisal programme, the wells were plugged and abandoned and Statoil decided not to proceed. It relinquished the acreage to the State in October 1999.

**Deputy Richard Boyd Barrett:** The story shifts as we investigate further. I will quote something that the Minister, Deputy Rabbitte, told me a while ago. He stated: "Since the early 1970s, we have had four gas finds and no oil finds."

**Deputy Fergus O'Dowd:** Commercial finds.

**Deputy Pat Rabbitte:** Yes.

**Deputy Richard Boyd Barrett:** He did not say "no commercial oil finds". He said "no oil finds". Now it is "commercial". However, we have discovered that a tanker of oil was pumped out of the Connemara field. Although it was plugged, one of Statoil's then directors, Mr. Stein Bredal, has since stated publicly that doing so was a mistake, as technology has caught up to the point at which the pressure problem can be addressed. I presume this is the reason other oil companies still have an interest in the area. They know there is not potential oil down there,

but real oil. They are waiting for an opportune moment to extract it, just as property developers sat on land banks for ages-----

**An Ceann Comhairle:** I thank the Deputy. I will allow him to contribute again.

**Deputy Richard Boyd Barrett:** -----until they could get maximum profits.

**Deputy Fergus O'Dowd:** It is exceptionally obvious that if the company had found commercial oil it would have developed it. That it handed the licence back to the State meant it did not believe there was potential at the time, notwithstanding the fact that some oil was found.

We are trying to get more companies to go into such fields along our coast. We announced recently that we would open the Atlantic margin for a new run next year. We want more companies to get involved. This and next year we will have spent €20 million on studying the geological and seismic conditions. This will make it easier to identify sites that may have the potential to be exploited, given the changes in technology. No one is sitting on the oil because no one has it. That company handed back its licence.

**Deputy Richard Boyd Barrett:** One of Statoil's former directors has since said that handing the licence back was a mistake, as modern technology allows-----

**An Ceann Comhairle:** I am sorry, but this is Question Time. We ask questions.

**Deputy Richard Boyd Barrett:** I am asking a question. The former director has acknowledged that it was a mistake and that the field could be commercially viable. Can there be a justification any longer for the ridiculously and pathetically low tax rate, the lack of royalties and the effective handover of ownership, through our licensing system, to private oil companies of a reserve of oil that will almost certainly be commercially extractable and profitable in the very near future, if not this minute? We know the oil is down there. It is only a matter of time before it is extracted. Under the current regime we will get nothing from it. We will probably get as much as in a little container of oil.

*10 o'clock*

**Deputy Fergus O'Dowd:** Earlier this year, I examined drilling activities by Exxon-Mobil 165 kilometres off the west coast. The company spent \$150 million on that drilling operation but found no active hydrocarbons. In other words, no commercial hydrocarbons were present there. Therefore, it is not a matter of giving it away, it is a question of companies taking a punt on where they think is the best place to go. My Northern Ireland counterpart and myself have agreed to examine new terms for the future. I have taken on board the issue of taxation on oil revenues which was raised in the report of the Oireachtas Committee on the Environment, Culture and the Gaeltacht.

That matter is out for tender at the moment and we will make a decision on it early next year. The key point is, however, that there have been no commercial oil finds to date. We are encouraging private companies to come in and exploit. We are looking at current and future terms, but not retrospectively. One of the Oireachtas committee's recommendations was that if changes are to be made, they would not be retrospective. We are competing in a difficult field with Norway and other countries. If a company has \$150 million to spend and goes for a strike in Norway or Britain, it has a far higher chance of succeeding than off Ireland. We are re-examining the terms but there are no hidden reservoirs that somebody has their hands on and



will press a button to activate sometime in the future. Companies want to come here to spend money and exploit that resource. We are happy with that and are encouraging them in. This year, there are more companies interested than ever before.

**An Ceann Comhairle:** I am sorry but there is a time limit.

**Deputy Fergus O'Dowd:** In 2011, 13 licensing options were given. Some 12 of those are converting into frontier exploration licences, which is positive and constructive. We welcome the companies' commitments.

*Question No. 4 answered with Question No. 2.*

### **Renewable Energy Projects**

5. **Deputy Michael Colreavy** asked the Minister for Communications, Energy and Natural Resources his views on whether this State needs to achieve its targets for renewable energy production and self-sufficiency in electricity generation prior to initiating the large scale export of energy generated from renewable sources. [51806/13]

**(Deputy Pat Rabbitte):** The 2009 EU Renewable Energy Directive outlined targets for member states for renewable energy penetration. The directive set Ireland a binding target where at least 16% of our energy requirements should come from renewable sources by 2020. In order to meet our overall 16% requirement, Ireland is committed to meeting 40% of electricity demand, 12% of heating and 10% of transport from renewable sources. The directive also provided the option of co-operation mechanisms to enable a member state to contribute to another member state's targets.

To date, wind energy has been the largest driver of growth in renewable electricity, contributing most towards the achievement of the 2020 target. In 2012, 15.3% of Ireland's electricity demand was met by wind generation. At the end of quarter three this year, the total amount of renewable generation connected to the grid was approximately 2,100 MW. It is estimated that a total of between 3,500 and 4,000 MW of onshore renewable generation capacity will be required to allow Ireland to meet its 40% renewable electricity target. Currently, approximately 3,000 MW of renewable generation has taken up connection offers under the Gate 3 grid connection programme.

Expert advice has identified Ireland's potential to produce renewable electricity significantly beyond the level required by the 2020 target, along with the capacity to meet that 2020 target from onshore renewable generation alone.

Ireland's capability to achieve its national targets for renewable electricity from onshore renewable generation alone, with capacity to spare, means that there is potential for projects of scale onshore that are aimed at export markets. It also means that our offshore wind resource can be developed as an export opportunity.

It is in this context that the opportunity to harness Ireland's onshore and offshore renewable energy resources for the export market, and realise their potential for investment, job creation and economic growth, has been identified and is being pursued with the UK Government under the memorandum of understanding on energy trading signed in January 2013.

**Deputy Michael Colreavy:** The Minister has previously stated that the export of wind energy will not interfere with achieving our targets, but there is a broader issue. We should aim for self sufficiency before we export energy generated by wind power. In the longer term the export of energy is a valid and potentially beneficial objective, but self sufficiency should come first. Five or six months ago I asked the Minister what financial arrangements had been reached with the British Government on exporting energy from the midlands. At that time, the Minister replied that no financial arrangements had been made but there was a memorandum of understanding. It must be a matter of concern to the Minister, as it is to all of us, that the British Government announced yesterday that it will reduce subsidies for land-based turbines, while increasing subsidies for offshore ones. I expect that will have an impact on whatever negotiations have been or will be held concerning the export of our energy to the neighbouring island.

**Deputy Pat Rabbitte:** The Deputy is correct. The memorandum of understanding between myself and the UK Secretary of State for Energy, Mr. Edward Davey, was a statement of intent on an intergovernmental agreement, which we are required to do under the relevant European directive if we are to open up a traded sector between this country and Britain. It did not deal with the matter of a strike price because it could not. We did not have the information and there was no template to do so when the memorandum of understanding was concluded. Since then, however, we have been working on the matter intensively on our side. It is coming to the stage where that issue will have to be confronted in the next couple of months. As I have said in this House, and Mr. Davey has said in the House of Commons, everything depends on the economics stacking up. We both believe that the economics will stack up because it is a more economic and feasible option for Britain to source energy here than offshore. In those circumstances the expectation is that they will stack up. We are satisfied that we can meet our domestic targets with something to spare. Therefore if we have a capacity to generate more electricity than we need for domestic consumption, it would make sense to seek a market for it. Our country lives by trading goods and services, so if we can open up a new and hitherto unheard of market that brings wealth and jobs to Ireland, we think that is a good thing.

**Deputy Michael Colreavy:** The Minister has not addressed the fact that just yesterday the British Government announced it will reduce subsidies on land-based turbines, while increasing subsidies on offshore turbines. This could be seen as Britain being quite prepared to spoil the Irish environment because it was not permitted to spoil its own one. Britain is also prepared to receive energy supplies from Ireland and the worst part is that there is no financial agreement yet. It looks as if a commitment has been made to supply a certain level of energy to Britain, without agreeing how much. It is like selling a car to somebody without agreeing the price in advance. When will we know what financial arrangements will be made on foot of this memorandum of understanding? Does the memorandum of understanding explicitly commit us to a certain level of supply to the British Government, even though we have not reached any agreement on the financial arrangements?

**Deputy Pat Rabbitte:** If Deputy Colreavy worked at it, he could not get the wrong end of the stick more perfectly than he has done there. How in the name of heaven can we agree a strike price until we know exactly what it is that we are trading? There is no template for this and nothing has been done. Not one single turbine has been erected and no irrevocable commitments have been entered into. Nothing is agreed until everything is agreed. The financial terms are obviously at the heart of this issue. I do not know from where Sinn Féin's hostility to trading energy supplies with Britain comes. I have been told that the Sinn Féin Party does not have a difficulty in trading beef, pork, computers and so on with Britain. What is the problem with

trading green energy supplies with it if it is economic for us to do so? We will assess whether it is economic for us to do so when the terms are agreed to.

## Other Questions

### Energy Prices

6. **Deputy Thomas P. Broughan** asked the Minister for Communications, Energy and Natural Resources the measures being taken by his Department to tackle the problem of fuel poverty. [51567/13]

**Deputy Thomas P. Broughan:** So far this winter we have escaped with relatively mild weather conditions, although it is very cold this morning. Last winter was one of the worst in living memory. The Government has reduced the term during which the fuel allowance is payable and the allowance has effectively been wiped out by the 33% increase in the price of gas. The Minister will be aware that the price of a standard bag of coal has increased by 10% to 15% and that there has been a 20% increase in the cost of a bale of briquettes. As energy prices continue to rise and with one third of elderly people living alone, what is the Minister doing to address this problem?

**(Deputy Pat Rabbitte):** As stated by the Deputy, thus far, happily, the winter has been very mild. Let us hope it continues that way. As we enter the winter months I remain concerned about energy poverty and its impact on the most vulnerable in society. Energy poverty is a function of a person's income, the thermal efficiency of his or her home and the price he or she pays for energy. As the Deputy will be aware, in November 2011 I published a strategy on affordable energy. It is being implemented by my Department in collaboration with the Department of Social Protection and other relevant Departments and agencies across the public sector.

To address the thermal efficiency of people's homes, I have secured increased funds for the better energy warmer homes scheme in 2014. This scheme provides grants free of charge for vulnerable households to enable them to make their homes more thermal efficient. To date, more than 102,000 homes around the country have benefited from these free upgrades. My Department, together with the Sustainable Energy Authority of Ireland, is also working to ensure the funds available under the better energy warmer homes scheme are targeted at those households most in need. The eligibility criteria for the scheme have been widened in order that the scheme captures more households at risk of energy poverty. In addition, the Sustainable Energy Authority of Ireland, SEAI, will soon pilot an approach that will allow it to identify households in extreme energy poverty at an earlier stage in the scheme application process, thus allowing it to prioritise the treatment of these applications.

The SEAI is also running a pilot programme for upgrading local authority homes through the better energy warmer homes scheme. Previously, the scheme had only been available to private homeowners. The goal of the pilot programme is to assess if the scheme can also assist local authority households that are vulnerable to energy poverty. The pilot programme is

nearing completion and I expect to receive a report on its effectiveness this month. The SEAI has also published the Keeping Well and Warm booklet and website which informs vulnerable households of the advice and supports available to them. In the past four years 230,000 Keeping Well and Warm booklets have been distributed to vulnerable households.

While the numbers of electricity and gas disconnections continue to decline, my Department is engaging with the CER with a view to reducing further the numbers of disconnections.

**Deputy Thomas P. Broughan:** The Minister has referred to the better energy warmer homes scheme, the target for which is 1 million homes by 2020, of which 102,000 have been insulated thus far. Has the 12,000 target for 2013 been achieved? I acknowledge this work is under way having seen teams of workers moving through local authority estates.

The Minister also referred to the pay-as-you-go scheme. He previously gave a commitment that pay-as-you-go meters would be installed before any supplier moved to disconnect an energy supply. Has this promise been upheld? Where stands the pay-as-you-go scheme?

Our colleagues across the water in the British Labour Party have indicated that if returned to power in 2015, they will immediately institute a price freeze of gas and electricity prices. They appear to have convinced the current British Government to look at implementing a similar policy. Is the Minister open to consideration of the introduction of price controls, given that since taking up office as Minister for Communications, Energy and Natural Resources energy prices have increased by one third, which is outrageous?

**Deputy Pat Rabbitte:** As the Deputy knows, under the warmer homes segment of the better energy programme, the State bears the total cost of refurbishment of houses. The others are grant based incentive schemes in respect of houses in the private sector. We expect an additional 10,000 homes to be refurbished this year. This does not take into account the moneys being spent by my colleague, the Minister of State with responsibility for housing, Deputy Jan O'Sullivan, on local authority houses. All of the evidence available at the time we were putting together the affordable energy strategy indicated that thermal efficiency was the most significant aspect in improving the quality of living of people vulnerable to energy poverty.

The Deputy referred to the decision made by the Minister for Social Protection on the fuel allowance. One could the pay allowance all year round and it would not have the same impact as the insulation and retrofit programme. The area based initiative is very important. As the Deputy will be aware, there are some houses clustered in particular estates, the quality of which is exceptionally poor and they need to be refurbished.

**Deputy Thomas P. Broughan:** The Minister did not address my questions about the roll-out of pay-as-you-go meters or price invigilation. Given the general uselessness of the Commission for Energy Regulation during the years, is there not a strong case to be made for some controls in this regard? In a recent speech the Tánaiste spoke about increasing prices and the sudden appearance of bills which families could not pay. The reality is that many of these bills are imposed by the Minister, Deputy Pat Rabbitte, and his colleagues in the form of the property tax, the 50% increase in waste management charges, promised water charges and so on. What we are seeing is a hugely increasing forest of utility bills and a Minister who is not taking any action to control prices in the areas within his remit.

**Deputy Pat Rabbitte:** The pay-as-you-go meters have been a considerable success. Under the protocol we have put in place, there can be no disconnections where a pay-as-you-go meter

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has been installed or a payment plan entered into by the householder. This has worked exceptionally well. My Department is in discussions with the Department of Social Protection on the issue of house occupants resorting to the exceptional needs payment to pay energy bills being required to have a pay-as-you-go meter installed. The installation of pay-as-you-go meters has undoubtedly been a success.

On price controls, it is welcome that neither the ESB nor Bord Gáis increased its prices in this calendar year in circumstances where across the water prices increased by between 8.5% and 10.4%.

**Deputy Thomas P. Broughan:** The damage was done in 2011-12.

**Deputy Pat Rabbitte:** I recall from private discussions with my old friend Deputy Broughan when he was a socialist that he was always in favour of a property tax, the conservation of water and water charges.

**Deputy Thomas P. Broughan:** No, I was not. The Minister knows I was not.

**An Ceann Comhairle:** Thank you.

**Deputy Thomas P. Broughan:** A Cheann Comhairle, I was the Minister's energy spokesperson.

**Deputy Pat Rabbitte:** I know we are in the Christmas season-----

**An Ceann Comhairle:** We are over time and I must call Deputy Naughten.

**Deputy Pat Rabbitte:** -----when some former colleagues of mine have a habit of standing on their head, but Deputy Broughan's forgetfulness is going too far.

**Deputy Thomas P. Broughan:** No; the Minister is the one who has forgotten.

**Deputy Bernard J. Durkan:** That will tell him.

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

**Deputy Denis Naughten:** Can this not continue? It is enjoyable.

**An Ceann Comhairle:** No, we cannot. This is Question Time.

### **Post Office Network**

7. **Deputy Denis Naughten** asked the Minister for Communications, Energy and Natural Resources the steps being taken to support the maintenance of the post office network; and if he will make a statement on the matter. [51555/13]

**Deputy Denis Naughten:** Post office network income is based on each transaction it processes on behalf of a client or customer. As the Minister is aware, the Minister for Social Protection intends to transfer social welfare payments to electronic format in 2014. If An Post fails to get that contract, it will have a devastating impact on its network.

**Deputy Pat Rabbitte:** It is Government policy that An Post should remain a strong and



viable company, as the Deputy would wish, in a position to provide a high quality nationwide postal service and to maintain a nationwide customer-focused network of post offices in the community. Operational matters and the role of developing commercial strategies for the post office network are, of course, a matter for the management and board of An Post and one in which I have no statutory function. As shareholder, however, I have a strong concern and hopefully some influence regarding the ongoing commercial position of the company and I regularly liaise with it in this regard. The post office network has many strengths and has the largest retail presence in the country. I have been supportive of its attempts to diversify its income streams and to win a wider range of commercial contracts offering higher margins.

I have welcomed the selection of An Post as the provider of over-the-counter cash services for social welfare customers. The social welfare contract is the largest contract held by the post office division of An Post. As Deputy Naughten noted, the Department of Social Protection intends to implement a strategy whereby the bulk of social welfare payments will be made electronically. I understand the post office network will pitch strongly for the social welfare e-payment business when it is put out to tender by the Department of Social Protection. Having invested in the computerisation of all post offices, the post office network is well positioned to become the front office provider of choice for Government and the financial services sector. Progress towards diversification within the financial services sector is already under way, with the enhanced arrangement with AIB and the agreement with Aviva for the transfer of its branch offices' personal insurance business to One Direct.

In the context of the public sector transformation agenda, I will continue to engage with my colleague the Minister for Public Expenditure and Reform on the consideration, as appropriate, of the post office network for transactional elements of the business of Departments and government agencies, and I have stressed to my Government colleagues that the network is ideally configured for over-the-counter transactions. Any such developments would, of course, need to be subject to public procurement requirements as appropriate.

Overall, I envisage a strong future for the network through the use of its existing strengths to remain a significant player as a front office for government services. In this regard, the post office network has secured over-the-counter local property tax payments. In addition, Garda fixed charges, television licences and passports can all be paid or purchased at the post office, as well as dog licences and toll fees. I also envisage a strong role for the post office network in the next phase of the standard bank account project, as the target segment for this project is already comfortable in using post offices for financial transactions.

**Deputy Denis Naughten:** I thank the Minister for his response. As he is aware, all agencies right across the Government are pushing for online services, the best example of which is the medical card system, which has been centralised in Finglas. The difficulty is that while the Government attempts to centralise everything and put everything online, the penny then drops. The Minister should clarify whether he is aware that the Health Service Executive, HSE, recently informed Members that the centralised system does not work and it now intends to establish a nationwide network of offices to provide face-to-face contact. At that stage, did the Minister make a suggestion to the HSE about using the post office network to provide such face-to-face contact? Postmasters nationwide possess a unique skill set and can do such work.

**Deputy Pat Rabbitte:** The honest answer to that question is that I did not, but it sounds like an idea that is worth examining. In that case I did not do what the Deputy suggested, but I have made several suggestions because the post office network has a unique retail infrastructure. I



understand there are still 1,144 offices of one kind or another nationwide, which is in itself immensely valuable. However, while the point about the HSE raised by Deputy Naughten had not occurred to me, it strikes me as being worth examining. The business to which he referred from the Department of Social Protection last year was worth approximately €59 million to An Post and, consequently, is highly significant. Deputy Naughten must accept that I cannot simply decree that An Post will be the front office for government services nationwide. I have obligations in respect of competition law, State aid and all the rest but, subject to normal procurement and so on, there is a great deal more that An Post can do as a front-of-house service for government services.

**Deputy Denis Naughten:** I accept that there are difficulties in respect of tendering, but where there is a will there is a way.

With regard to Student Universal Support Ireland, SUSI, instead of centralising the scanning of documents in a building in Cork - where those involved decided to scan one side of the page only and forgot to scan the other side, leading to chaos last year - would it not have made far more sense to have asked people to scan such documentation at their local post office and e-mail it from there to SUSI?

I have two further questions for the Minister. First, has exploration taken place with the Department of Agriculture, Food and the Marine regarding the online submission of single farm payment application forms or the cattle movement system? Second, rather than always looking internally, has An Post explored the possibility of becoming the lead agency for electronic invoicing to create additional income and perhaps a capability within the organisation that would bring new, alternative business into the network system?

**Deputy Pat Rabbitte:** I do not know SUSI like Deputy Naughten knows SUSI.

**Deputy Denis Naughten:** Sadly, I do.

**Deputy Thomas P. Broughan:** The Minister should sing it.

**Deputy Pat Rabbitte:** I understand the initial difficulties were subsequently corrected. I will not be dragged into discussing particular services that An Post might provide, because there are constraints on me. However, as I stated to Deputy Naughten - and the management of An Post agrees - there appear to be possibilities with regard to the use of existing infrastructure, especially in cases in which, for example, financial institutions are withdrawing from contact with the public. I am quite happy behind closed doors to take up the points Deputy Naughten has made with regard to the HSE and agriculture. I understand An Post has views in respect of the latter but am not aware of whether the HSE was ever discussed with An Post.

**Deputy Bernard J. Durkan:** May I raise Question No. 98 in this context?

**An Ceann Comhairle:** I am sorry, but the Minister did not take the two questions together.

### **Electricity Generation**

8. **Deputy Bernard J. Durkan** asked the Minister for Communications, Energy and Natural Resources the degree to which adequate non-fossil-fuel-based electricity generation capacity is currently available; the future requirements in this regard in the short, medium and long term;

the consequences in the event of a failure to meet targets in this regard in respect of economic development and energy security; and if he will make a statement on the matter. [51673/13]

**Deputy Bernard J. Durkan:** This relates to a question that has already been dealt with. It relates to the degree to which Ireland is obliged to provide alternative non-fossil-fuel-based electricity generation facilities over a period and the extent to which it is possible to reach these requirements in the event of the necessary economic growth taking place, while at the same time being able to evaluate on a cost-benefit basis the proposals in their entirety.

**Deputy Pat Rabbitte:** As Deputy Durkan is aware, responsibility for national and international climate change policy is a matter for the Minister for the Environment, Community and Local Government. However, the overarching objective of the Government's energy policy is to ensure secure and sustainable supplies of competitively priced energy to all consumers. Ireland is currently heavily reliant on imported fossil fuels to meet its energy needs. While it is acknowledged that fossil fuels will remain part of the energy mix for some time to come, progress is being made towards increasing the share of renewables in our overall energy requirements. The 2009 EU renewable energy directive set Ireland a legally binding target of meeting 16% of our energy requirements from renewable sources by 2020. In order to meet this target, Ireland is committed to meeting 40% of electricity demand from renewable sources. Provisional figures for 2012 indicate that 19.6% of electricity demand was met from such sources.

Wind energy has been the largest driver of growth in renewable electricity to date, contributing most towards the achievement of the 2020 target. In 2012, 15.3% of Ireland's electricity demand was met by wind energy generation. At the end of the third quarter this year, the total amount of renewable energy generated connected to the grid was approximately 2,100 MW. It is estimated that a total of between 3,500 MW and 4,000 MW of onshore renewable energy generation capacity will be required to allow Ireland to meet its 40% renewable electricity target. Currently, projects involving approximately 3,000 MW of renewable energy have taken up connection offers under the Gate 3 grid connection programme.

A failure to meet our overall EU renewable energy targets would result in compliance costs and emissions permit purchases. The Sustainable Energy Authority of Ireland has estimated that these could amount to around €100 million to €150 million per annum for each percentage point of the shortfall in renewable energy targets and a further €250 million in emissions permit purchases.

The development of the clean, indigenous, renewable energy resources which Ireland is fortunate to have in abundance holds the prospect of reducing our reliance on expensive fossil fuel imports, thereby improving our energy security and opening up opportunities for the engineering, ICT and communications sectors, with consequent potential for job creation. In response to Deputy Durkan's question about the economic impact, the potential is already recognised by IDA Ireland and Enterprise Ireland in their clean technologies strategies. As we look towards a new EU energy and climate change framework for 2030, we need to expand the portfolio of renewable energy generation options.

**Deputy Bernard J. Durkan:** I thank the Minister for his comprehensive reply. In the examination of the various options such as wave energy, biomass and so on, is it intended to examine them in the context of their economic viability? Is it intended to examine their potential to come on stream at an earlier stage than anticipated? In the event that there is electricity generation using onshore wind energy, is it intended to take careful cognisance of the views of

people who are concerned about health, visual and other impacts on the environment?

**Deputy Pat Rabbitte:** Work on wave and tidal energy is essentially still at research stage. The expert advice is to the effect that we look to have a propitious resource, but it is still not commercial. To answer the Deputy's question, these energy options will not be integrated early into the system, but, nonetheless, we are maintaining our investment and partnerships in continuing to test the research in that area.

Wind energy is an indigenous renewable resource and I hope the Government is extremely sensitive to the concerns of people as expressed in various forums and so on. Community acceptance is absolutely critical if we are to exploit what is an indigenous, valuable, renewable resource that has the capacity to create jobs, bring revenue streams into the country, provide rates and other revenue for local authorities and so on. It is very difficult to do it without community acceptance. It is essential that the Government and other institutions of State which are charged with implementation of plans in this area and which have responsibility for refurbishing the grid also demonstrate sensitivity and seek to gain community acceptance for necessary decisions.

**Deputy Bernard J. Durkan:** What is the extent to which the cost of generating electricity for industrial and domestic consumers is likely to be affected by the ability of this jurisdiction to control its own energy sources or to rely on imported supplies? What is the extent to which these options can be demonstrated as being economically beneficial to these consumers?

**Deputy Pat Rabbitte:** Unfortunately, as price takers, we have little influence over the situation where we are importing 100% of our oil needs and 96% of our gas needs. Earlier Deputy Broughan tried to place responsibility for rising gas prices on me. I have responsibilities for many things, but I am not responsible for the global price of gas which reached an all-time high earlier this year. Deputy Durkan is right: if we are dependent on importing fossil fuels to generate electricity and we are in the position of price taker, it is a very difficult situation for us. The more alternatives we can create, the better, especially if they are created from an indigenous resource.

## **Broadcasting Sector Regulation**

9. **Deputy Patrick O'Donovan** asked the Minister for Communications, Energy and Natural Resources if he has considered introducing guidelines, regulations or other legal instruments to cover the issue of user generated content being broadcast on TV, radio or other broadcast platforms; and if he will make a statement on the matter. [51568/13]

**Deputy Patrick O'Donovan:** This question relates to the broadcast of unsolicited texts, tweets and emails from sources that are not substantiated in the broadcast media and the implications this has, in particular, for those operating in a political context.

**Deputy Pat Rabbitte:** The Broadcasting Authority of Ireland is the statutory independent body responsible for regulation of the broadcasting sector which includes oversight of compliance of all broadcast content, including user generated content broadcast on television and radio. In line with its responsibilities in this area, the BAI already has in place a number of codes, including the code of fairness, objectivity and impartiality in news and current affairs and the code of programme standards, with which broadcasters are required to comply in regard to content being broadcast on television and radio. The monitoring and enforcement of compliance

by broadcasters with these codes are matters for the compliance committee of the BAI which is also independent in its functions. With regard to Internet-based platforms, the BAI does not have any regulatory power in respect of online content, including user generated content made available online by broadcasters. I have asked my Department to discuss this issue with the BAI to see how, if possible, it might be addressed in so far as it relates to broadcasters.

More generally, social media and other platforms to which the Deputy refers are online platforms that allow people to create, share and exchange information and to comment among themselves in virtual communities and networks. To date, these media have not been subject to a formal regulatory regime akin to that used to regulate traditional radio and television broadcast media, either in Ireland or other jurisdictions. There is a range of reasons for this, not least the rapidly evolving nature of the technologies involved, the sensitivities around regulating media and the multi-jurisdictional nature of the Internet.

There are no simple answers to the challenges posed by the development and abuse of social media and user generated content on online platforms, not least because of the international basis of the services and because any possible policy response falls across a number of Departments. In recognition of this complexity, my Department maintains open and regular contact with all Departments and State agencies with responsibilities in this area. My Department also monitors international developments with a view to ensuring domestic policy within its remit reflects best practice and that the regulatory framework is amended, as necessary.

**Deputy Patrick O'Donovan:** I accept the fact that social media in general are a force for good. However, my issue is with broadcasting first party comments by third parties through tweets, text messages and so on, especially for persons operating in a political context. I note from one of the Minister's previous contributions that a comment was attributed to him by a national broadcaster and he was not even in the studio at the time. In a recent election an unsolicited tweet had a major impact on the result. I accept what the Minister said about the compliance element and the BAI's role in this issue, but given the fact that we are in a changing environment in which the broadcast media are behind the curve in the advancement of technology, this matter must be examined. There is a built-in unfairness. If an anonymous person using a platform is broadcast by a national, local or regional broadcaster without any attention being paid to the fact that it could be a hoax tweet, text message or e-mail, the damage can be substantial.

**Deputy Pat Rabbitte:** I do not disagree with the Deputy. There are inherent pitfalls, but I wonder if it is all that novel. This also happened in the era of the telephone and has gone on in the era of texting. It is remarkable when some interviewees are followed by showers of congratulatory and laudatory text messages praising them to the sky. I am sure it is purely accidental. It is a question of editorial judgment and control. Programme makers ought not broadcast such a communication to which the Deputy referred without first seeking to validate its provenance. There is the same responsibility for social media and online content.

**Deputy Patrick O'Donovan:** I accept that "Barry from Balbriggan" could very often be "Sheila from Stillorgan" and that "Sheila" might be working in the press office of a government or an opposition party, but that does not take away from the fact that the broadcasters have a responsibility for which there is no regulatory framework. I ask that consideration be given to having a regulatory framework for the third party use of tweets, text messages and online communications, including penalties when they are not corroborated properly.

**Deputy Michael Moynihan:** This is a fundamental issue. The editors of programmes have scant regard for the origins of communications. They read them willy-nilly in all programmes. The editors and presenters of these programmes are ultimately responsible for not verifying tweets and other communications.

**Deputy Pat Rabbitte:** It is a matter of editorial control. I appreciate that the media, for example, have a tendency to recognise qualities in politicians who, for example, leave their party that they never recognised while they were in the party. RTE implemented new guidelines after the presidential election and these guidelines are invoked. The BAI's code of practice was also published after the presidential election. Steps have been taken to deal with this phenomenon. However, no country I know of has satisfactorily attended to the issue and I do not dispute the substance of Deputy Patrick O'Donovan's question.

*Written Answers follow Adjournment.*

### Topical Issue Matters

**An Ceann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Michael Lowry - the lack of supports available for teenagers who have suffered an acquired brain injury; (2) Deputy Shane Ross - the top-ups at the Central Remedial Clinic; (3) Deputy Derek Keating - the breach of pay guidelines by charitable organisations, hospitals and hospices; (4) Deputy Patrick O'Donovan - the need for measures to be introduced to ensure proper country-of-origin labelling; (5) Deputy Michael McNamara - explosive hazard in Shannon; (6) Deputy Terence Flanagan - that the Minister ensure a cap is placed on the interest that can be charged on licensed moneylender loans; (7) Deputy Patrick Nulty - the need to restore the Christmas bonus for carers, pensioners and those on long-term social welfare payments; (8) Deputy Peadar Tóibín - the need to improve on current structures and funding to meet the fast growing demand for Irish-medium education throughout the country; (9) Deputies Michael Creed and Brendan Griffin - the need to upgrade the N22, Kerry to Cork road; (10) Deputy Gerald Nash - the need to deliver on funding commitments from the Irish Government and the Northern Ireland Executive to the Narrow Water Bridge project; (11) Deputy Ciara Conway - the need to fill vacancies in the speech and language therapy services to the rehabilitation centre, St. Patrick's Hospital, and community care services in Waterford city; (12) Deputy Simon Harris - the need for the development of a leaving certificate course in computer programming and information technology; (13) Deputy Willie Penrose - the upper service limits that apply after 1 January 1994 to enlisted personnel of the Permanent Defence Force; (14) Deputy Denis Naughten - the need to investigate the sale and reuse of HSE braces by a dentist employed in the Galway orthodontic department; (15) Deputy Billy Kelleher - the need to ensure older people in residential settings have access to essential therapies; (16) Deputy Clare Daly - to discuss the announcement of the loss of 570 jobs at MSD Pharmaceuticals in Swords; (17) Deputy Mick Wallace - to discuss the recent Government proposals for redress for survivors of symphysiotomy; (18) Deputy Niall Collins - to ask the Minister for Justice and Equality to discuss the findings of the Smithwick tribunal report; and (19) Deputy Mattie McGrath - the need to urgently address the impact on the rural transport programme of the review of the structures



which currently deliver rural transport services, as published in the Strengthening the Connections in Rural Ireland report.

The matters raised by Deputies Michael Creed and Brendan Griffin; Mattie McGrath; Willie Penrose and Simon Harris have been selected for discussion.

### **Finance (No. 2) Bill 2013 - Order for Report Stage**

**Minister of State at the Department of Finance (Deputy Brian Hayes):** I move: “That Report Stage be taken now.”

Question put and agreed to.

### **Finance (No. 2) Bill 2013 - Report Stage**

**Acting Chairman (Deputy Peter Mathews):** Amendment No. 1 has been ruled out of order because it involves a potential charge on the people.

**Deputy Michael McGrath:** Deputy Boyd Richard Barrett will have 13 out of 14 amendments ruled out of order.

**Acting Chairman (Deputy Peter Mathews):** Deputy Richard Boyd Barrett has proposed that reliefs for employment grants and subsidies paid to employers who participate in the Job-sPlus scheme be paid only where the employer’s annual net profits are over €250,000. These amendments involve a potential charge on the people and, accordingly, must be ruled out of order in accordance with Standing Order 155(3).

**Deputy Richard Boyd Barrett:** Will we still get to discuss the section?

**Acting Chairman (Deputy Peter Mathews):** No.

**Deputy Richard Boyd Barrett:** We get to discuss the amendments only.

**Acting Chairman (Deputy Peter Mathews):** Yes.

**Deputy Brian Hayes:** Deputy Richard Boyd Barrett will get lucky later.

Amendment No. 1 not moved.

**Deputy Pearse Doherty:** I move amendment No. 2:

In page 9, between lines 34 and 35, to insert the following:

“(c) which is a newly built property, previously unoccupied, but has been acquired by the individual for the purposes of occupation by the individual as his or her only or main residence on completion of the qualifying work and which is so occupied upon completion;”.



**Minister of State at the Department of Finance(Deputy Brian Hayes):** I do not propose to accept this amendment. There are two elements to the definition of qualifying residence, the first of which is that the residence is owned and occupied by the individual as his or her principal private residence. The second element concerns a property which has previously been occupied as a residence. Where such a property is acquired for the purposes of occupation by an individual as his or her principal private residence and is occupied on completion of qualified work, it comes within the definition of qualifying residence. The proposed amendment seeks to bring newly built houses within the incentive. I have a few points to make on this. First, the incentive is specifically aimed at repair, renovation and improvement works. This is to facilitate home owners to carry out such works to their homes and at the same time act as a stimulus to the construction industry. In general, the only instance in which a newly built house would require works to be carried out would be for the fitting out of such a house to make it habitable. Fitting out is obviously an intrinsic and essential feature of building a new home and inclusion of that type of work in the incentive would constitute dead weight and would not provide an added stimulus to the construction industry. Further consideration has been given to the proposed amendment since Committee Stage, but it has been decided that the relief will not be extended further to include newly built homes, as proposed by Deputy Doherty on Committee Stage and again today.

**Deputy Pearse Doherty:** The Minister understands the purpose of and the spirit behind the amendment as we discussed the issue at length on Committee Stage. It is not intended to bring within the scope of the Bill newly constructed houses that have not been fitted out or to allow buyers to avail of this tax relief to finish off those houses. The Minister of State spoke about “dead weight” and that is a term we heard used in discussion on Committee Stage.

I will have no problem in withdrawing the amendment if the Minister of State can assure me the scenario I am about to present to him is dealt with in the Bill. Let us take for example two individuals, myself and Deputy McGrath for instance. Deputy McGrath purchases a second hand house and renovates it for his family and adapts it for a disabled child. He installs ramps for wheelchair access, a stair lift and carries out other works required, perhaps lowering kitchen units to make them accessible. The house Deputy McGrath has purchased was previously occupied and comes under the scope of the Bill. Therefore, he can avail of the tax credit. However, if I purchase a newly built and fully fitted out house and under similar circumstances to Deputy McGrath want to adapt it and install ramps, a stair lift and adapt the kitchen cabinets to make them accessible to someone in a wheelchair, I will be denied the tax credit under this legislation due to having purchased a newly built house.

I mentioned this issue on Committee Stage and while the wording of this amendment is not perfect, it was put down to provoke a discussion on the issue. Can the Minister of State tell me that my purchase of this newly furnished house is catered for in this scheme? The work I want carried out on the new house is not dead weight because it makes the house accessible to whatever member of my family has the disability, but I understand it is not eligible under the scheme.

**Deputy Brian Hayes:** I understand the Deputy could apply for a disability grant for an adaptation. That is the normal case. If a person buys a new house which does not have all of the fittings and additional elements one would expect to be part of a new house, that is reflected in the cost of the house. If one buys a bare house, although it is a new house, that will be reflected in the sale value of the house.

I am aware of the points made on Committee Stage, although I was not there for the discussion. The objective of this scheme is to promote additional construction activity, over and above what exists. It is also hoped it will encourage tax compliance within the industry. In so far as the issue of disability has been raised, a person can apply for a grant for the works and if the application is accepted by the local authority, this will offset up to 90% of the cost. As I said, if a person buys a house that is bare, that is reflected in the cost of the house. It is significantly cheaper than a house that has all of the appliances and fittings.

This scheme is a stimulus measure that is about giving additional value to the construction industry. We believe it is finely scoped in terms of what we are trying to achieve and do not propose to extend it.

**Deputy Pearse Doherty:** It is regrettable that we are rehashing the same arguments and counter arguments and that I must now rebut the argument being made by the Minister of State. This is unfortunate, because the amendment is about taking us forward. The main justification for the Department's argument is that an individual can apply for a housing adaptation grant or disability grant to do the type of work I have mentioned. The work might not mean installing ramps, a stair lift or lowering cupboards. It could, for example, involve building a single room with an en suite or shower room to suit the person's circumstances. Therefore, let us park on the side the notion that it is about fitting out a house.

The Minister of State mentioned the grant. The grant is means tested, so if a person's means are at a certain level, he will not get the grant. Also, one must live in the house to get the grant and cannot apply for the grant for a house one does not live in. Therefore, an individual who wants to purchase a house but needs to make adaptations to the house to be able to live in it is not eligible to apply for the grant. The argument in this regard is a non-argument. The point is that if I purchase a second hand house and build the extension or install the stair lift, I will get the VAT reduction as a result of this legislation. However, if I buy a newly furnished fully fitted house, I will not get the VAT reduction, despite the fact I need to carry out the same adaptations for an individual in the same circumstances.

There is a flaw in the legislation in this regard. This flaw could be easily amended by including, where we are dealing with new houses that were completely finished, a provision for works for the purpose of adaptations for people with special needs. A number of people have come to me about this issue and I know people who have been in circumstances similar to this. We have amended legislation previously. Despite my opposition to the local property tax, I put forward an amendment which was carried. It dealt with individuals who extended their houses to meet particular special needs circumstances and provided that the extension would not be taken into consideration in terms of the value of the house. There is a precedent for doing this in legislation. As late as one year ago, the Government acknowledged the precedent of this category of people. Unfortunately, there is a discriminatory element built into this legislation, whereby a person who purchases a previously occupied house can avail of the tax credit, but a person who purchases a new house will not be able to avail of it.

**Deputy Michael McGrath:** I support the principle Deputy Doherty seeks to establish here. I believe it is irrelevant whether the adaptation works required to be carried out to meet the needs of a person with a disability are in respect of a new home or a second hand home. The spirit of the amendment provides that in either case, the situation would be accommodated and the incentive would apply.

On a related point, perhaps the officials will look again at the definition of “qualifying residence”. The Bill states that the definition in relation to an individual means “a residential premises situate in the State.” Is there a letter missing and should that be “situated”?

**Deputy Brian Hayes:** We will look at that.

**Deputy Richard Boyd Barrett:** In addition to the points made by Deputies Doherty and McGrath, I also cited a further example which is relevant to the argument for not excluding newly built houses. I referred to NAMA properties or properties that are currently empty, but which should be occupied.

*11 o'clock*

We should do something about the ghastly situation whereby according to the CSO there are 320,000 empty properties throughout the country. If this incentive were to encourage people to purchase these and fit them out such that they were attractive for people to move into or buy, it would have a useful purpose. It would also provide employment to tradespeople and builders if we did this. I can imagine that houses that have been sitting empty for a few years will have wear and tear and will require work simply because of the time they have been vacant. There would also be work which would make them more attractive to a potential buyer. Obviously I am only speaking about cases in which these houses would be purchased as principal private residences. On these grounds we should not exclude completely new properties from the tax incentive.

**Deputy Brian Hayes:** On the issue of the definition of qualifying residence which Deputy McGrath raised, we did raise it with Parliamentary Counsel and I understand the view of Parliamentary Counsel was that the definition in the legislation is the correct approach.

**Deputy Michael McGrath:** The word “situate” as opposed to “situated” is correct.

**Deputy Brian Hayes:** Yes.

**Deputy Michael McGrath:** It does not look right.

**Deputy Brian Hayes:** We raised this query and had a second look at it. Deputy McGrath possibly raised the issue on Committee Stage.

**Deputy Michael McGrath:** No, I did not.

**Deputy Brian Hayes:** This is a new issue. When I asked the question I was told it had been raised, so well done for spotting it.

On the amendment tabled by Deputy Doherty, I know the argument made by the Deputy and I have a good deal of sympathy with it, but it is not in the amendment. The amendment is much broader in scope than the arguments he made in the rebuttal to me thus far this morning whereby he has used people with a disability as an example. If a member of someone’s family has a disability, presumably this person has regard to the situation faced by the person with a disability and must find a house environment which will suit the person’s needs, be it a child or an older person. Someone on the housing market will look around for the most suitable home he or she can afford to buy. The idea that people do not have regard for this when purchasing a home knowing a person in the family has a disability is a bit far-fetched.

Legislation must be non-discriminatory. It is a basis in tax law. As I stated earlier, this is why we have built into the system the old-fashioned disability grant, which can have regard to the fact that people need adaptations, and they can be supported at that stage. It is not normal that we put into the tax code specific cases such as this. Provisions in the tax code must be general. If it were opened up according to the amendment it would have a much bigger scope and potential liability in terms of the tax foregone.

We are satisfied with the scheme as it operates. This will operate for a two-year period. We can examine it again in advance of next year's finance Bill if particular issues arise, but as far as the scheme is proposed at present we are satisfied that, broadly speaking, we have it right. If issues arise in the next 12 months we can examine them.

Amendment put and declared lost.

**Acting Chairman (Deputy Peter Mathews):** Amendments Nos. 3 and 4 may be discussed together.

**Deputy Pearse Doherty:** I move amendment No. 3:

In page 10, to delete lines 37 to 39 and substitute the following:

“behalf, proves that in the years of assessment, he or she has made payments to a qualifying contractor or a number of qualifying contractors in respect of qualifying expenditure to which this section applies, incurred over the years of assessment as set out in subsection (2) of this section, the income tax”.

I do not intend to move amendment No. 4 and I ask the Minister of State to keep his comments to amendment No. 3.

Amendment No. 3 arises from a discussion we had on Committee Stage. Reading the Bill, it was not clear that one could incur the €5,000 which would have to be spent on a number of contractors over the entire qualification period, which stems from 25 October 2013 until 2015 in certain circumstances. The Minister stated that this was covered in section 477B(3)(a) as inserted by section 5, but I do not see where. Even if it does, there is an argument about what the individual must prove. According to section 477B(3)(a) as inserted by section 5, “Subject to the provisions of this section, where an individual (in this section referred to as ‘the claimant’), on making a claim in that behalf, proves that in a year of assessment he or she has made a payment or payments to a qualifying contractor in respect of qualifying expenditure to which this section applies”. With regard to making a claim, paragraph (d) of the same section, on page 11 of the Bill, states that the expenditure must be greater than €5,000. For me, the phrase “year of assessment” is key. In my view “year of assessment” is singular, and we had a debate on Committee Stage on “singular” meaning other things. One cannot make a claim unless one has spent €5,000 and one must prove in a year of assessment that one has made payments. The interpretation is that one could pay €3,000 in one year of assessment and in another year of assessment one could pay another €3,000, which, combined, is above the €5,000 threshold. This raises the question of whether one must prove in both years of assessment one has made a claim or whether one must prove it in a year of assessment.

I welcome the Minister's clarification that we can aggregate all of the spend over the entire qualification period, which spans four calendar years in certain circumstances, but I do not think it is clear. This is why I have tabled the amendment, which would insert “proves that in

the years of assessment, he or she has made payments”. One would have to prove not only that one spent €3,000 that year but also €3,000 another year. The amendment also states that these payments are to be made “to a qualifying contractor or a number of qualifying contractors in respect of qualifying expenditure to which this section applies, incurred over the years of assessment as set out in subsection (2) of this section”. These are the criteria whereby one can avail of this until 31 December 2015, and beyond it in certain circumstances.

**Deputy Brian Hayes:** I do not propose to accept amendment No. 3. The reason it was necessary to include the reference “qualifying contractors” in paragraph (d) was to make it absolutely clear the minimum threshold of €5,000 in the paragraph does not apply to each individual contractor engaged by a home owner. It applies collectively to all contractors engaged by the homeowner. If this threshold applied to each contractor it would serve to exclude many homeowners from the incentive. It is necessary to include the words “a number of” when referring to “qualifying contractors”. It is not clear what years of assessment are referred to in the first line of amendment No. 3. If I understand it correctly, there may be a belief that a claim can only be made in respect of a particular year of assessment, namely, the year in which the claim is made. This is not the case. In the current formulation of paragraph (a), there is no specific link between the making of a claim and the year of assessment in which payments are made to a contractor. When making a claim, the homeowner must prove that in either or both of the years covered by the scheme a payment or payments were made to the contractor or contractors who carried out the work. It is as simple as that.

Let us consider the example of a homeowner who pays his or her contractor or contractors €1,000 in December 2013, €2,500 in April 2014 and €3,000 in March 2015. In such circumstances, the minimum threshold would only be reached in March 2015 and it would not be possible, therefore, for a claim to be made in respect of the 2013 and 2014 payments, totalling €3,500, prior to that date. As soon as the minimum threshold is reached in March 2015, the homeowner could submit a claim in respect of the 2013 and 2014 payments. The credit in respect of 2013 and 2014 will be spread over the two tax years of 2015 and 2016. The credit relating to the €3,000 payment in 2015 will be spread over the two tax years of 2016 and 2017. I hope this clarifies the point. As far as I and the Minister for Finance, Deputy Noonan, are concerned, there is now clarity in terms of the application of this provision. Once the minimum threshold kicks in, the provision will apply. As far as we are concerned, the difficulty the Deputy has articulated in the context of the qualifying year is not an issue.

**Deputy Pearse Doherty:** I appreciate the clarification. Outside of the technical considerations with regard to what I am seeking to do with this amendment, namely, to make matters clearer, the statements from the Minister of State and the Minister, Deputy Noonan, that it can be aggregated and that this can be done in respect of a number of contractors are welcome. I tabled an amendment on the issue relating to contractors on Committee Stage but the Government had already accepted the principle involved. What we are discussing here is the fact that it can be aggregated over a number of years. That is not in dispute and I welcome the confirmation from the Minister for Finance in this regard. Reading the text of the Bill, however, I cannot understand how this interpretation can be made. The clarification has been given. In addition and as the Minister of State and I have indicated, this debate will provide clarity to those who will implement the legislation.

Let us focus on the key issue. We have accepted the principle relating to multiple contractors and the qualifying period. The Minister of State referred to what is meant by years of assessment. There can only be one year of assessment, namely, the year in which the claim is



made. The Bill does not contain a definition in respect of the term “year of assessment” but the Minister of State has indicated that it is the year in which the claim is made and not the eligibility period which runs from October of this year to December 2016. Subsection (3)(a) states that “where an individual ... on making a claim in that behalf, proves that in a year of assessment he or she has made a payment or payments to a qualifying contractor in respect of qualifying expenditure to which this section applies, the income tax to be charged on the claimant, other than in accordance with section 16(2), shall be reduced”. Basically, the person will receive the income tax reduction during the following two periods. If we change the term “year of assessment” to a particular date, the subsection will then read “where an individual ... on making a claim in that behalf, proves that in 2014 he or she has made a payment or payments to a qualifying contractor in respect of qualifying expenditure to which this section applies, the income tax to be charged on the claimant, other than in accordance with section 16(2), shall be reduced”. That is fine but the problem is that a claim can only be made if €5,000 is spent. Claimants are not being asked to prove that they made payments in the other years which are not years of assessment.

I am not sure whether the Minister of State is following what I am saying. Under subsection (3)(a), claimants are only being asked to provide proof of the payments made in the year in which the claim is made. They are not asked to provide proof in respect of payments made in the previous year or years which bring the total amount involved up to €5,000. How does all of this marry with what is contained in subsection 3(d)?

**Deputy Brian Hayes:** I think the Deputy may be confusing the issues. My understanding is that the year of the assessment is not the year of the claim. I reiterate what I said earlier, namely, that in the current formulation of paragraph (a), there is no specific link between the making of a claim and the year of assessment in which payments are made to a contractor. When making a claim, the homeowner must prove that in either or both of the years covered by the scheme a payment or payments were made to the contractor or contractors who carried out the work. I do not know what is the issue with that.

**Deputy Pearse Doherty:** The legislation does not contain a definition in respect of “year of assessment”. What is the year of assessment? A claimant must prove that in a year of assessment-----

**Deputy Brian Hayes:** I will clarify the position. The years of assessment are 2014 and 2015.

**Deputy Richard Boyd Barrett:** Should the legislation not refer to “years of assessment”?

**Deputy Pearse Doherty:** The key point I made earlier is that a claimant does not have to prove that he or she made a payment in a year of assessment. My amendment seeks to provide clarification and I do not understand why it could not be accepted. All it does is clarify an issue, namely, the fact that what constitutes a year of assessment is not defined. In response to amendment No. 3, the Minister of State indicated that he does not know what years of assessment means. The amendment refers to “payments to a qualifying contractor or a number of qualifying contractors in respect of qualifying expenditure to which this section applies, incurred over the years of assessment as set out in subsection (2) of this section”. Subsection (2) very clearly sets out the period of eligibility which runs from 25 October 2013 to 31 December 2015. The Minister of State has decided to indicate that the years of assessment are 2014 and 2015. That



is okay but there is no definition of “years of assessment” in the legislation. I have been trying to establish clarity in respect of the proof a claimant must provide in respect of the years of assessment in circumstances where those years are not defined. We can take the Minister of State’s word for it and the Revenue can interpret it as relating to the two periods, which is fine. However, what is stated in the Dáil is no replacement for what will be the position when this Bill becomes law.

**Deputy Brian Hayes:** I appreciate that the Deputy is seeking to bring greater clarity. My understanding is that the matter has been thrashed out between the Department and Revenue and that there is no direct link between the year of the claim and that of the assessment. For the purposes of the scheme, the year of the assessment applies for the two years as set out in the legislation. When a person makes a claim, he or she will get something back from Revenue. As far as we are concerned, the Department is clear on the matter and, more importantly, so is Revenue, which is responsible for shelling out money in respect of tax claims.

**Acting Chairman (Deputy Peter Mathews):** If I could make a helpful observation in a neutral sense, there is still a degree of uncertainty on the Minister of State’s part and also on that of the Deputy. Perhaps it might be an idea to obtain some further clarification in respect of how the provision will operate.

**Deputy Brian Hayes:** I thought I had provided a working example.

**Acting Chairman (Deputy Peter Mathews):** I honestly think that it probably requires further tightening up. Having listened to the debate, that is my impression.

**Deputy Brian Hayes:** On a point of order, in my reply to the very important issue raised by Deputy Pearse Doherty I set out a working example. Would the Acting Chairman like me to restate it for the record?

**Acting Chairman (Deputy Peter Mathews):** No, it is already on the record.

**Deputy Brian Hayes:** Right. The example I gave in my initial reply explains, in very plain English, how this can work. In my subsequent reply, I indicated that this is the view of the Revenue. The latter is, of course, the body which has responsibility for refunding money to people on foot of claims they make. In the context of the Acting Chairman’s intervention - which was slightly unusual - I cannot understand how the position might be made any clearer.

**Deputy Pearse Doherty:** The amendment is designed to bring clarity. Following an initial reading of the subsections in the Bill, I and quite a number of others were of the view that it would not be possible to accrue the €5,000 over the years of assessment. The Minister of State-----

**Deputy Brian Hayes:** Would it be helpful if we provided further examples? We would not have any difficulty doing so.

**Deputy Pearse Doherty:** While I appreciate the Minister of State’s offer, I do not need further examples. The key issue is that this is now allowed. The Minister of State indicated it is being interpreted by Revenue, which is fine. I can give examples of mistakes resulting in complacency creeping into legislation. The Revenue was involved in the legislation on the local property tax, which included a mistake that came with a price tag of €3 million. Sometimes one word can have significant consequences. The purpose of my amendment is to bring clarity to

the section. The Minister of State has made clear that, notwithstanding any legal interpretation of the provision, the intention of the House is that the relief will apply throughout the period in question. On that basis, I will withdraw the amendment.

Amendment, by leave, withdrawn.

Amendment No. 4 not moved.

**Acting Chairman (Deputy Peter Mathews):** Amendments Nos. 5 and 6 are related and may be discussed together.

**Deputy Pearse Doherty:** I move amendment No. 5:

In page 11, lines 29 and 30, to delete “than €5,000” and substitute “than €1,500”.

I do not intend to labour the point in respect of this amendment. The amendments adopted on Committee Stage and the clarification the Minister of State has just provided on the years of assessment and multiple contractors have gone some way towards satisfying me on this matter. The remaining caveat is that a person claiming this tax relief must spend in excess of €5,000 over two years. Many people do not have funds of that order to spend on their home. While some people will gladly have a lawn landscaped or garden remodelled to avail of this tax relief, as is permitted under the legislation, others, who the Minister of State used the unfortunate term “dead weight” to describe, need a new shower fitted or windows and doors replaced because the wind is whistling through them but will not qualify.

The Minister of State indicated the relief is not intended in respect of renovation works that would be done in the normal course. The problem is that many of these normal works are not being done and people are instead jamming cardboard into window frames, plumbing problems are not being addressed and so forth. In many such cases, householders find it impossible to find €5,000 in discretionary income in a two-year period. While one can argue over what is an appropriate threshold, the figure provided in the Bill should be lowered. Many people would consider €1,500 a large amount and many of those who are living hand to mouth could use this tax benefit.

People with plenty of disposable income whose windows are not whistling will be able to avail of this tax credit to have a new door installed, have double glaze windows replaced with triple glaze windows or a shower that is in perfect working order replaced because it does not provide sufficient power. The householder may simply combine a number of small jobs that improve his or her home visually, provided they amount to more than €5,000. The focus of the amendment is to extend the relief to those who will not be able to find €5,000 to spend on their home during the period covered by the measure.

**Deputy Richard Boyd Barrett:** We had an extensive discussion on this tax relief on Committee Stage. My amendment splits the difference between the figure we proposed in committee and the Minister’s threshold of €5,000.

I do not generally favour tax breaks and, in so far as they are discussed in the Chamber, I spend most of my time railing against them because they are given primarily to people who do not deserve them and serve little purpose in terms of the development of the economy and society. This relief, however, is a good one that is well targeted. Its beneficiaries are likely to be ordinary citizens having home improvements such as insulation works carried out and

tradespeople who are a key focus of the measure. Given that many tradespeople are in serious difficulty, it is a good idea to have a targeted measure which will, I hope, generate some employment for building workers and those with a trade.

In arriving at the threshold of €5,000 has the Department drawn up a list of works that could constitute refurbishment? Deputy Doherty cited a number of examples of such works and I also set out a number of cases on Committee Stage. Many works that would cost less than €5,000 could not be described as day-to-day repairs that would be carried out in the normal course. I accept the point that the purpose of the relief is to generate work that would not otherwise be generated. This is the Minister of State's concern regarding the proposal to reduce the threshold and it is, I believe, what is meant by the term "dead weight" - I love these new phrases that people come up with. If the Minister of State's argument is that we cannot afford to provide tax breaks in respect of works that would be done at any rate and the purpose of this relief is to encourage new activity, that is fair enough. However, I can think of numerous examples of works costing between €1,500 and €5,000 that one would describe as new activity. For example, in the case of a person I know who is considering landscaping her garden, I suspect the work will not be done if the threshold remains at €5,000 because she could not afford to have it done. I am not batting on behalf of the individual in question but her garden could probably be landscaped for-----

**Deputy Brian Hayes:** The gardens are very posh where the Deputy lives.

**Deputy Richard Boyd Barrett:** It is the garden of a former council house in Sallynoggin. I suspect it could be landscaped for €2,500. This tax break could be the difference between the work being done and not being done.

Deputy Doherty referred to the replacement of windows, which is another good example of works that would be done if they fell within the scope of the relief. It would be positive if such works were carried out as we want people to have better insulation and so forth. I used some rubber material on a dodgy window recently to stop it banging. In such circumstances, one faces the choice of having spanking new, double or triple glaze windows fitted, which are much better in terms of insulation, or having a stop-gap job done. The difference is that in the latter case, one is not having new work done, while in the former case, one is genuinely providing employment for tradespeople that would not otherwise be provided.

**Acting Chairman (Deputy Peter Mathews):** The Deputy has made his point very well.

**Deputy Richard Boyd Barrett:** I ask the Minister of State to consider splitting the difference between his figure and the figures proposed by Deputy Doherty and me.

**Deputy Michael McGrath:** We had a good debate on this issue on Committee Stage when I also tabled an amendment on this issue. While I accept the need to introduce a threshold, the current threshold is high. A more fundamental point about the incentive scheme is, because the Minister is doing it through the income tax system, somebody must have an income tax liability in the first place against which to offset this credit whereas, in effect, what the Minister is doing is giving the person the VAT back. A more equitable system would have been to return the VAT to applicants even if they had no income tax liability. That would have been a fairer way. Because of the way it will be done through the income tax code and the €5,000 threshold, the scheme provides a greater benefit to those who have a great deal of money - those who have an income tax liability and who have €5,000 or more to spend. That is the nature of its construc-

tion. It will benefit disproportionately those who have money and who have an income tax liability against which the credit will be offset.

**Deputy Brian Hayes:** On that issue, the fact that the credit can be spread over two years means those on low income would be able to benefit from the entirety of what is on offer.

**Deputy Michael McGrath:** But they will need a tax liability.

**Deputy Brian Hayes:** If they have a tax liability over a two-year period where the scheme operates, they can draw that down.

On the other question that Deputy Boyd Barrett raised about the guidelines, I am not sure whether the Minister, Deputy Noonan, stated at committee that these will be published early in the new year between Revenue and the Department of Finance. We cannot do it until the Bill goes through both Houses but it is the intention that such guidelines will be published early in the new year.

I accept the bone fide comments of colleagues opposite. It is a novel scheme, but it is targeted. There is very little funding around to provide any such scheme because one is talking about tax forgone. Where we are using the tax system to help stimulate the construction system with a good targeted measure, we must ensure that we do so proportionately. As I stated, this is an additional targeted stimulus to the construction sector which also encourages the entirety of that sector to be tax compliant.

It is a novel scheme. It is important to point out we also improved the scheme through the amendments we accepted already on Committee Stage by which the threshold is inclusive rather than exclusive of VAT. The Minister listened carefully to what colleagues had to say about that issue. We also accepted other amendments.

The problem is one must achieve a balance between what one wants to do, which is to help stimulate the construction sector, and simply giving *carte blanche* to those who will get work done anyway to avail of a tax benefit in circumstances where they might be able to afford to get that work done. If we are being frank and honest about this, that is a difficult balance to strike.

We reduced the minimum, from €5,675 inclusive of VAT to €5,000 inclusive of VAT, which means that a greater number can avail of the incentive over the two-year period. We think we have got the balance about right, but we must wait and see how successful is the scheme.

There is broad acceptance of the scheme and what it attempts to achieve and with the amendments the Minister, Deputy Noonan, has accepted thus far, it has been improved by way of its reading in the House.

**Deputy Pearse Doherty:** We will not find common ground on this here. I acknowledge that the Minister accepted amendments - indeed, the Minister accepted one of my amendments - on Committee Stage, and accepted the spirit of amendments that were raised on Second Stage as well. The Bill has been strengthened.

It is important, because it has not been placed on the record, to state that in this section we are also repealing a home improvement scheme and this is not the first time a home improvement scheme was brought into law. We are repealing a home improvement scheme that was focused on environmental issues that was never commenced. It is probably unfortunate. I say that because many in the construction sector have been idle for far too long and for the past

number of years, it was never commenced because of whatever problem - drafting errors, etc. - and that ministerial order was never given effect.

We are removing a scheme that focused on environmental issues and expanding the scheme to allow for one's garden to be landscaped. I am sure residents want to enjoy their nice gardens, but the Minister is replacing one tax credit scheme, which was not only about getting the construction sector moving but about making an impact in terms of the environment, with another.

I am not arguing against the scheme. The scheme is worthy. I would like to see the threshold reduced but, as I stated, the inclusion of the multiple contractors and years of assessments probably goes some way to addressing the issues.

However, I will press this amendment.

**Deputy Richard Boyd Barrett:** We have discussed the matters at length, but I make one point that has not been made but was sparked by Deputy Michael McGrath's comment. One could argue the opposite of what the Minister of State, Deputy Brian Hayes, is arguing. Somebody might be more likely to make bigger refurbishments or adaptations to his or her house anyway, to use the Minister of State's criteria, because he or she has more money whereas those on the margin are perhaps the ones who are not getting the works done, and it follows that it would be better to bring the threshold down.

I take the point that there is a balance to be struck. One does not want to take the threshold down so far that one also gets routine repairs where there is no extra work being drawn into it. However, many of what could be described as reasonably substantial home improvements would fall between the figures, below €5,000 but above the cost of mere day-to-day repairs. I suspect that works in that category, as against the works of those who have a fair bit of money who have not been hit too badly by the recession and can press ahead with more substantial improvement works to their homes, are the ones most likely not to be done at present. On those grounds, the Minister of State should reconsider, perhaps in the Seanad.

**Deputy Brian Hayes:** In any scheme of this nature, finding the balance is always difficult. In a circumstance where, as we all will be aware, the construction sector fell off a cliff and, as I state repeatedly, 60% of those who lost their jobs were directly or indirectly attached to the construction sector, there is a responsibility across the whole of Government to see what can be done to improve the position and provide a direct stimulus. Of course, it needs to be said that this is not the only stimulus we are providing. The Minister made clear in his Budget Statement that the €0.5 billion of additional resources to stimulate the economy and get people back to work is a fundamental part of what this Finance Bill is about.

On the specific area, the scheme is targeted. Hopefully, we have got the correct balance, between, as Deputy Boyd Barrett stated, those who can afford to get such work done and those on the margins who might hold off. We are talking about a sum of €5,000. It is not a huge sum of money but, nonetheless, it would help a person make that decision in favour of availing of the scheme over a year or two to get works done in his or her house.

On the other point that Deputy Pearse Doherty raised on the repeal of the home improvement scheme, the view of the Government, as expressed by the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, is that the more targeted approach to help householders, certainly those on lower incomes, with house insulation and improving the thermal efficiency of their homes is through the Sustainable Energy Authority of Ireland. As the



Deputy will be aware, a range of cash grants is available through the Sustainable Energy Authority of Ireland, for instance, the better energy home scheme. In addition, it operates the warmer home scheme under which work such as attic insulation can be carried out free of charge to qualifying individuals. The latter scheme is specific to those on lower incomes. The view is, rather than making one eligible for that through the tax code, it is more targeted to do it by way of specific cash grants to those on lower incomes to help them improve the insulation in their homes.

**Acting Chairman (Deputy Peter Mathews):** Deputy Pearse Doherty said he would press his amendment.

**Deputy Pearse Doherty:** Yes.

**Acting Chairman (Deputy Peter Mathews):** Is the amendment agreed to?

**Deputy Brian Hayes:** No.

Question put: “That the word and figure proposed to be deleted stand.”

<i>The Dáil divided: Tá, 66; Níl, 42.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Burton, Joan.</i>	<i>Browne, John.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Niall.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Conlan, Seán.</i>	<i>Daly, Clare.</i>
<i>Connaughton, Paul J.</i>	<i>Doherty, Pearse.</i>
<i>Coonan, Noel.</i>	<i>Donnelly, Stephen S.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Dooley, Timmy.</i>
<i>Coveney, Simon.</i>	<i>Ellis, Dessie.</i>
<i>Creed, Michael.</i>	<i>Ferris, Martin.</i>
<i>Daly, Jim.</i>	<i>Flanagan, Luke ‘Ming’.</i>
<i>Deenihan, Jimmy.</i>	<i>Fleming, Tom.</i>
<i>Dowds, Robert.</i>	<i>Grealish, Noel.</i>
<i>Doyle, Andrew.</i>	<i>Halligan, John.</i>
<i>Durkan, Bernard J.</i>	<i>Healy, Seamus.</i>
<i>Farrell, Alan.</i>	<i>Healy-Rae, Michael.</i>
<i>Feighan, Frank.</i>	<i>Kelleher, Billy.</i>
<i>Fitzgerald, Frances.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Finian.</i>
<i>Flanagan, Charles.</i>	<i>McGrath, Mattie.</i>



<i>Griffin, Brendan.</i>	<i>McGrath, Michael.</i>
<i>Hannigan, Dominic.</i>	<i>McLellan, Sandra.</i>
<i>Harrington, Noel.</i>	<i>Mathews, Peter.</i>
<i>Harris, Simon.</i>	<i>Murphy, Catherine.</i>
<i>Hayes, Brian.</i>	<i>Naughten, Denis.</i>
<i>Heydon, Martin.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Hogan, Phil.</i>	<i>Ó Fearghail, Seán.</i>
<i>Howlin, Brendan.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Humphreys, Heather.</i>	<i>O'Dea, Willie.</i>
<i>Humphreys, Kevin.</i>	<i>O'Sullivan, Maureen.</i>
<i>Keating, Derek.</i>	<i>Pringle, Thomas.</i>
<i>Kehoe, Paul.</i>	<i>Ross, Shane.</i>
<i>Kelly, Alan.</i>	<i>Shortall, Róisín.</i>
<i>Kenny, Seán.</i>	<i>Smith, Brendan.</i>
<i>Kyne, Seán.</i>	<i>Tóibín, Peadar.</i>
<i>Lawlor, Anthony.</i>	<i>Troy, Robert.</i>
<i>Lynch, Ciarán.</i>	<i>Wallace, Mick.</i>
<i>Lyons, John.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mitchell, Olivia.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Varadkar, Leo.</i>	

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

Question declared carried.

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendment No. 6 cannot be moved.

**Deputy Richard Boyd Barrett:** On a point of order, why can it not be moved?

**An Leas-Cheann Comhairle:** Amendment No. 6 is an alternative to amendment No. 5. We have voted on the question that the words and figures proposed to be deleted stand.

**Deputy Richard Boyd Barrett:** Is it counterpoised to amendment No. 5?

**An Leas-Cheann Comhairle:** It was discussed with amendment No. 5.

**Deputy Richard Boyd Barrett:** Yes, I know it was discussed with that amendment, but do we not have to go through the formality of pressing it?

**An Leas-Cheann Comhairle:** No, it cannot be pressed.

**Deputy Richard Boyd Barrett:** Standing Orders are such fun.

Amendment No. 6 not moved.

**Deputy Pearse Doherty:** I move amendment No. 7:

In page 13, between lines 11 and 12, to insert the following:

“(c) Where a qualifying contractor has not fulfilled the provisions set out in this subsection, the Revenue Commissioners, upon receipt of a claim from a claimant shall inform the contractor of the claim and final stated payment and inform the contractor that they are obliged to fulfil the requirements as stated in this section. Contractors will have 10 working days to dispute the payment claim, at which point the Revenue will process the claim, once legitimate receipts are provided.”.

This amendment deals with a case in which a company or a contractor goes out of business or does not make a return.

**An Leas-Cheann Comhairle:** I ask Members in the Chamber to have respect for the Member in possession. Deputy Pearse Doherty is speaking to the amendment. I ask for silence and that conversations take place outside the Chamber.

**Deputy Pearse Doherty:** This involves a contractor who has not made a return under section 5, whether intentionally or unintentionally, in a case in which the company is in liquidation or the person has left the country. Whatever the reason, a person has made the claim and is entitled to tax relief because the work was carried out by a contractor deemed to be qualified and the work was deemed to be relevant by the Revenue Commissioners. There should be no delay

in processing the person's claim. The Minister provided clarification on Committee Stage that, in the event of a contractor not fulfilling the terms of section 5, the claim would be paid; therefore, the individual cannot be denied tax relief as a result of the contractor not complying with the terms of section 5(a) and penalties will not be imposed on the contractor. The amendment addresses the delay that might result through the contractor not complying with the provisions of section 5(a).

What is the process under legislation whereby the Revenue Commissioners make a payment where the contractor has not complied with the provisions of section 5(a)? It may be a case of the contractor refusing to comply, going out of business or being in liquidation or that he or she has passed away. What is the process involved in making the payment? The claims process is dependent on a number of steps, including the contractor being eligible, the contractor providing the unique reference number from the Revenue Commissioners for the individual, the contractor informing the Revenue Commissioners of the receipt of payment and the amount, and the individual making the claim. For reasons that are or are not genuine, where the third step is not taken - the contractor stating how much was paid for the work - I can see a delay in processing the claim of the individual who has had the work carried out and complied with the law. That is why my amendment includes the following:

Where a qualifying contractor has not fulfilled the provisions set out in this subsection, the Revenue Commissioners, upon receipt of a claim from a claimant shall inform the contractor of the claim and final stated payment and inform the contractor that they are obliged to fulfil the requirements as stated in this section. Contractors will have 10 working days to dispute the payment claim, at which point the Revenue will process the claim, once legitimate receipts are provided.

Debate adjourned.

*12 o'clock*

### **Leaders' Questions**

**Deputy Micheál Martin:** The conclusion of the Smithwick tribunal that unidentified members of An Garda Síochána colluded with the Provisional IRA in the murder of RUC officers Chief Superintendent Harry Breen and Superintendent Bob Buchanan is truly shocking and sickening. It represents a terrible betrayal of the thousands of members of An Garda Síochána who down through the years made many sacrifices to protect the citizens of this island, North and South, and who worked extremely hard against the actions of the Provisional IRA and other terrorist groups. It betrays that sacrifice in a profound and disgusting way.

I welcome the apology issued by the Tánaiste on behalf of all of us and the State, as well as the apology issued by the Minister for Justice and Equality, Deputy Shatter. Chief Superintendent Harry Breen and Superintendent Bob Buchanan were carrying out their professional duties to protect the citizens of this State in co-operation with An Garda Síochána and they were gunned down savagely in the course of doing their duty. Those who gunned them down should be brought to justice. The report should be sent to the Director of Public Prosecutions, with every opportunity or prospect of further criminal investigation examined. Those in possession of

vital information should provide it, as it is clear such information was not fully provided to the tribunal judge. Statements were issued or sent by the IRA to the tribunal, but I invite Members to read them as they provide a very chilling account of the cold and callous manner in which the murders took place. Information that could have been provided by people in the provisional movement was not given.

The publication of the report vindicates the establishment of the inquiry in the first instance, but it also perhaps highlights the need for the other aspects and dimensions of the Weston Park Agreement, particularly the inquiry into the Finucane, Hamill and Nelson killings and other events such as the Dublin and Monaghan bombings, to be pursued vigorously by our Government with the British Government. Ultimately, the truth wins out, and this conclusion is important for the families and our overall examination of the difficulties on this island.

Will the Tánaiste facilitate a full debate in this House on the tribunal report? Such a debate might avoid the incredible types of statement we have already witnessed this morning on Newstalk from the leader of the Sinn Féin Party, for example. Incredibly, he stated that the two officers displayed a “*laissez-faire*” disregard for their own security. He stated:

When you have that type of *laissez-faire* disregard for their own security, by both An Garda Síochána in relation to these two RUC officers, and more importantly by the RUC officers themselves - here they were at the heart of south Armagh in the middle of a very, very severe conflict at that time, and seemed to think that they were immune from attack by the IRA, and tragically as it turned out for them that wasn't the case.

That is the contribution of the leader of Sinn Féin to this debate. It is insulting to the families concerned and it should be withdrawn. Essentially, it almost blames by implication the officers themselves. We should be very clear that this was premeditated murder carried out by so-called republicans and people supported by the Sinn Féin leaders and others, who continue to refuse to accept the reality that this was a premeditated murder. Deputy Adams should apologise to the families on behalf of that so-called republican movement, as this kind of language and Sinn-Féin-speak, to which we are now becoming accustomed, represents their ongoing Widgery approach to whitewashing their past atrocities. We need a full debate in the House to hammer these points home in an unequivocal manner.

**The Tánaiste:** The central grave finding of the Smithwick tribunal report is that there was collusion within An Garda Síochána and the IRA in the murders of Chief Superintendent Harry Breen and Superintendent Robert Buchanan. I am appalled and saddened by this finding, as I know all in this House will be. The Government apologised immediately on the publication of Judge Smithwick's report, but I wish to place that apology on the record of this House. On behalf of the Government and the people of Ireland, I apologise without reservation to the Breen and Buchanan families for any failings identified in the report on the part of the State or any of its agencies. I am truly sorry for the loss and suffering that both families have endured.

I want to acknowledge the dignified manner in which the Breen and Buchanan families have responded to publication of the report, and I wish to join with them in thanking Judge Peter Smithwick for producing such an open, honest and comprehensive report. Out of respect for the families, we should recall the human dimension of this atrocity. Judge Peter Cory in his report in 2003 described Chief Superintendent Harry Breen and Superintendent Bob Buchanan as two outstanding RUC officers. Chief Superintendent Breen was a deeply caring family man, devoted to his wife June and to their two children, Gillian and David. Superintendent Buchanan

was known as a man of absolute integrity, as a proud, dedicated and able police officer and as a loving husband of Catherine and caring father of their two children, Heather and William. When they were murdered by the IRA on the Edenappa Road near Jonesborough on 20 March 1989, June and Catherine were each deprived of a loving husband and partner; Gillian, David, Heather and William each lost their father. Nothing can undo that.

More than 3,500 men, women and children died during the Troubles. There is no hierarchy of suffering or grief, but where allegations of collusion by agents of the State were concerned, we have long agreed that the State bears a particular and solemn responsibility. I have stated previously that I do not believe we can address the past constructively unless we are each prepared to ask questions of ourselves and of our own role. I believe we have done that today.

I know that members of An Garda Síochána will view actions as documented in the report as a betrayal of the values they uphold and of the very ethos of the Garda Síochána as the guardian of the peace. They will be thinking today of the sacrifices they and their predecessors made in performing their duty during the Troubles. I think today of the gardaí who gave their lives, were injured or put themselves at risk in doing their duty on behalf of the people during the Troubles.

The depth and quality of cross-Border co-operation today between the PSNI and the Garda Síochána is second to none, and I wish to give both forces credit for that. My colleague, the Minister for Justice and Equality, Deputy Alan Shatter, will meet his counterpart in the Northern Executive, David Ford, along with the Chief Constable of the PSNI, Matt Baggott, and the Garda Commissioner, Martin Callinan, shortly to discuss the report. The Oireachtas has been consistent and unflinching in its demand for and pursuit of the truth regarding the allegations of collusion identified by the British and Irish Governments at Weston Park in 2001. The Irish and British Governments then accepted that certain cases from the past gave rise to serious allegations of collusion by the security forces in each of our jurisdictions and remained a source of grave public concern. The Governments are committed to undertake a thorough investigation of allegations of collusion in the cases of the murders of Chief Superintendent Harry Breen and Superintendent Bob Buchanan, Pat Finucane, Lord Justice and Lady Gibson, Robert Hamill, Rosemary Nelson and Billy Wright.

Arising from the Weston Park Agreement, Mr. Peter Cory, an eminent retired Canadian Supreme Court judge, was asked by the two Governments to investigate and report on the allegations of collusion. In line with Judge Cory's recommendations to the Government, a tribunal of inquiry was established by the Houses of the Oireachtas in 2005 into the murders of Chief Superintendent Harry Breen and Superintendent Bob Buchanan. The independent tribunal of inquiry has now concluded its work and Judge Peter Smithwick has submitted his report to this House. While Judge Smithwick does not find direct evidence of collusion in the killings, he concludes, on the balance of probabilities, that collusion did occur involving an unidentified member or members of An Garda Síochána. I again thank Judge Smithwick for his report to the House. I agree that we should make time available to have the report discussed in the House. I will ask the Chief Whip to make the necessary arrangements with the Whips of the opposition parties.

**Deputy Micheál Martin:** I thank the Tánaiste for his comprehensive response. I agree entirely with the sentiments articulated in the statement. I thank him for the clarity of his reply. The Smithwick inquiry has proven to be effective and has come to a conclusion that is both shocking and sickening and is a betrayal of the many members of the Garda Síochána who made such sacrifices in the fight against terrorism and the IRA. The report also illustrates the



value of the conclusions of the Weston Park Agreement and the value of such inquiries, long and difficult as they might be, in shining a light on appalling atrocities such as the one under discussion.

It is equally important that the other aspects of the Weston Park Agreement, in particular the Finucane case, are addressed in the same comprehensive manner as employed by the Smithwick tribunal. What is required is an investigation comparable to the terms of reference of the Smithwick tribunal for those other allegations of collusion. There has been significant forestalling in that regard by the British Government. The clarity and importance of the conclusions underline the importance of such exercises in going further than official investigations in terms of bringing the truth to people. That is extremely important. I welcome the Tánaiste's commitment to a debate because it is extremely important that we avoid language that endeavours to muddy the clarity of what happened. It was a cold-blooded premeditated murder which struck at the heart of those who were upholding the security of our citizens North and South. In essence, that is what we are considering. The fact that collusion was involved is doubly shocking to many citizens and to the vast majority of the members of An Garda Síochána.

**The Tánaiste:** I acknowledge and agree with what Deputy Martin said about the importance of the Weston Park Agreement. The 2001 Weston Park Agreement identified a number of cases where there was concern involving serious allegations of collusion by agents of the state - security forces in both jurisdictions. It clearly determined that those cases had to be examined. The particular case we had to examine in this jurisdiction was the murder of Chief Superintendent Breen and Superintendent Buchanan. That is why the Smithwick tribunal was established by a decision of the House in 2005. It has taken a long time. I again thank Judge Smithwick for the work he has done in that regard. It also shows that we need to see completion of all of the work that was committed to at Weston Park. I have already communicated previously to my counterpart in the UK Administration the unanimous wish of this House to see an inquiry into the Pat Finucane case. I have met with Geraldine Finucane and the family and discussed the issue with them. We will continue to pursue the Finucane case. The fact that the Smithwick tribunal has now concluded will, if anything, strengthen our position in relation to that.

There is the wider issue of dealing with the past. In that respect, the Government supports the cross-party discussions which were established in Northern Ireland chaired by Dr. Richard Haass. Dr. Haass has stated his intention to complete his work by the end of the year. I will meet with him next week and we will discuss the progress he has made to date. No doubt, I will discuss with him the outcome of the Smithwick tribunal. Probably by then, depending on when we make the arrangements for the debate in the House, I might well have the benefit of the discussion in the House to inform my discussions with Dr. Haass.

**Deputy Gerry Adams:** I very much thank the Tánaiste for committing to have a debate on the issue. I also remind him that I have called for some time for a wider debate on the past and on issues pertaining to the North. I look forward to such a debate.

I commend the Government also on fulfilling the commitment made at Weston Park to hold an inquiry into the killing of the two RUC officers. I commend Judge Smithwick and his staff, with whom I co-operated, on their diligence and hard work over eight years to produce the report. I do not need reminders from the Fianna Fáil leader that at the heart of this tribunal are two bereaved families. I have already said clearly that they were brave officers doing their duty, as they saw it, in the same way as the IRA volunteers saw themselves as doing their duty, as they saw it.

**Deputy Eric Byrne:** One was legal and the other was illegal.

**Deputy Timmy Dooley:** Sinn Féin has learned nothing.

**Deputy Gerry Adams:** Please allow me to finish.

**Deputy Eric Byrne:** One had a mandate and the other did not.

**Deputy Dinny McGinley:** Was Deputy Adams ever in the IRA?

**An Leas-Cheann Comhairle:** Order, please.

**Deputy Gerry Adams:** I remind all Teachtaí-----

**Deputy Eric Byrne:** There is a difference between legality and illegality and having a mandate.

**An Leas-Cheann Comhairle:** Please, Deputy Byrne.

**Deputy Gerry Adams:** I remind all Teachtaí that all the main parties came from that period of armed resistance that led to the armed proclamation of a Republic in 1916. Some people have very short memories about their own role and the role of organisations that they might have belonged to in the past.

**Deputy Timmy Dooley:** A lot of water has flowed under the bridge between then and now, and a lot of bodies.

**Deputy Gerry Adams:** What I said on Newstalk, for the record, reflects the Smithwick report. It reflects the statement given to the Smithwick report by the RUC, An Garda Síochána and also by the former IRA volunteers. We can return to the issue at another time. Ní raibh cogadh maith riamh ann - is í sin an fhírinne. Níl síocháin dhona ann - is í sin an fhírinne fosta. Táimid anseo anois le síocháin - buíochas le Dia - agus táimid in áit níos fearr ná mar a bhí.

Some people want to keep fighting the war. Some people who stood idly by and abandoned the people of the North want to keep fighting the war for petty, opportunistic political advantage.

**Deputy Fergus O'Dowd:** That is rubbish.

**Deputy Gerry Adams:** I wish to bring to the attention of the Tánaiste one clear contradiction in the conclusions of the Smithwick report. On the one hand he said – this is a clear unambiguous assertion – that the tribunal has not uncovered direct evidence of collusion. That is clear. He then goes on – I think it is a contradiction on the basis of untested intelligence and circumstantial statements – to accept on the balance of probability that some form of collusion occurred involving an unidentified member or members of the Garda. That brings us all back to Weston Park. What Judge Smithwick defines as collusion is very different in form and scale to that which occurred as a matter of policy between British agencies and their allies and Unionist paramilitaries. Everyone knows the British State was involved in structured administrative and institutionalised collusion and that includes the Dublin and Monaghan bombings. The British Government has shown an arrogant disregard for the unanimous all-party Oireachtas motion calling on it to provide vital information about the bomb attacks. One should remember Fianna Fáil was in government for 60 years but failed to get the British Government to honour its obligations.

**Deputy Timmy Dooley:** Democratically elected.

**Deputy Gerry Adams:** It is important to remember, as the Tánaiste said, that there is no hierarchy of victims and that there are many other families seeking truth and closure.

**Deputy Timmy Dooley:** There are - the McConvilles.

**Deputy Gerry Adams:** Will the Government, as a matter of priority, increase its lobbying to mobilise our international and diplomatic resources-----

**Deputy Billy Kelleher:** FARC and ETA.

**Deputy Gerry Adams:** -----to get the British Government to honour its commitments and establish the promised public inquiry into the murder of Pat Finucane?

**The Tánaiste:** It is important that we reflect on what is important today. The report has just been published. It is important, in the first instance, that we think of the two families who lost a father and a husband. It is important that we think of those in the then RUC, now the PSNI, who lost colleagues. We should think also of the trauma that I have no doubt the report will cause among members of An Garda Síochána. We can be very proud in this country of the integrity, courage and service of An Garda Síochána. It will be very troubling for its members, as it is for me and other Members of this House, to find out from an official report that there was collusion between some individual members of the force and the IRA that led to the murder of two men in very savage circumstances. I cannot get out of my mind the image of one of those men who, when injured outside his car and waving his white handkerchief, was shot in the head by an IRA activist. That is what we are dealing with.

This is not a day for self-justification by anybody or any political party. It is not a day for muddying the waters, pulling the report apart or finding a flaw in it, nor is it a day for the writing or rewriting of history. Cibé sórt cogadh a bhí ann, ba coimhlint suarach, seitreach a bhí ann agus tá áthas orm go bhfuil deireadh leis. An gnó ba cheart a bheith idir lámha againn sa Teach seo ná féachaint ar aghaidh chuig an síocháin agus na laethanta amach romhainn. We must reflect on this very serious report and consider what we need to do regarding the unfinished business at Weston Park. I want every Member to be assured the Government will continue to make every effort to ensure the Weston Park process and the agreements signed up to at Weston Park will be completed and fully complied with. If anything, the reports we now have will afford an opportunity to achieve this.

**Deputy Gerry Adams:** I agree with everything the Tánaiste said. I remind him that the Weston Park Agreement was signed in 2001. Therefore, for 12 years the British Government has been in breach of the agreement it made. Let us be very clear that what happened to the two officers who were killed was horrible and horrific. As I said as Gaeilge, there is no such thing as a good war. What happened in Kilmichael and on the streets of the city was the same. What happened in creating this Parliament was the same.

**Deputy Michael McGrath:** Was what happened in Enniskillen the same?

**Deputy Gerry Adams:** There is no way one can just draw a line and say there was a good Old IRA back in the day throwing powder puffs at the British and also that there is an IRA which has departed the stage and which behaved in a more cruel way.

**Deputy Eric Byrne:** There was also a legitimate parliament in both states.

**Deputy Gerry Adams:** This is the Man from Del Monte - jeepers creepers.

**Deputy Eric Byrne:** Given that there were parliaments in the North and the South, it had no mandate.

**An Leas-Cheann Comhairle:** Deputy Gerry Adams has the floor. This is Leaders' Questions.

**Deputy Gerry Adams:** With all due deference, of all the people who could get up and rant at me, Teachta Eric Byrne is not one.

**Deputy Eric Byrne:** You might bet your life I am.

*(Interruptions).*

**Deputy Gerry Adams:** If we are to get into recriminations, let us consider what happened at Aldershot and Ranger Best and the killing of Larry White and Seamus Costello. This is the narrative we get into when there is not a serious effort made to understand I am articulating a viewpoint – one might disagree with me and believe I am absolutely wrong – that is entirely legitimate. I co-operated with the Smithwick inquiry. I used whatever influence I had to ensure there was an unprecedented attendance in terms of former IRA volunteers speaking to the tribunal and the justice on more than one occasion. Why was that? Was it to score some cheap point against Fianna Fáil? No, it was not. It is because the war is over; it is done and dusted and now we have to build the peace. Building the peace means trying to bring closure to families, including the Breen and Buchanan families. It also means ensuring the past does not become an obstacle for the future. The key is that we proceed in as therapeutic a way as possible. Of course, there are hard questions to be answered and people need to step up to the plate in dealing with all of these matters. I very much look forward to the debate and hope it will eventually be carried out in a rational way, as I requested of the Taoiseach a few weeks ago.

I want to ask the Tánaiste about a matter about which we have spoken many times. Sinn Féin has been proposing that an international agency be brought in to facilitate a truth and recovery process that is victim centred and examines all of these matters. The Government clearly could not set it up, nor could the British Government, republicans or Unionists. Will the Government at least explore the possibility, as opposed to allowing for the drip-feed trauma created every time there is an inquiry, inquest or tribunal? We should deal with all of this as best we can by bringing in an independent international dimension. We would not be where we are in the peace process – Richard Haass is an international diplomat - if we had not brought in the international community to help us. Here is another case that is crying out for such an approach. Clearly, we would not be in the peace process we are in had we relied on successive Governments, including that led by the party to my left.

**The Tánaiste:** It is important that we return again to the core of this question. A report has just been published, following an inquiry that was undertaken for eight years. It is a very extensive report and goes through a significant amount of evidence. It comments on that evidence and concludes that there was collusion between some members of An Garda Síochána and the IRA that led to the killing of two police officers on their way back from a meeting in Dundalk. By any standard, that is a serious matter, at a number of levels. It was obviously serious for the individuals who lost their lives, but it is also serious for our police service, the police service of a democratic state. It is serious that, for whatever reason or motivation, consequent to certain persuasion or perhaps pressure, some officers of An Garda Síochána colluded with the IRA to

kill two police officers from Northern Ireland who were returning from a meeting in a Garda station in Dundalk. That is an issue we must address as a democratic state. I hope we will do so when we debate it more fully in the House. We must also address it because of the impact it will have on an Garda Síochána. As I said, it is an outstanding force that does a great job and its members will be traumatised. They will think, today, of the sacrifices that so many members of the Garda Síochána have made. There are times when we can debate and discuss episodes in the history of this island, in the context of the issue of equivalence, to which Deputy Adams referred. However, to be honest, I do not think today is the day to do that. I do not think Deputy Adams does himself, his party or, with the greatest of respect, the peace process any service today by----

**Deputy Pádraig Mac Lochlainn:** The Tánaiste is doing the same thing himself, with his narrative.

**The Tánaiste:** ----saying what he has said. Regarding the proposal from Sinn Féin for dealing with the past, a process is now under way, under Dr. Haass, and we should all participate in that.

**Deputy Gerry Adams:** We are participating.

**The Tánaiste:** I have discussed this directly with Deputy Adams in meetings I have had with him in his capacity as leader of Sinn Féin. Sinn Féin should engage fully with the process-----

**Deputy Gerry Adams:** We are engaging fully.

**The Tánaiste:** -----as I know it is doing.

**Deputy Gerry Adams:** Fully.

**The Tánaiste:** Yes, I know it is engaging fully in the Haass process. This Government will also engage with it. We need to deal with the past, comprehensively. We should see the Haass process through. A number of proposals have been put forward as to how to deal with the past and we should all engage conclusively with that. The most important point is that while we have to deal with the past, we should not lose sight of what we are about here, which is building a better future for all of the people on this island, North and South. We must deal with the very difficult legacy of the past and enable victims, in particular, to do so. When we talk about victim-centred processes, we must not forget that the people who are at the centre of the issue we are discussing now are the Breen and Buchanan families, who suffered such a grave loss. We should have a process that is victim-centred and hope that, arising from the Haass process and the cross-party talks that are now taking place, that we will be able to emerge with that.

**Deputy Stephen S. Donnelly:** Today Bank of Ireland announced a plan to return €1.8 billion to the State. This is welcome and I hope that the Tánaiste and his Government put the money to good use. However, as we get ready to take this money back, we must be cognisant of where some of it has come from. Some of it has come from citizens whose lives have been ruined by the behaviour of Bank of Ireland. Of the banks that have appeared before the Oireachtas Committee on Finance, Public Expenditure and Reform, Bank of Ireland is unique in refusing to offer 0% interest on the portion of a mortgage in distress that is shelved. It is the only bank that has refused to do that. At a meeting of the finance committee in September of this year, I went through the so-called restructures that Bank of Ireland was offering with its



chief executive. We went through 90% of them and he agreed, on the record, that in all of those cases, the borrowers would end up paying more money back to Bank of Ireland. This was true in at least 90% of cases, although I believe it is true of close to 100% of cases. For borrowers and families whose problem is too much debt, the Bank of Ireland solution is for those individuals and families to pay more money than they would have had they not got into difficulty.

When I speak to practitioners who are working very hard every day to try to help families and individuals to restructure their mortgages, I often ask them if there is any bank that is doing everything it can not to act according to the spirit of the what the Government has asked for. I hear the same response every time - Bank of Ireland, Bank of Ireland, Bank of Ireland. Families all over Ireland with unsustainable debts are in a banking lottery. Those who were unfortunate enough to do business with and to trust Bank of Ireland during the bubble are being squeezed harder than those who did business with other banks.

The Irish people made a lot of money available to Bank of Ireland and €1.8 billion of that was to deal specifically with residential mortgages. When Bank of Ireland representatives appeared before the aforementioned Oireachtas committee, their figures showed that they had made a provision for half of this amount on residential mortgages. In other words, they took the €1.8 billion because they acknowledged that they would not get back about half of the money they were owed from distressed mortgages. Rather than act as the Government has asked, Bank of Ireland's explicitly stated policy is that it will not engage in any debt write-downs. Practitioners are telling me that Bank of Ireland drags its heels at every opportunity.

Does the Tánaiste believe it is acceptable for Bank of Ireland to be acting in this way? If he does not believe it is acceptable, what tangible measures can his Government take to stop it?

**The Tánaiste:** The Minister for Finance, on behalf of the State, has concluded negotiations on the sale and redemption of preference shares in Bank of Ireland. This transaction will see the State recouping a premium on the initial €1.837 billion investment. A press release was issued this morning to mark the start of the sale process. The sale and redemption processes are currently under way and the exact return to the State will depend on the outcome of the two separate capital market book-build exercises that form part of these processes. As the process is currently under way, I am limited in what I can say at present. However, I am sure that when the process is concluded, the Minister for Finance will come to the House and update Members fully.

The process involves the sale of €1.3 billion of the preference shares to private investors and the redemption of €537 million of the preference shares, which will be financed by the bank through the placing of new equity. The successful conclusion of this transaction will see the State exiting its €1.837 billion preference shares held in Bank of Ireland at a profit, build further confidence in Ireland's recovery and strengthen our return to normal market funding. I acknowledge the welcome that Deputy Donnelly has given to that process.

Regarding the ongoing engagement between banks and individual borrowers and families with mortgage difficulties who are seeking a way out, the Central Bank has set targets for each of the banks to conclude agreements with those in mortgage distress. We have put a range of measures in place, including new legislation providing for the personal insolvency service and non-judicial debt settlement arrangements. We have also made it very clear to all of the banks that we want to see a conclusion brought to the mortgage distress and debt difficulties that many families are in. That must be done, as I have said repeatedly, on a case by case basis. We

continue to engage with the banks, through the Central Bank, on what they are doing. We will continue to have that engagement with them because we want to see families lifted out from beneath the burden of debt. That is a process that we want to see accelerated. We want to see all of the banks engaged in it. No individual bank should be holding back or taking an approach which is less than one of full engagement.

**Deputy Stephen S. Donnelly:** I thank the Tánaiste for his reply. The targets, while well-meant, are being gamed by all of the banks. We know from the finance committee hearings in September that the way they have met the targets is by issuing tens of thousands of legal letters offering to evict people from their homes. The Central Bank has colluded in this by accepting that a threatening legal letter counts as a genuine offer of long-term restructuring of a mortgage.

**Deputy Peter Mathews:** Shame.

**Deputy Stephen S. Donnelly:** I welcome the Tánaiste's statement that no bank should be seen to be holding back. The reality is that one bank, at least, is - namely, Bank of Ireland.

**Deputy Peter Mathews:** Shame again.

**Deputy Stephen S. Donnelly:** It is not acting irrationally because it is the job of the board and its executives to make the bank as much money as possible. A bank makes money by taking money in from people, giving them as low a rate of interest as possible on their deposits, lending it out while charging as high an interest rate as possible and then squeezing and squeezing as much as necessary to get that money back. That is the banking model.

I do not blame Bank of Ireland for acting the way it is. I wish it would act like the other banks, including the commercial banks, but the reality is that it is not. The bank's executive team took a clear line, which is on the record of the finance committee, when it said it was not engaging in debt write-down. The practitioners on the street are saying it is dragging its heels. I welcome the Tánaiste's statement that no bank should be allowed to do this. However, we have a bank that is dragging its heels and publicly stating it will do other than the Government's stated intention, which is debt write-down, as stated by the Minister for Justice and Equality, Deputy Shatter, during the debate on the insolvency legislation last year.

What is the Government going to do about this? There is solid evidence that Bank of Ireland is dragging its heels. This has a knock-on effect on families who have loans with the bank, who are being squeezed. What can the Government tangibly do about this in the coming weeks and months?

**Deputy Peter Mathews:** What are the public interest directors doing?

**Deputy Finian McGrath:** Sleeping at the wheel.

**The Tánaiste:** Deputy Donnelly used two phrases that registered with me. First, he described banks as acting rationally, and second, he said that this is the banking model. I disagree with him in this respect. I believe that was the banking model. That was the approach one would have expected from banks acting rationally. As he knows, and as we all do, when the banks were acting rationally in that way, they found themselves in a position in which they ended up having to come to the State for assistance.

**Deputy Peter Mathews:** They were not acting rationally.

**The Tánaiste:** We are in a situation, therefore, in which the banks, largely because of the commitment made to them and the fact that they were bailed out by the State using taxpayers' money, have a community responsibility, a social responsibility - call it what one will. I believe that responsibility is in large part measured - Deputy Donnelly gave some of the figures earlier - by the amounts provided for the banks to resolve mortgage distress. They should get on and do that.

We have set targets through the Central Bank for the banks to deal with distressed mortgage holders. Deputy Donnelly asked how this will be complied with. We have engagement at government level through the Minister for Finance and his Department, on some occasions through the Economic Management Council, and the Central Bank will continue that engagement with the banks until we see the mortgage distress problem resolved.

There is also the degree of public accountability that is exercised through the Oireachtas finance committee. I commend the committee on its decision to bring the banks' representatives before it to ensure their public accountability. This is not just a matter that can be dealt with and discussed behind closed doors. This is a matter of public interest in which public moneys have been committed to the banks. It is only right and proper that they appear regularly before the finance committee to account publicly for what they are doing.

### **Order of Business**

**The Tánaiste:** It is proposed to take No. 19, Finance (No. 2) Bill 2013 - Report and Final Stages (resumed). It is proposed, notwithstanding anything in Standing Orders, that in the event a division is in progress at the time fixed for taking Private Members' business, which shall be No. 128, motion re electricity infrastructure (resumed), the Dáil shall sit later than 9 p.m. and Private Members' business shall, if not previously concluded, be brought to a conclusion after 90 minutes. Tomorrow's business after Oral Questions shall be Finance (No. 2) Bill 2013 - Report and Final Stages (resumed, if not previously concluded), and Social Welfare and Pensions (No. 2) Bill 2013 [Seanad] - Second Stage.

**An Leas-Cheann Comhairle:** There is one proposal to be put to the House. Is the proposal for dealing with Private Members' business agreed to? Agreed.

**Deputy Micheál Martin:** I am seeking the Tánaiste's guidance on a correction to the record of the House, or at least for him to provide much-needed clarification of a matter. On 20 November 2013, in a response to a question I posed on Leaders' Questions on the Government's cull of discretionary medical cards, the Taoiseach stated:

The Deputy makes the charge that there has been a change of policy, but let me assure him that since the start of the year some 100,000 new medical cards have been granted, of which 20,000 are discretionary medical cards.

My colleague Deputy Kelleher tabled a parliamentary question to the Minister for Health and received a written reply yesterday, 3 December. His question, Parliamentary Question No. 439, stated:

To ask the Minister for Health the number of new discretionary medical cards that have

issued to date in 2013; the number of new discretionary GP cards that have issued to date in 2013; and if he will make a statement on the matter.

The reply was very short:

The information sought by the Deputy is not readily available. However, I have asked the Health Service Executive to supply this information to me and I will forward it to the Deputy as soon as possible.

It seems to have been readily available to the Taoiseach on 20 November. This is also despite the fact that an earlier reply that Deputy Kelleher received from the Minister of State, Deputy White, made it clear in tabular form that there had been a reduction of 10,000 in the number of discretionary medical cards issued to date in 2013.

Someone is not telling the full facts or the truth. While it may not be intentional, I want the record of the House corrected. The Taoiseach cannot come in here and say these things if there is no evidence base to them or if other Deputies cannot secure the evidence base underpinning the Taoiseach's statement.

**An Leas-Cheann Comhairle:** There is a mechanism for appealing if a Member believes incorrect information was given.

**Deputy Micheál Martin:** Yes, but I will relate this to the programme for Government.

**An Leas-Cheann Comhairle:** I was wondering where we were going.

**Deputy Kevin Humphreys:** He is trying to cover everything.

**Deputy Micheál Martin:** It is a serious issue. Every Member has been besieged by members of the public who have had their medical cards taken from them inexplicably. It has affected everyone from young children with multiple disabilities to people with motor neuron disease. The cases that have come before Deputies and Senators are quite extraordinary.

**An Leas-Cheann Comhairle:** I call the Tánaiste to reply.

**Deputy Micheál Martin:** All we get is official denial.

The annual health service plan has been with the Minister for some time. I understand the director of the HSE sent a seven-page letter to the Minister which addressed the Government's policy on medical cards and the figures put in on budget day, which seem to be made up. When will we see the publication of the health service plan?

**Deputy Bernard J. Durkan:** As if Deputy Martin did not make up figures when he was health Minister.

**Deputy Micheál Martin:** Will the Tánaiste agree to a full debate on the health service plan?

**The Tánaiste:** As the Leas-Cheann Comhairle stated, there is a procedure for raising issues when a Deputy is unhappy about what has been put on the record of the House. I urge Deputy Martin to use that procedure. I cannot have a photographic memory of everything said on 20 November and every figure given. I encourage the Deputy to go down that road.

**Deputy Micheál Martin:** If I am not mistaken, the Tánaiste gave the same figure.

**The Tánaiste:** The health service plan was submitted to the Minister for Health on 25 November. As I am working from memory, I hope the Deputy will not get back to me in a few days if it turns out to be 26 November.

**Deputy Micheál Martin:** I will ask Martin Wall in *The Irish Times*.

**The Tánaiste:** The plan was submitted on 25 November and the Minister for Health has 21 days in which to consider it. My understanding is that the period of 21 days will expire on 16 December and between now and then I expect the Minister to bring the plan to the Government with his recommendations for what he intends to do with it. Thereafter the plan will be published and I expect that there will be some arrangement to discuss it, either in the House or one of its committees.

**Deputy Micheál Martin:** On a point of order, did the Tánaiste say it would be debated in the House?

**Deputy Gerry Adams:** No, he did not.

**Deputy Micheál Martin:** I ask the Tánaiste to agree to a debate in plenary session.

**The Tánaiste:** That is something we can consider. The plan must first be considered by the Minister and then by the Government. As it must then be published, let us cross that fence when we come to it.

**Deputy Micheál Martin:** The Tánaiste can cross it now.

**The Tánaiste:** I cannot because we do not have the-----

**Deputy Micheál Martin:** The Tánaiste can commit to having a debate.

**Deputy Bernard J. Durkan:** The new man is putting the Deputy under pressure.

**Deputy Gerry Adams:** I note that the leader of Fianna Fáil, in his usual combative way, has now used up almost seven minutes of the time available for the Order of Business.

**Deputy Micheál Martin:** I was never as combative as the Deputy.

**Deputy Gerry Adams:** I also wanted to raise the issue of the health service plan. I thank the Tánaiste for his answer. There is a need for a full debate in the Chamber on the plan. It is important because of the various issues that arise and the austerity cuts contained in it.

My question for now is about a commitment in the programme for Government to develop sectoral job strategies, including a plan to create 20,000 additional manufacturing jobs. I am sure the Tánaiste knows that in the past four weeks 870 job losses have been announced in the pharmaceutical sector. This is a heavy blow for workers and their families and a further 150 job losses have been announced today in Newbridge. If my memory serves me correctly, the programme for Government states job retention is a crucial part of a job creation strategy. In the wake of these disappointing job losses, does the Government intend to review the jobs strategy committed to in the programme for Government?

**The Tánaiste:** There may well be grounds for reviewing the Government's jobs strategy. We are ahead of the job creation target we set in the Action Plan for Jobs - 100,000 jobs. We are now two thirds of the way through the period of that plan which is to last until the end of



2015 and are ahead of our targets. Obviously, I am concerned about the announcement made this morning in Newbridge and my thoughts are with the employees affected by it. Changes are taking place in the pharmaceutical sector. The Minister for Jobs, Enterprise and Innovation and IDA Ireland are working with the industry and companies in the protection of employment, but they are also looking at where there are opportunities to create new employment.

**Deputy Michael Healy-Rae:** The new inland fisheries legislation contains a compulsory angler registration charge for every single angler in Ireland. I suppose we could describe it as the rod licence mark II. I would have thought the Government was making enough mistakes, without following on the mistakes made in the past. The Trout Anglers Federation of Ireland does excellent work and its members are up in arms about the proposals made in this legislation. This is a very important issue and we are trying to keep anglers going, not put them out of business.

**The Tánaiste:** The inland fisheries (modernisation and consolidation) Bill will modernise and consolidate existing provisions of legislation governing the inland fisheries sector. A working group, comprising the Department and Inland Fisheries Ireland, is developing the heads of that Bill which is expected next year.

**Deputy Michael Healy-Rae:** Therefore, it is the rod licence mark II. World War III will erupt if the rod licence mark II gets the go ahead.

**The Tánaiste:** The Deputy should not rush to judgment; one would never know what one might catch.

**Deputy Mattie McGrath:** He is coming at anglers from all angles.

**The Tánaiste:** Angling requires a degree of patience.

**Deputy Noel Grealish:** A report published yesterday in the United Kingdom shows that approximately €46 billion is being gambled every year in that country. We probably have the same percentage gambled in Ireland. When will the gambling control Bill be published?

I am trying to find a Bill to deal with my next question and perhaps we might work on No.45 on the list, a criminal justice Bill to give effect to a number of EU framework decisions. In the light of what is happening in Ukraine, the bullying tactics adopted by Vladimir Putin towards the Ukrainian Government and the protests taking place in that country, what is the Tánaiste's position on these issues? What is the European Union's position on showing support for the Ukrainian people?

**An Leas-Cheann Comhairle:** This is not Question Time.

**The Tánaiste:** The gambling control Bill is due late next year.

I am appearing before the Joint Committee on Foreign Affairs and Trade this afternoon and if the Deputy cares to turn up and ask me the questions about the Ukraine, I will be happy to answer them.

**Deputy Michael McGrath:** The betting (amendment) Bill was first published in July 2012. It was republished this summer. Clearly, there is a significant delay in bringing it forward. The Bill deals with applying taxes to online betting, an issue which is obviously posing logistical difficulties, but it is preventing the State from recouping significant moneys. When will the Bill

be brought forward?

**The Tánaiste:** The Bill was published on 19 July. As it is awaiting Second Stage, it just a matter of arranging time to debate it in the House.

**Deputy Bernard J. Durkan:** When is it likely that the legislation to implement the Hague Convention on the International Recovery of Child Support and Other Forms of Family Maintenance will be published? There has been increased difficulty in achieving maintenance payments for people dispersed across the European Union. The Bill is No.110 on the C list and should be introduced as a matter of urgency. Have the heads been discussed and approved by the Cabinet?

**The Tánaiste:** The Bill is due next year, but the heads have not yet been considered by the Government.

**Deputy Seán Ó Fearghaíl:** The legislative programme contains a number of important health Bills, not least the health information Bill. Is it intended in that Bill or any other health Bill that is pending to introduce a statutory duty of candour? I raise this question in the context of recent court decisions, where we have seen the HSE resist up to the steps of the court acceptance of responsibility for the injury of individual; in some instances people have suffered for several years while the State continues to refuse to accept responsibility. This issue could be dealt with by introducing a duty of candour in the legislation. Does the Government propose to do this?

**The Tánaiste:** The Minister is to bring forward a revised scheme for the health information Bill in view of policy developments. It is not possible to indicate when the Bill will be published, nor am I in a position to indicate its contents.

**Deputy Joe O'Reilly:** When is it proposed to introduce the geothermal energy development Bill?

Geothermal energy, which a 1974 report says is readily available in this country, is a clean and sustainable energy source. The legislation would allow for licensing, regulation and exploration and would get the necessary exploration going. It is a vital development.

*1 o'clock*

**The Tánaiste:** The geothermal energy development Bill, which is to provide a legislative framework for the vesting, licensing and regulation of the development of geothermal energy, is expected late next year. My information is that Bill will come after the minerals development Bill. There is a sequence.

**Deputy Peter Fitzpatrick:** When does the Tánaiste expect the publication of the road traffic (No. 3) Bill, which is to provide for the North-South mutual recognition of penalty points, and other amendments to road traffic legislation?

**The Tánaiste:** The heads are being developed in consultation with key stakeholders and the Bill is expected next year.

**Deputy Denis Naughten:** The Leas-Cheann Comhairle might not be wanted in some parts but we would be happy to have him in my constituency come the next general election.

There is nothing worse than having a child in hospital for Christmas, particularly if it may be his or her last Christmas. Some 12 months ago I, with the support of both the Jack and Jill Children's Foundation and LauraLynn House, put a proposal to the Department of Health that would save money but, more importantly, that would allow children to leave hospital for Christmas by establishing a national fund for sick children. In that context, and in the context of promised legislation, the national paediatric hospital development board (amendment) Bill, is there any chance we can have real action on this, ensure these children get home for Christmas and release beds for children who are waiting to get into our paediatric hospitals?

**The Tánaiste:** The national paediatric hospital development Bill is being progressed. I do not have a date for its publication but work is being done on it.

**Deputy Thomas P. Broughan:** Is it possible that there could be a social welfare (amendment) Bill before the House breaks up? The Tánaiste will be delighted to learn that Deputies Nulty, Halligan, Pringle and I, along with the Irish Congress of Trade Unions, ICTU, Focus Ireland, Irish National Organisation of the Unemployed, INOU, Age Action and One Parent Exchange Network, OPEN, formally launched a campaign for the restoration of the social welfare Christmas bonus. On the long night of the promissory notes the Tánaiste said there would be a social or solidarity dividend for people. With recent Exchequer returns and our earlier discussions, we have the opportunity to restore the Christmas bonus for hard-pressed families, which was removed by the previous Government. At the weekend the Tánaiste spoke of bills coming into houses like confetti, some of which the Tánaiste has, unfortunately, imposed on people himself. Is there not an opportunity to come forward with a social protection (amendment) Bill or to amend the Finance (No. 2) Bill which we are discussing today and restore a social solidarity payment to the most vulnerable citizens this Christmas time?

**The Tánaiste:** I am glad the Deputy acknowledges that we are at last reaching a position where we might consider a social dividend after all people have been through. We have no social welfare Bill scheduled for the remainder of this year.

**Deputy Shane Ross:** The Tánaiste will be well aware that the Central Remedial Clinic, CRC, has been raiding the piggy banks of sick children. In view of the revelations about the CRC and other charities, and the bedlam surrounding the charities industry because of the abuses, lack of corporate governance and other faults which are becoming apparent by the day, would the Tánaiste go a little further than just saying the Government will withhold grants? That could hit innocent people. Will he give the House a pledge that the Charities Act 2009 will be fully implemented in 2014? I am specifically requiring that he establish a charities regulator. There would be enough work to keep such a regulator going for two or three years just for a start. Is there any reason why that charities regulator should not, under that Act, be appointed before Christmas?

**The Tánaiste:** This issue on the commencement of the Charities Act was raised yesterday and I undertook that I would arrange to get responses sent to the Deputies who raised it. I will ask that Deputy Ross be included in that circulation.

**Deputy Patrick O'Donovan:** The 2013 budget gave a commitment to publish legislation to deal with the ongoing anomaly of Independent Deputies receiving upwards of €45,000 and €48,000 tax-free in the form of a leader's allowance. When can we expect to see the legislation to deal with that issue of people getting these tax-free lump sums into their hands? I have raised another issue here in recent weeks that is particularly relevant in today's context. I requested

that time be given in the House for a debate on the disappeared. This issue has long taxed a number of Members of this House. People have raised it on a number of occasions. Particularly in light of a recent television documentary on this, a debate in this House is long overdue and may provide some Members with an opportunity to bring forward information that may be relevant.

**The Tánaiste:** The legislation on the leader's allowances paid to Independent Members is in the Seanad and will be in this House early in the new year. A Dáil debate on the disappeared has been discussed at Whips' meetings but legislative business has been prioritised. I will ask the Chief Whip to address it again.

**Deputy Mattie McGrath:** I welcome the Tánaiste's commitments to a debate on the Smithwick tribunal. À propos of that whole situation, and tribunals and investigations under the Criminal Justice (Terrorist Offences) (Amendment) Bill, the Omagh bomb families have been promised meetings with the Minister for Justice, Equality and Defence and the Taoiseach. Has the Minister or the Taoiseach met them as promised? There are serious issues around that area and independent inquiries.

I also raise the forthcoming EirGrid legislation. In view of yesterday's astounding revelations and appearance before a committee of Mr. John O'Connor, the chairman designate, will the Tánaiste give a commitment to me, to this House and to the public that the EirGrid legislation will deal with the cavalier attitude EirGrid officials have adopted of plundering the countryside, sending out false spin and PR, giving different answers to everybody and failing to engage with the people? Will the Government rein in EirGrid representatives? They need to be reined in. They think it is the wild west out there, and they are getting away with it.

We need this legislation brought forward immediately. We need details and submissions because they see how people got away with blackguarding in banking and all our crises in this country where regulations were not brought forward. They are carrying on in the same vein. They are self-appointed people, carried away with themselves and running amok through the countryside. If the Tánaiste cannot see that, maybe the Government should have a reshuffle sooner rather than later.

**Deputy Paul Kehoe:** We will take the Deputy's leader's allowance.

**Deputy Bernard J. Durkan:** Deputy Mattie McGrath is under pressure. He has been passed over.

**Deputy Mattie McGrath:** No pressure.

**A Deputy:** The Deputy must be next in line to rejoin.

**Deputy Micheál Martin:** The question is who is next in line to defect from the Government side.

**Deputy Mattie McGrath:** They will not be taken.

**An Leas-Cheann Comhairle:** Let us keep to the topic.

**The Tánaiste:** The terrorist offences Bill will be early next year. Recently I met briefly with Mr. Michael Gallagher from the Omagh families. I hope to have a longer meeting with him. The EirGrid Bill will be published next year.

**Deputy Pádraig Mac Lochlainn:** On the very serious reports in this morning's newspapers about overcrowding in the Dóchas women's prison, when will the Fines (Amendment) Bill 2012 come to Committee Stage? This Bill is vital in providing alternatives to prison for people who have not paid fines.

With regard to the report and recommendations of the Oireachtas Joint Committee on Justice, Defence and Equality on penal reform, one of the key recommendations was that prison sentences for non-violent offences should be avoided. If the five recommendations of the report were implemented, we would not be hearing reports about overcrowding in either women's or men's prisons. What is the Government's response on this issue and on the report?

**The Tánaiste:** The Fines (Payment and Recovery) Bill is awaiting Committee Stage.

**Deputy Pádraig Mac Lochlainn:** When will it come before the committee?

**The Tánaiste:** I do not have a date, but it is expected to come before the committee quite soon. In regard to the report on Dóchas, I understand it is intended to deal with the overcrowding issue and we are, therefore, anxious to see the legislation passed. In regard to the committee report-----

**Deputy Pádraig Mac Lochlainn:** The committee produced an excellent all-party report and recommendations. There are five key recommendations on penal reform. What is the Government's response to the report and does it intend to implement the recommendations?

**The Tánaiste:** The recommendations are being considered by the Minister for Justice and Equality and I am sure that when he is in a position to bring proposals to the Government he will do so.

**Deputy Brendan Griffin:** May I begin by congratulating the Tánaiste on a very successful conference in Kerry at the weekend? I thank him and the Labour Party for generating economic activity in my constituency.

**The Tánaiste:** The Deputy would have been very welcome, but the transfer market is getting crowded.

**An Leas-Cheann Comhairle:** Has the Deputy a question on legislation?

**Deputy Brendan Griffin:** The Tánaiste is welcome to make the conference an annual event. My own party might consider coming back to Killarney also.

My query relates to the criminal law (sexual offences) Bill. I call for the Bill to make provision for post-release electronic tagging of sex offenders. The Government should also consider such a measure for other serious criminals, such as organised criminals and those involved in subversive activity. When will this legislation be introduced?

**The Tánaiste:** The proposals for the criminal law (sexual offences) Bill will be brought to the Government shortly. The Bill is expected to be published next year.



## Topical Issue Debate

### Road Projects

**Deputy Michael Creed:** I thank the Office of the Ceann Comhairle for allowing me and my colleague, Deputy Brendan Griffin, raise this matter. The realignment of the N22 is a critical piece of regional infrastructure. The work stretches from the eastern side of Macroom town, at Coolcower, to the western side of Ballyvourney to Sliabh Riabhach, and represents approximately 40 km of realignment involving five roundabouts and 20 bridges. This is a significant piece of infrastructure that will cost €200 million plus. I thank the Minister for his assistance in progressing this project to date. I thank him particularly for dealing with the CPOs that have been issued to landowners and their entitlement to a goodwill payment. As far as I am aware, all of the landowners along the route have, by and large, co-operated fully over a long number of years. As the Minister is aware, the project was delayed for a significant period in the courts, but this was beyond the control of the landowners.

Most towns, like Macroom, have a natural hinterland which drives their economic development. Macroom is hindered by the lack of a bypass. Most of its western residents are pulled towards Killarney and most of its eastern residents are pulled towards Cork City, simply because of heavy traffic congestion in the centre of the town. A number of fatalities have occurred in the town, and in the past week an elderly citizen was knocked down because of congestion. A number of pinch points need to be addressed and will be addressed in the context of the bypass.

We need to make up for the lost years. This project was drip-fed during the so-called boom years of the Celtic tiger during the previous Administration. We have an opportunity now to hitch our wagon to other infrastructural projects locally, particularly the Dunkettle interchange, which has a high ranking with the NRA. We need to catch up and I would like the Minister to assist us in this regard by working with the NRA and directing it to fast-track this project so that both projects can be bundled together.

**Deputy Brendan Griffin:** I thank the Office of the Ceann Comhairle for allowing us raise this issue. I also thank the Minister for attending the House to deal with the debate.

I wish to acknowledge the work of my colleague, Deputy Michael Creed, on this over many years. I have been a public representative for the past four and a half years, but Deputy Creed has been highlighting and working on this issue for many years. I commend him on his continuous work. This is an important matter and we need to see progress. I commend the Minister on his work to date, but we want to see the project kept at the top of the agenda as vital regional infrastructure. From the Kerry perspective this project is hugely important, because the road linking Kerry and Cork is substandard. If we want to attract industry into the county, we have two main arteries connecting Kerry with other parts of the country. One is via Limerick and the other is via Cork. This project concerns the Cork artery. We need to see this road improved if we are to have any hope of attracting investment into the county of Kerry.

The road is also important in the tourism context. As everyone knows, Kerry is hugely important for tourism, but bringing people to Kerry from Cork via the road is currently difficult. Many people have to travel daily from Kerry to Cork to avail of vital health services, for example at the oncology unit in Cork University Hospital. Many cancer patients have to travel to

Cork daily over a period of weeks for treatment. It is a terrible road on which to travel. From a safety point of view, I knew people who lost their lives on it during the years and it needs to be improved. Will the Minister try to ensure its prioritisation through a public private partnership? That would be a way to get the work done as soon as possible. Being realistic, it would be one way of prioritising the project. Is this something the Minister will pursue? I ask him to outline what he sees as being the future timeframe for the road project.

**Minister for Transport, Tourism and Sport (Deputy Leo Varadkar):** I thank both Deputies for giving me the opportunity to address this issue in the House.

As Minister for Transport, Tourism and Sport, I have responsibility for overall policy and funding for the national roads programme. The planning, design and implementation of individual road projects are matters for the National Roads Authority, NRA, under the Roads Acts 1993 to 2007, in conjunction with the local authorities concerned. Within its capital budget, the assessment and prioritisation of individual projects are matters, in the first instance, for the NRA, in accordance with section 19 of the Roads Act, but the NRA does consult me on these matters. The national financial position has meant very large reductions in roads expenditure in recent years. The NRA has a budget of just under €320 million for improvement and maintenance works on national roads this year. A total of €21.28 million has been allocated this year by the NRA for improvement works in County Kerry and €1.35 million for maintenance works. A total of €7.3 million has been allocated to Cork County Council by the NRA for improvement works and €1.7 million for maintenance works.

The reality is that on a national basis the available funds simply do not match the amount of work we want to do. The Government's published capital expenditure framework sets out the extent to which major new road construction projects are being scaled down in the period between now and 2016. For this reason, it is not possible to progress a range of worthwhile projects and the main focus has to be on the maintenance and repair of roads. This will remain the position in the coming years. As a result, no new major Exchequer funded development projects are scheduled to start construction in the short term. Three further public private partnership projects are, however, being progressed. These are the Gort to Tuam dual carriageway motorway, the New Ross bypass and the Gorey to Enniscorthy road.

The N22 project is the Ballyvourney to Macroom improvement scheme which aims to bypass Macroom town and involves the construction of 43 km of new carriageway from the end of the Ballincollig bypass to Ballyvourney. The project was the subject of a judicial review against approval of the scheme, but the legal challenge has been rejected. As a result, notices to treat have been served on affected landowners who, as Deputy Michael Creed mentioned, will be eligible for the goodwill payment as it went to An Bord Pleanála many years ago. I thank him for raising the matter with me some weeks ago. This means that once the land is bought, the project will be shovel ready. The NRA has made an allocation of €400,000 in respect of this project for 2013.

I have had some discussions with the NRA on the matter with a view to pursuing it as a public private partnership. The intention is to go ahead with the Gort to Tuam road project which is first on the list and has already gone to tender and then to deal with the New Ross and Gorey to Enniscorthy projects. As the Macroom to Ballyvourney and Dunkettle projects are the only ones with full planning permission - at that stage the land will be purchased - it is planned to pursue them either separately or as a bundle under a public private partnership scheme.

**Deputy Michael Creed:** I thank the Minister for his response, in particular his acknowledgement that linking the project with the Dunkettle project offers the best opportunity to fast-track it. With regard to the private aspect of public private partnerships, is the Minister confident that there is sufficient interest or signs that there will be at a time when tender documents can be designed for this purpose to enable the project to proceed seamlessly once the land is purchased? As I understand it, not all of the land must be purchased by the time the project may be ready for a public private partnership tender process. I welcome what the Minister stated and urge him to keep the project at the top of his list of priorities. I appreciate what he stated about the Gort to Tuam, New Ross and Enniscorthy projects, but, as I stated, this is critical regional infrastructure. That is not parochialism; rather, it is regional infrastructure in counties Cork and Kerry and which is significant in the south west. I urge the Minister to keep it at the top of his agenda.

**Deputy Brendan Griffin:** It is certainly encouraging to hear about this project in the context of public private partnerships. Realistically, it is the best way of getting the road built as soon as possible. If it could be bundled with the Dunkettle project, that would be the way to move forward. I ask the Minister to keep this on his radar and high on his agenda because, as Deputy Michael Creed pointed out, it is a regional infrastructural project. I outlined the importance of the new road to County Kerry, but the entire region would benefit hugely. I feel sorry for people who must live in Macroom which is a lovely town but which is completely choked with traffic, as we have seen in other places. This is an absolute shame which is holding back the town. A bypass could make a huge difference to the economy of the town and, as I mentioned, the economy of County Kerry also. I ask the Minister to pursue the public private partnership option and examine whether the project could be bundled with the Dunkettle project to have it done as quickly as possible.

**Deputy Leo Varadkar:** I know the road well because I travel to County Kerry a lot because it is a very strong tourism county and part of the Department is located in Killarney. I regularly pass over the bridge in Macroom and have no doubt that the road needs to be built. For the information of Deputies, the cost benefit ratio for the Macroom to Ballyvourney road is +3 and the road to Dunkettle, +5, which, in both cases, is very favourable. Many road projects completed in the past were at +2 or +1. Therefore, the cost benefit ratio is very positive in this regard.

Deputy Michael Creed is correct as all of the land does not have to be purchased before the project goes to tender, but obviously it will have to be purchased before it goes to construction. The only difficulty I have with public private partnerships is as they involve the public and private sectors, it is not as straightforward as the Government tendering for someone to do the job and then giving the tender to the cheapest or best bidder. It involves putting together a set of funders, usually involving banks, pension funds and the European Investment Bank. Each of these funders has its own board and credit committee and each must have its own legal contracts, legal teams and guarantees. The first public private partnership in the transport sector which made it over the line since I became Minister was the one at Newlands Cross and also for the N11 project, which were bundled together. This took two years from the time it was decided to go with them to when we were able to turn the sod. There have been delays on the road project from Gort to Tuam, but I am still confident that it will start in the first quarter of next year. However, I cannot guarantee it.

With the NRA, we are exploring pursuing both projects as public private partnerships. Whether it makes sense to bundle them is another issue. It may or may not, but we will cer-

tainly explore it. I believe it is the best chance of pursuing them. The fact that they have full planning permission, unlike so many other road projects which did not obtain permission, and the fact that the land has been purchased means that they will be way up there after the next couple of projects which must go through. I would not like to make a promise of a time commitment because it is not in my hands and involves other players.

### **Rural Transport Services Provision**

**Deputy Mattie McGrath:** I thank the Ceann Comhairle for allowing me to raise this very important issue. I am delighted the Minister of State is in the House. In the previous response the Minister mentioned strengthening connections in rural Ireland. Ring a Link is a three county project between south Tipperary, Carlow and Kilkenny. It fits the bill neatly for what the Minister is trying to do in reducing the number of rural transport outfits in the country. I agree there are far too many. Thanks to Fr. Gerard O'Connor, Fr. Pat Condon and others who championed the rural transport issue, we have one of the most successful schemes in the country. The Minister visited the headquarters and I am glad that he did. He knows what we have available. He also knows the initiatives we have taken, the line management, the staff, the drivers, the board members and the working group in south Tipperary, Carlow and Kilkenny. I happen to be the chairperson of the working group in south Tipperary. The Minister wants to amalgamate groups around the country, with which I agree, but we have a ready-made template for amalgamation in Carlow, Kilkenny and south Tipperary. Ring a Link has made a bid to have north Tipperary included and it already offers services there, although not many. That is not our fault. We have state-of-the-art booking technology which can trace people to their front doors and which has the capability of communicating GPS messages to bus drivers.

There is a need for the three-county model to be retained, particularly as huge investments have been made in the bus fleet and in drivers and other staff, and because we now have a knowledge about what rural transport involves. We are entitled to a slice of the cake. An attempt was made via the McCarthy report to get rid of our model but we fought it off. However, we are obliged to make cuts of 7% and, despite the difficulties involved, we will deliver these next year. The template we have in place is a model for the remainder of the country. Removing south Tipperary from the equation and obliging it to put in place its own service would give rise to a significant cost because there would be a need to purchase new buses and booking technology, employ new drivers, etc. That would make a nonsense of what it is proposed to do nationally. Let us be honest about it. The Government is seeking amalgamations. We have not amalgamated but we want to extend the service to the entire county. We have no problem in that regard.

The old adage "Where Tipperary leads, Ireland follows," remains appropriate. This is a pilot project but it is ready made for adoption elsewhere. The Minister of State should forget the personality clashes between the two of us and the fact that he serves north Tipperary.

**Deputy Alan Kelly:** There are no personality clashes between us. We get along fine.

**Deputy Mattie McGrath:** The process in respect of this matter should be transparent and open. The Minister of State should consider the proposals Ring a Link has submitted. On Sunday last, Ring a Link celebrated carrying 500,000 passengers since its inception. It caters for some 80,000 passengers each year - on a six-days-per-week basis - and 50% of these are individuals who avail of services in south Tipperary. As already stated, Ring a Link will cope

with the 7% cut. However, why encourage further waste and create additional bureaucracy by establishing a new unit in Tipperary? I passionately believe that what is envisaged is wrong and that it will lead to a lack of services for the public. The proposed new unit will be unwieldy and will oblige us to cover old ground again. We already have a template in place. Representatives from the National Transport Authority were present at our celebration of 500,000 passengers, as was my dear friend the Minister for the Environment, Community and Local Government, Deputy Hogan. The Minister, as ought to be the case, was very polite and nice to all concerned. The Minister of State has seen what Ring a Link is capable of delivering and he may rest assured that it can also deliver for north Tipperary. In fact, he will be delighted when we deliver the whole-county project. When Ring a Link celebrates carrying 1 million passengers in counties Tipperary, Carlow and Kilkenny, I am sure he will also be delighted.

I salute the board members and volunteers across the three counties for championing and delivering this service. When the service was launched a number of years ago, many letters were written to Ring a Link. One came from a passenger who lived in the back end of south Tipperary and who stated that being picked up at her front door and returned there after her trip was like someone opening up the gates of Mountjoy and releasing her. Ring a Link provides an excellent service. Why fix what is not broken? Ring a Link has provided a template for what should happen nationally.

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):** As already stated and as Deputy Mattie McGrath should know, there are never any personality clashes between us. I welcome the opportunity to deal with this matter.

In line with the commitment in the programme for Government, I have been actively working with all stakeholders over the past two years to ensure a viable long-term future for the rural transport programme, RTP. My overall aim has been to embed the RTP into the wider public transport system. As the Deputy stated, the previous Administration tried, by means of the McCarthy report, to close down rural transport. Of course, I completely dismissed that report.

At present, there are rural transport groups covering 36 geographical areas nationwide. In the main, these are managed voluntary management committees, which do a fine job. Each group has identified and met demands for transport in its area which had until then been largely unaddressed, and developed services that are relied upon by the people it serves. The staff and voluntary boards have devised innovative ways of obtaining scarce resources and deploying these in creative solutions in order to provide a much-needed service. However, arising from a value for money report, a number of other matters raised with me and the issue of the viability of a number of rural transport groups, the RTP has been changed in recent months, and I have published a significant report in this regard. We must ensure that in the future we will have a more complete and cost-effective transport service offering in rural areas which will better meet the transport needs of all. To that end, it was decided to assign national responsibility for the RTP to the National Transport Authority, NTA, with effect from 1 April 2012.

The value for money report identified a number of issues in respect of the overall value for money of the programme, the level of administration costs, inconsistencies in fare levels, the cost per service across the country and the lack of data and performance measures, as well as a range of other matters. It recommended organisational restructuring in order to achieve efficiencies and a better alignment of the 35 RTP groups with local authority structures. A process to determine the optimal structure for the delivery of rural transport from an efficiency and service perspective, involving consultation with key stakeholders, culminated in the NTA's report,



Strengthening the Connections in Rural Ireland, which I am sure the Deputy has read. Central to the new national administrative structure is the establishment of 18 transport co-ordination units, TCUs, in place of the existing 35 groups. This represents the most suitable and efficient model because it will provide the appropriate critical mass of population and characteristics to sustain the running costs of each unit. A selection and appraisal process is currently under way in respect of the 18 TCUs. It would not be appropriate for me to comment on that matter. The final closing date for receipt of applications was 30 November. Only existing RTP groups were eligible to apply to become TCUs, which means that much of the experience and local links and knowledge will be retained in the new structure.

The TCUs, with their local knowledge, will be well placed to detail the routes and stopping points for services. They will also be involved in two other rural initiatives, which I am sure the Deputy supports - namely, the community care scheme and the proposed local area hackney licence scheme, in respect of which I have exerted pressure. This will make them the main point of contact for all transport provision in rural areas. For the first time ever, local authorities will have a role in the planning of rural transport services. Each county will be obliged to develop an annual transport plan and this will inform the NTA in assigning the appropriate remit to each TCU. This will create opportunities to develop greater area coverage, as well as integrating rural transport services with the HSE, school and other public transport services.

For the sake of clarity and in order to allay any fears for users of existing rural transport services, I wish to emphasise that services will be maintained at current levels for the foreseeable future, particularly as the TCUs are yet to get up and running; under the new structures there will continue to be flexibility to tailor services to each local area, and door-to-door and on-demand transport services will continue; and the community and voluntary sector will continue to play a central role in the new structures, with much stronger links to local government. This new structure will also encourage greater investment by transport providers in accessible buses and services. As much as possible, longer term contracts will be granted by the NTA to private operators via tendering arrangements that will encourage and reward greater investment in the provision of services with fully accessible buses.

The NTA has put in place formal consultation structures with the rural transport network in order to work through the many aspects of the transition to the new structure. It also invited all the RTP groups to attend an open meeting in Portlaoise on 10 October 2013 so that it might brief them on the application process for the TCUs and address their queries. The NTA will be working with all involved during the coming months to make the transition as smooth as possible. During the transition period, the NTA's priority is to ensure the uninterrupted continuation of existing RTP services. In this regard, its focus is on moving existing services into contracted services with the NTA.

I accept that change is taking place and that some people find change a cause for concern. I assure the Deputy and the many other Members of this House and the Seanad with an interest in rural transport that this is a very positive development. I come from a little village called Portroe and I would not be pushing this policy unless I believed in it. I am of the view that what is involved is absolutely right for the country.

**Deputy Mattie McGrath:** I know where the Minister of State lives. I have not yet had a cup of tea in his house but I believe my brother has done so. I am very friendly with the Minister of State's mother. This is not personal.

The Minister of State is seeking to cut the number of groups from 36 to 18. We have a three-county structure in place and if this were followed across the board, there would only be eight or nine groups. I am not opposed to or frightened of change. The Minister indicated that local authorities will have a role. They have always had such a role. South Tipperary County Council, Carlow County Council and Kilkenny County Council have been supportive of our project. I was a member of my local council in the past. There is a working group which will be meeting on Monday next. Four or five members of South Tipperary County Council will be attendance at that meeting.

I welcome both the community car scheme and the local area hackney licence scheme and I look forward to the rolling out of both. However, what I am saying is that we already have a template in place and that the Minister of State should use it as an example for other areas in which difficulties have arisen. Ring a Link has made a bid for the local TCU, but so has north Tipperary. Why try to change the system and thereby be obliged to establish a new group in County Tipperary, purchase or lease new buses or hackneys, obtain new booking equipment and employ office staff? I acknowledge the efforts of the innovative manager of Ring a Link, Mr. Jackie Mealy, and his staff, most of whom work only on a part-time basis. Why try to re-constitute a system that already exists? I reiterate the old adage "If it ain't broke, don't fix it". The Minister of State wants it to be complete and cost-effective. Such a template is already in place and it also provides value for money. Many of the schemes in place in other counties are run by volunteers who are doing a great job with limited funding.

We have costed every journey made in the Ring a Link scheme. Of the 500,000 trips taken, 50%, or 250,000, were in south Tipperary. We would love, when 1 million trips have been taken, to be able to state that 500,000 of them were taken in north and south Tipperary. We are ready, willing and able to embrace change. The establishment of a three-county project caused great trauma because we were not happy to join with counties Kilkenny and Carlow. We overcame these difficulties, however, through good volunteers and managed to get the scheme up and running. Problems arose with the Department and local bus companies resisted the project, but we withstood their resistance. A template is now in place and I ask the Minister of State to run with it. In hurling parlance, I ask him to shoot into the open goal rather than wide.

**Deputy Alan Kelly:** I compliment the Ring a Link group on the fine job it does. I visited the organisation's office previously. I do not believe I received an invitation to attend last week's celebrations. I will check with my office as I am open to correction in that regard.

**Deputy Mattie McGrath:** I apologise if the Minister of State was not invited.

**Deputy Alan Kelly:** I am aware of the organisation's success and its contribution to the area. It does a fine job and I am sure some of its work will be replicated and used elsewhere. I have no doubt there are other examples of good practice among rural transport programme groups, which will also be replicated. It has been decided, in consultation with the National Transport Authority, to establish a TCU in County Tipperary. Given that the county now has one local authority and vocational education committee and that Deputy Mattie McGrath and I will soon share a constituency, I am surprised the Deputy is concerned about a proposal to join north, mid and west County Tipperary with the south of the county to address its transport needs. This is the appropriate approach.

Ring a Link does a fine job not only in County Tipperary but also in meeting transport needs in counties Carlow and Kilkenny. Extensive services are required across all transport co-

ordination unit. It is not appropriate for me to discuss where TCUs will be provide services or where their offices will be based, as these decisions are part of an ongoing process. In my view, the solution proposed for the county Deputy McGrath and I represent is the optimal one for the county. Many areas of County Tipperary are not covered by rural transport services. Some form of realignment is required across the county to ensure these areas are considered for a service. Under the model the Deputy is advocating, many areas would not have access to services.

**Deputy Mattie McGrath:** That is not true.

**Deputy Alan Kelly:** I do not know how his model would work. From an integration point of view, the transport co-ordination units must work closely with the relevant local authority. I accept the Deputy's point on Ring a Link and its work with local authorities, but that approach is not evident nationwide. The services have been integrated for this reason.

**Deputy Mattie McGrath:** We have a model in place.

**Deputy Alan Kelly:** We must also address community care services and the need for an on-demand and consistent hackney service in rural areas which meets requirements in areas such as insurance, about which I have concerns. A consistent structure is needed and the transport co-ordination units that are in the process of being established will develop such a structure. As the process for integrating the units is in train, it would not be appropriate for me to discuss them in detail. The proposal to have a single TCU for County Tipperary is the best option and, as a Deputy from Tipperary, I would be seriously concerned if Deputy McGrath were to oppose it.

**Deputy Mattie McGrath:** It will set us back six years.

### **Defence Forces Personnel**

**Deputy Willie Penrose:** I thank the Ceann Comhairle for selecting this matter for discussion as it is extremely important for serving members of the Permanent Defence Force. I refer to the upper service limits that have applied since 1 January 1994 and pertain to enlisted personnel of the Permanent Defence Force. I understand the Permanent Defence Force Other Ranks Representative Association, PDFORRA, at its recent conference, called for and initiated a claim for a review of these limits.

With effect from January, the Department of Defence unilaterally introduced new terms and conditions in respect of those enlisted in the Permanent Defence Force. The new measures were intended to address the high age profile and non-activity levels of serving personnel identified in reviews of the Permanent Defence Force in the early 1990s. The main provisions of the new measures were as follows: new entrants were engaged for a five-year period, with a small number - I understand it was between 10% and 15% - being given an opportunity to extend service beyond this term; it was planned that maximum service limits of 12 and 21 years would apply to corporals and sergeants, respectively, with senior non-commissioned officers permitted to remain in service until 50 years of age; new entrants would have higher health and fitness standards and those who wished to remain in service for up to 21 years would be required to meet grade 1 standard, with grade 2 standard necessary thereafter. In accordance with the Gleeson commission recommendation, new entrants would not receive pre-discharge leave, extension of service leave or gratuity payments. PDFORRA opposed the shorter contracts and campaigned vigorously against them in an effort to have the careers on offer to its members extended to up

to 31 years. The higher fitness and medical standards were accepted by PDFORRA, as were the changes to pre-discharge leave, extension of service leave and extension of service gratuity payments.

Negotiations took place on several occasions regarding the contracts for the period after 1 January 1994. Following a ballot of the relevant members, an agreement was reached in 2006, the main provisions of which were as follows: privates and corporals could serve for up to 21 years and sergeants until the age of 50, with senior NCOs able to serve until the age of 65 years; and to reach the service limits, privates, corporals, sergeants and senior non-commissioned officers must have fulfilled the eligibility criteria - in other words, they must have undertaken specific courses, obtained a record of good conduct, obtained recommendations and achieved high fitness and medical standards.

I have recited the terms of the agreement to provide a background. The agreement has been a great success and has resulted in an increase in the effectiveness of personnel to high levels. A recent report confirms that the Permanent Defence Force has the lowest level of sick leave in the public service. In 2012, PDFORRA decided to seek a review of the service limit of 21 years for the ranks of private and corporal. It did so for a number of reasons. The new higher fitness and medical standards have, as I stated, been a complete success and effectiveness levels are very high. PDFORRA expected the Department to put in place measures to support and prepare personnel for discharge from the Permanent Defence Force after 21 years' service. This would involve assistance with the preparation of curricula vitae, interview and job search skills, training, etc. I understand no such support measures were provided. Given the increase in the number of people who are unemployed, it is much more difficult to secure employment.

The Croke Park agreement provides for the standardisation of terms and conditions. Service periods for other categories of public service member have not been limited to 21 years, as is the case for members of the Permanent Defence Force, even where they are able to perform their duties to a high standard. I ask that the Minister undertake a review of this restriction to provide upper service limits for privates and corporals of 50 years of age, as applies to those of sergeant rank, subject to a requirement that they continue to meet the eligibility criteria, including high fitness and medical standards.

The Minister should introduce a number of measures to help those who have entered the Permanent Defence Force since 1 January 1994. These include assistance with CV preparation, interview skills, training and job search, the payment of a service gratuity to those who have been compulsorily discharged and the payment of outstanding claims for a small additional pension gratuity. I understand that during the negotiations on the Haddington Road agreement, PDFORRA sought the introduction of an upward service limit of 50 years of age for privates and corporals as a cost-saving measure for the Government in the defence sector. I am sure the Minister would be pleased to hear any proposals for cost savings.

The additional pension costs arising from the discharge and subsequent replacement of 100 privates and corporals who entered the Permanent Defence Force after 1 January 1994 will be of the order of €1.3 million per annum. If 100 privates and corporals are compulsorily discharged in 2014, 2015, 2016 and 2017, respectively, the cumulative additional pension costs will be in the order of €7.8 million. This is a no-brainer, as it were. At the PDFORRA annual delegate conference in 2013, the Minister confirmed that further discussion would take place on the issue. From a management perspective, the manpower and operational needs of the Defence Forces must be a primary consideration. Surely increasing the upper age limit for service,

as requested, would not detract from the primary consideration outlined by the Minister. On the contrary, I suggest it would tie in neatly with his views on the matter.

**Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe):** I thank the Deputy for raising this matter. I will begin by explaining the background to the upper service limits which apply to personnel who enlisted in the Permanent Defence Force after 1 January 1994. In 1990 the Gleeson commission commented on the unsatisfactory age and fitness profile of the Permanent Defence Force. Thereafter, an in-depth study of the Defence Forces by Price Waterhouse Consultants in 1994, which had been engaged by the efficiency audit group, expressed severe criticism of the age profile of the Defence Forces. Following this review, the efficiency audit group report was accepted by the Government in 1995. The findings of the report reflected the serious concerns the military authorities had held for a number of years about the age profile of the Defence Forces. The present terms of enlistment for general service recruits arose as a result of the issues raised in the report. One of the key areas identified for urgent action by the efficiency audit group was the development of a manpower policy with an emphasis on lowering the age profile of Permanent Defence Force personnel. In an effort to alleviate the situation, the Government had already decided in 1993, in consultation with the representative association, to enlist personnel on a five-year contract basis.

It is important to bear in mind that due to the robust nature of many military operations and their attendant physical training regimes, personnel are exposed to a unique range of challenging environments at home and overseas. Working in the Defence Forces is a demanding career and physical fitness is a basic requirement of military life. Military life places unique physical and psychological demands on individuals and personnel are exposed to a unique range of challenging environments. Personnel need to be physically and mentally prepared to meet the challenges of all military operations and to be in a position to undertake their duties on deployment overseas. In these circumstances it is vital that the age and health profile of personnel be such as to ensure that operational capability and effectiveness are not compromised. As such, in order to maintain the age profile of the Defence Forces to carry out the operational tasks required by Government, it is necessary to have a constant input of recruits into the Defence Forces. The maximum age for enlisted personnel provides the mechanism through which a satisfactory age profile can be achieved.

In 1997, agreement was reached with the Permanent Defence Force Other Ranks Representative Association on a new manpower policy for the Defence Forces. This policy, applying to personnel enlisted after 1 January 1994, provided that service for private soldiers would initially be on a five-year contract basis with a reserve commitment of seven years. This was followed by the option to extend service to a maximum of 12 years, subject to meeting standards of medical and physical fitness and conduct. Longer periods of service were envisaged for non-commissioned officers.

In 2004, the representative association for enlisted personnel submitted a claim under the conciliation and arbitration scheme for a further review of the terms of service applying to personnel enlisting in the Permanent Defence Force after 1 January 1994. A set of criteria was agreed with the representative association to provide longer careers for these personnel, while continuing to address the Government's objective of having an appropriate age profile to meet the challenges of a modern Defence Forces.

The criteria required is that any person re-engaging after 12 years service must be able to continue to operate at his or her current level, both at home and overseas, on an ongoing basis.



Re-engagement is subject to the individual soldier meeting specified criteria in regard to physical fitness, medical category, successful completion of military courses of instruction, service overseas and conduct ratings.

The maximum service period for these personnel is as follows - enlisted personnel, up to and including the rank of corporal and equivalent Naval Service rank, may not serve beyond 21 years; enlisted personnel, in the rank of sergeant and equivalent Naval Service rank, may be permitted to continue in service up to the age of 50 years; and enlisted personnel in all higher ranks may serve to the age of 56 years.

This new policy represented a substantial improvement for personnel who would otherwise have had to leave after 12 years service, while continuing to address the issue of age profile and fitness levels in the Defence Forces.

With the approach of 2015, the first effects of the agreement, whereby privates and corporals may not serve beyond 21 years, will be felt by Permanent Defence Force members in those ranks. A claim has been received from the representative association for a further review of this matter. In accordance with normal procedures, the association's claim is being dealt with under the conciliation and arbitration scheme for members of the Permanent Defence Force. The Deputy will appreciate that as deliberations under the scheme are confidential to the parties involved, it would not be appropriate for me to comment further on the matter at this time other than to emphasise that in dealing with this issue the manpower and operational needs of the Defence Forces must be the primary consideration.

**Deputy Willie Penrose:** I and the representative association accept the point that extending the age limit for service depends upon personnel satisfying the health and fitness criteria. That is a *sine qua non*. Those are exacting standards and everybody accepts that.

In this era of cost-effectiveness and value for money, I will illustrate to the Minister of State how important is the proposal I have made in the following example. A number of privates and corporals who will be compulsorily discharged after 21 years are technicians who have undergone a four-year technician scheme. Typically, such individuals may have completed ten years' service before becoming fully trained in their trade or occupation. I estimate that the four-year training period costs €200,000 and the State may get only a further 11 years' service from them as fully-trained technicians before they are discharged. By extending the period, the State would get another nine or ten years' service from them. It would increase the level of efficiency.

There are a number of issues I want to raise. What will be the cost to the Exchequer in additional pension and gratuity following the compulsory discharge of 1994 entrants after 21 years? I have given the Minister of State an idea of it. What would be the additional cost to the Exchequer to train and replace the general service personnel being compulsorily discharged after 21 years? Those are issues. The Minister of State will not have the answers to them today and I do not expect them, but I raise them in the context of the conciliation and arbitration procedure. Those are matters the Minister's side should be raising. I am making the case for the Minister as well as the personnel concerned. I have close contacts with the Army. I am one of the few who gave up a senior position because I have such a strong belief and association with the personnel in the Army, especially given how important the barracks was to Mullingar.

What will be the additional cost to the Exchequer to train and replace the technician-class

personnel being compulsorily discharged after 21 years? What arrangement is being put in place to deliver on the commitments given in 1994 to train and upskill those personnel being compulsorily discharged? If the personnel being compulsorily discharged after 21 years are legally entitled to redundancy payments, what is the position there? Assuming the personnel who are being compulsorily discharged after 21 years continue to meet health, fitness and efficiency standards laid down for their ranks, why let them go? Does the Minister of State believe that those being compulsorily discharged after 21 years will end up being unemployed and will incur an additional cost to the Exchequer through jobseeker's benefit or whatever?

It is rarely I come in with such a strong case. This case is so strong that the Department should be going before the conciliation and arbitration body hoping that the adjudicator makes the right decision. It would be good for the Army and the Department of Defence and for the personnel involved. It would save money. From sitting around the Cabinet table along with the Minister of State, Deputy Kehoe, for a while, I am aware that such was the key, while still ensuring that we have the necessary personnel with the appropriate standards to meet the demanding obligations that the Minister of State correctly outlined in the reply.

**Deputy Paul Kehoe:** I thank Deputy Penrose for his further questioning. He raised some points and I will ask the Department to come back to him on them.

I understand from where he is coming on the cost-effectiveness issue. I have spoken to the association as well, specifically on this issue. Deputy Penrose feels strongly on the issue, as he does on all facets of the Defence Forces.

I understand from the Department and from the Minister, Deputy Shatter's office, there are talks at an advanced stage. It would be unfair of us to discuss those advanced deliberations here.

**Deputy Willie Penrose:** I accept that.

**Deputy Paul Kehoe:** I assure Deputy Penrose that, in accordance with the procedures of the association and the Department, the matter is being dealt with under the conciliation and arbitration scheme. I would hope that we can find some common ground here that will meet the needs of both Deputy Penrose and the association.

In fairness, the Minister, Deputy Shatter, has listened to the concerns of the associations since his appointment, as I have done. They might not have always agreed on them, but the Minister is committed to the Defence Forces. This is a case to which he will give due consideration.

## **School Curriculum**

**Deputy Simon Harris:** I thank the Minister of State, Deputy Sherlock, for being here.

While I put down the idea of developing a leaving certificate course in ICT and computer skills, it is really to generate a broader debate about what we are doing in the schools in terms of providing students with the skill sets they need for the modern economy and for functioning in a society that is becoming ever more technologically dependent.

No doubt the Government is making considerable progress in terms of job creation oppor-

tunities. The economy is beginning to recover, our competitiveness is improving but we cannot get complacent about the education system. As the economy continues to attract increasing numbers of technology companies in which regard there has been considerable success, and as we all become more technology dependent in our everyday lives, it is important that we keep a close eye on the skills we are developing in the schools where there is a captive audience of young people in buildings ready to learn and in need of such skills. Put simply, we need to look at how we are teaching ICT in the schools. I will give five examples of expert views in this regard.

*2 o'clock*

The first example is the report entitled *A review of Information Communication Technology (ICT) skills demand in Ireland*, carried out by the Joint Committee on Jobs, Enterprise and Innovation. That review states: "In 2011, the former Joint Committee on Jobs, Social Protection and Education identified ... ICT skills demand in Ireland as an important priority issue that required further investigation." The review also states: "In December 2011, Fastrack to Information Technology (FIT) briefed the Committee on a report entitled '*20,000 into employment by 2020*' and the founders of the pioneering movement, CoderDojo, came before the Committee and outlined proposals to enhance how ICT is taught at primary and secondary level including computer programming languages, coding and mobile and web development."

The second example is a report in the *Irish Examiner* that highlighted an ICT skills audit by the non-profit training promotion agency FIT in which it was estimated that there are 4,500 vacancies in Ireland's ICT sector and that these are not being filled because of "the severely limited supply of suitably skilled applicants." The third example is the Government's Expert Group on Future Skills Needs, which found that particular shortages included software developers with experience of web programming, cloud computing, mobile data, games data analytics, customer relations, project management, user support, network security and troubleshooting. The fourth example is a comment from Eamonn Sinnott, the general manager of Intel Ireland, who said that the education system needs to evolve to ensure that we are at the heart of innovation. The fifth example is a statement made by CoderDojo's James Whelton in an interview in the *Sunday Business Post*:

So much of what passes for computer education for kids at the moment is just laughable. ... With all due respect to courses offered like the ECDL [European Computer Driving Licence], it's really just clerical-grade stuff. It has very little to do with computers at all. There is very little in our schools to stimulate real interest and understanding in computer technology.

Those are comments from people at the very forefront of creating jobs and a vibrant economy. As a Minister of State at the Department of Education and Skills and the Department of Jobs, Enterprise and Innovation, Deputy Sherlock will be acutely aware of the need to align the skills being taught to our students in schools with the skills required in the economy that we are trying to create.

I have asked parliamentary questions of the Department of Education and Skills on this issue since my election to the Dáil in 2011 and the feedback I have got from it is that all is rosy. As the Member of this House who most recently attended secondary school, I can tell the Minister of State that all is not well. Programmes such as the ECDL have a part to play - of that there is no doubt, as it teaches people basic skills. People often ask what is the most important

modern language for business, and one might respond that it is French, German or even Chinese. These are all very important, but the most important modern business language in many areas now is programming language. Many parents are flocking to CoderDojo to equip their children with skills. We have a real opportunity to bring our schools in line with the needs of our economy and the wishes of parents and young people. I very much look forward to the Minister of State's response.

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

I thank Deputy Harris for raising this issue. He spoke about certain reports and interventions made by people whom he named within the community. I do not believe there is a view within the Department that all is rosy. As Minister with a particular responsibility for science, technology, engineering and mathematics, STEM, education, I can tell the Deputy that the three Ministers within the Department - Deputies Quinn and Cannon and myself - are very much of the view that the pipeline of skills that are so vital for this economy and society must start through a system of policy interventions. I want to tell the Deputy about some of those interventions. On Monday of this week the public consultation phase of the development of a new digital strategy for schools was launched. The potential for using technology in the classroom is huge and we are utterly aware of that potential, but we have to examine what is the actual benefit we expect from using technology in schools, how we measure progress and how we can further embed ICT seamlessly across all curricula.

The forthcoming reform of the junior cycle will allow for the optional introduction of school-developed short courses of 100 hours' duration. This will provide further opportunities for schools to progress the provision of courses in ICT.

To address the intervention made by James Whelton to which the Deputy referred, a short course on programming and coding, and also in digital media and literacy, will be available to schools for their junior cycle programme from September 2014. The National Council for Curriculum and Assessment, NCCA, is currently consulting on the content of these short courses. We must remember that it is important that the content is relevant. We are inviting submissions on that up to 20 December of this year.

The focus in schools is on using ICT as a tool in learning. This is supported also by a professional development programme for teachers and by investment in ICT infrastructure. Such infrastructure is vital. By the end of 2014 all second-level schools will be connected to a 100 Mbps broadband service at a cost of €40 million. That will feed very much into this agenda as well.

The NCCA has developed a key skills framework at senior cycle in which each skill is broken down into essential elements and learning outcomes. Several of the elements encourage the effective use of ICT for managing and presenting information.

As only 59 seconds remain in this time slot and what I wish to say is not covered in my reply, I want to tell the Deputy about the STEM education advisory group, which comprises academics, industry partners and experts in the field of education, including, for example, a representative from the NCCA. That advisory group was set up by myself and it is chaired independently. It is an independent review group that will examine all aspects of STEM education in Ireland and industrial needs. It is easy for constituent groups to make statements about how this affects their realm, but until we map out the entirety of STEM education provision in the country there is no point in formulating a national policy. Individual initiatives are taking

place that are worthy. NCCA-related initiatives sponsored by the Department of Education and Skills are taking place, but if we are to truly understand the dynamic at play here, it is vital that we ensure we can map the entirety of the activity. That is the reason we brought in people from companies such as Intel who form part of the membership of the STEM education advisory group, and it is through their interventions that we will be able to map out that activity and inform the policy provisions that need to be made thereafter.

We cannot be complacent about this agenda. We are very cognisant of the FIT report and of future skills needs, around which there is no complacency. That is the reason the Department has programmes such as Momentum, which seeks to bridge those gaps. There is a short-term view but, as Minister, I have a tendency towards the long-term view. That is why I had an internal meeting this morning on the area of STEM education provision at primary level. It is at primary level that we have to create the most impact in terms of CPD, the knowledge of teachers and ensuring that all of the stakeholders involved, including industry, are cognisant of the need to ensure there is a throughput and a seamless continuum between primary and post-primary and on to tertiary level. I believe strongly that it is at primary level that we embed a conceptual understanding of STEM education, and that involves ICT provision.

**Deputy Simon Harris:** Of all the responses to Topical Issues that I have received in this House, that is the most comprehensive and encouraging. I thank the Minister of State very much for his commitment to this area and I welcome the launch of the consultation phase on the new digital strategy for schools. The approach he is taking in bringing partners and stakeholders to the table is the correct one. We cannot continue to have our education system operate in isolation from the needs of our economy. We all know it is as though children are born with an iPhone in their hands these days. We know they can teach themselves how to use a computer, but we need to excite them and steer them towards an understanding that this hobby, gift or ability - previous generations did not have the opportunity to utilise technology - can be turned into a career, can help them set up a business or allow them to go on to third level and study something in that field. Instead of having 4,500 vacancies in the ICT sector, we will have a situation in which people are competing to fill those vacancies. This is quite exciting. We are not going back to creating an economy built on building and selling houses to each other. We must build an economy based on using the skills and ingenuity of the Irish people. Young people have a natural skill set they have grown up with. They do not have a fear of engaging with technology and we need to harness it at the earliest possible age. Secondary school is perhaps too late to begin this, it should be done when they are four, five or six years of age in primary school. I thank the Minister of State for his comprehensive response and I look forward to seeing the strategies progress. I look forward to an Irish economy returning to full employment and being built on the technological skills of our young graduates.

**Deputy Sean Sherlock:** I agree with the points made by Deputy Simon Harris. We must ask whether we should teach ICT as a specific course or assist teachers in improving teaching and learning across the curriculum through the use of ICT. There is a distinction to be made. It is a cliché but children are digital natives. There is a gap in some areas of the education system in terms of the dynamic through which kids learn in the classroom and how they embrace technology outside the classroom. My focus is on content knowledge around science, technology, engineering and mathematics, STEM. We must use ICT as a mechanism to deliver a greater conceptual understanding of STEM. That is the challenge for our times. Mr. James Whelton is someone who influences people and is a thought leader in respect of coding and teaching teachers to code. We will implement this in the junior cycle and we will see where we go from



there. There is a mathematics pilot project in the west of Ireland, championed by the Minister of State, Deputy Ciarán Cannon. Through embracing courses and pilot projects, we will see how to translate them across the system to create a long-term beneficial impact.

Curriculum changes in 2003 in the science curriculum have had a major impact on outcomes in 2013 in respect of the Programme for International Student Assessment, PISA, results. It is too early to map Project Maths onto 2013 PISA results but the next set of PISA results will map the effect of Project Maths and will have a positive effect. I agree with the sentiments expressed by the Deputy in respect of Project Maths and that is why we have taken a partnership approach. The Deputy mentioned at the outset that industry players are informing us of the skills shortage in respect of their needs. We are trying to meet it and there is a challenge in the short term but we are also thinking in the long term. This is about sustainable jobs in the ICT sector in the medium to long term.

*Sitting suspended at 2.15 p.m. and resumed at 3.15 p.m.*

### **Finance (No. 2) Bill 2013: Report Stage (Resumed)**

Debate resumed on amendment No. 7.

In page 13, between lines 11 and 12, to insert the following:

“(c) Where a qualifying contractor has not fulfilled the provisions set out in this subsection, the Revenue Commissioners, upon receipt of a claim from a claimant shall inform the contractor of the claim and final stated payment and inform the contractor that they are obliged to fulfil the requirements as stated in this section. Contractors will have 10 working days to dispute the payment claim, at which point the Revenue will process the claim, once legitimate receipts are provided.”.

(Deputy Pearse Doherty)

**Deputy Pearse Doherty:** I had concluded my initial contribution and would like to hear the Minister of State’s reply.

**Minister of State at the Department of Finance (Deputy Brian Hayes):** Before the break Deputy Doherty set out his views in connection with amendment No. 7 and I will respond with the agreement of the House. I do not propose to accept the amendment and there are a number of issues arising from this provision. The relationship between the home owner and contractor is important from the outset. Before engaging a contractor, a home owner must ensure the contractor is tax compliant, and the home owner should ask to see the building contractor’s up to date notification of determination of relevant contracts tax rate, or RCT rate. This must be zero or 20% in order for the contractor to qualify to carry out the work under the incentive. Alternatively, an in-date tax clearance certificate is also acceptable until the Revenue Commissioners’ new on-line system is put in place. If the contractor is not tax compliant, he or she is not eligible to operate under the incentive and any work carried out by the contractor would not qualify.

When a home owner makes a payment to a contractor, he or she is required to provide a receipt or statement showing the amount of payment, and the VAT must also be identified separately. It is important in building a relationship with the contractor that there is a common understanding that in order for the home owner to get relief, a contractor is required to notify

the Revenue Commissioners of the works and payments made by the home owner. When the Revenue Commissioners' electronic system comes online early next year, it will be possible for home owners to track whether the contractor meets his or her obligations in notifying the Revenue Commissioners of works and payments. This means that cases where a home owner would only become aware at the claim stage that a contractor has failed to meet his or her obligation - the point raised by the Deputy before the break - should not arise, as home owners can track exactly where they are in the process under the on-line system.

Any failure by a contractor to meet his or her obligations is an offence subject to a fine of €3,000. Failure to meet the obligations under this incentive would render the contractor in a position where he or she would not be tax compliant, ruling a contractor outside the terms of the incentive. The party in question would not therefore be in a qualifying contractor position. For these reasons I will not be in a position to accept amendment No. 7.

**Deputy Pearse Doherty:** With respect, the Minister of State did not address the amendment. We have gone through this on Committee Stage and we have lost a bit of time so I will not extend the issue. The Minister of State did not deal with the amendment, which concerned the possibility of a contractor not fulfilling the provision in subsection (5), or the requirement on the contractor after payment is made to notify the Revenue Commissioners that payment is made, identifying VAT and so on. The Minister of State spoke at length about the relationship between a contractor and the claimant. Of course that must be the case. I refer to a situation where a contractor has already provided documentation such as a tax clearance certificate and who has already been deemed eligible. Subsection (5) begins at a point where the relationship ends between the contractor and the claimant when the contractor has been paid by the claimant for the work and he is now obligated to inform the Revenue that a payment has been received and to give information on VAT and the work that has been done, including the unique reference number. My concern is in cases where someone fails to fulfil the requirement in that regard even though a tax clearance certificate has been provided and approved by Revenue for the work but where the contractor has failed to provide the information even though they have been paid. On Committee Stage it was clarified that the claimant would still get paid but my concern is the process to be followed in such a situation as all of that is tied in together. A claimant is supposed to make the claim after the contractor informs the Revenue they have been paid and they specify the amount of VAT that has been paid as part of the work and provide the unique number.

The amendment deals with a situation which might be unique but where it would be difficult for the individual concerned if a contractor has not fulfilled subsection (5) and has caused an undue delay on the claimant who should have a tax credit applied to them. That is my major concern. Tax credits become available at a certain time and if a situation drags on one could miss an entire calendar year. It is not clear in the event of a contractor going bust or not fulfilling subsection (5) for whatever reason how the claimant's case will be processed. The amendment I propose would ensure the claim would be processed within ten days in such cases. All the penalties that exist for non-compliance within the legislation could be imposed on the contractor but my concern is for the claimant. The contractor would have had to provide receipts to the claimant for the payment made and it should be possible for the claimant's case to be processed within ten working days.

**Deputy Brian Hayes:** I am aware of the point the Deputy makes, although I was not present for it on Committee Stage.

**Deputy Pearse Doherty:** My apologies, it was the Minister, Deputy Noonan.

**Deputy Brian Hayes:** That is okay. From what I understand we are talking about the contractor who initiates the procedure. He registers on the revenue online system and when it gets to the requirements under subsection (5) the final bit of the jigsaw is not put in place and therefore the home owner cannot benefit from the work. We must have some control. I accept that Deputy Doherty's point is an unusual one. While it is possible that it would happen, one could ask why a contractor would not do what is required on the basis that he wants other work. During the break I was thinking about the issue. We previously discussed the disability grant of which many of us are aware from our work in local authorities, whereby in order to qualify one had to get a number of compliant contractors who would have the certification in place and equally would be prepared to pitch for the business. The same standard will apply in this case. What would be the point in a contractor having set up the process and in effect having done the work, or being in the process of doing it, not to fulfil the final step? Deputy Doherty made the point that he could go out of business or skip the country. In that scenario I suppose the householder would lose out but there are significant penalties for such behaviour. We must have a properly controlled system with a beginning, middle and end where the work done is vouched. Because the online system will be in place both the householder and the contractor can see the progress that is made. Deputy Doherty raises a minority issue and while I concede that it could potentially happen I cannot understand why a contractor who wants other business under the scheme would do that if he wants to be able to say to friends, relations, family and neighbours that he is compliant and point to the work he did for Mrs. Murphy or Mr. Murphy and for people to be able to ask them how he has done.

An enormous number of inquiries have been made to the Department and to Revenue since the Minister for Finance, Deputy Noonan, first made the announcement in the budget. People are already engaged in the process. There is considerable interest in getting started on the scheme. I do not wish to use this as a default position but if the issue arises over the next two years we can examine it again. However, we do not anticipate it being a problem.

**Deputy Pearse Doherty:** I never claimed that it would happen in the majority of cases.

**Deputy Brian Hayes:** I know.

**Deputy Pearse Doherty:** However, it could happen. A contractor who wants additional work under the scheme would comply with it. I am not sure about the latest figures for payment of the local property tax but there is always a certain percentage of people who even though they intend to do something do not do so on time. We got clarification that a claim will not be ineligible even when a contractor does not fulfil the criteria of ten working days. The Minister of State referred to a process but no process is laid down in legislation on how a claim can be processed in an appropriate time without a contractor providing the necessary information as set out in subsection (5). There are various reasons why a contractor might not provide the information. He could, for example, go bust or be sick for a period. Given human nature there could be many reasons. The purpose of the amendment is to ensure that the person who is entitled to the tax credit would not be denied it because they would already have a number of steps fulfilled. They would have employed a contractor who was tax compliant. Revenue would have approved the works, deemed the property suitable and given a unique identification number and the individual would have provided receipts. On that basis, in the event that a contractor did not follow through the claimant would still be able to have the claim processed in a transparent way within ten working days.

**Deputy Brian Hayes:** Could I help?

**An Leas-Cheann Comhairle:** The Minister of State can speak briefly. He is not supposed to have another opportunity.

**Deputy Brian Hayes:** I have a note that I did not read earlier which might be useful. *Mea culpa*. It might help to put the issue in context. It might be the case that a very unusual situation could arise to which the Deputy referred, in which a contractor complies with the terms of the scheme but due to *force majeure* the final electronic confirmation cannot be made. I am sure that in such highly unusual situations the Revenue Commissioners could deal with the matter under their care and management powers. Even in such circumstances as the Deputy outlined, it is the position of the Department that the householder will not lose out in terms of the credit being granted to them in circumstances whereby for some unforeseen reason on the part of the contractor the final stage of the process was not in place. That is a verbal commitment rather than a legal commitment, which Deputy Doherty sought in his amendment specifying ten working days. However, that is our view and I hope that will be of some assistance.

Amendment put and declared lost.

**An Leas-Cheann Comhairle:** Amendments Nos. 8 to 11, inclusive, form a composite proposal and they may be discussed together.

**Deputy Richard Boyd Barrett:** I move amendment No. 8:

In page 16, line 35, to delete “continuously”.

Again, we discussed the matter fairly extensively on Committee Stage. It is hopefully a point of agreement between all of us that we need to do something about long-term unemployment and that we must take measures that avoid people falling into long-term unemployment or help them to get out of long-term unemployment and back into work. The tax relief proposed for unemployed people who start a new business is a reasonable proposal.

However, I have a difficulty with the requirement that somebody be unemployed for 12 months before he or she can avail of the relief. There is a big problem not just with this relief but also with a number of schemes targeted at the long-term unemployed. There is a requirement that one must be unemployed for a certain period in order to avail of benefits. The alternative would be to allow people to join schemes immediately on losing their jobs so as to prevent them from becoming unemployed for protracted periods. As we all know and as I suspect the Minister of State would acknowledge, the longer one is employed, the more difficult it is to get back to work. It creates anomalies and causes frustration for people. They identify a certain scheme such as the back-to-education scheme which might help them to further their careers or return to work only to be told they cannot join until they have been out of work for one year. Is that not pretty stupid? Since the State has to pay for somebody who is unemployed, why should it not give relief immediately to somebody who wants to do something? Thus, there would be a chance that one would not have to become dependent on social welfare. The Minister of State might say in response that the State must take specific measures to help those who are out of work for longer periods. I agree and believe special assistance and various measures are needed in this regard, but I do not believe the Government’s approach is the way to achieve this.

In response to Deputy Pearse Doherty the Minister of State made a point on singling out particular groups, in this case the disabled. He has said the tax code does not work in the way

described and that it should be more general. He has also said it cannot be discriminatory in the way described, yet that is precisely the nature of the relief under discussion. It involves the tax code discriminating by stipulating somebody unemployed for more than 12 months can avail of a relief to enable him or her to return to work while, somebody unemployed for six months cannot do so. The latter must remain another six months in unemployment before being able to benefit. That does not make sense. The Minister of State must think of other ways to address the specific problem faced by those who become long-term unemployed through no fault of their own. In so far as the Government is providing a tax incentive designed to prevent people from falling into unemployment or to get them back to work, it should make the relief available to anybody who is unemployed. As soon as a person loses his or her job, he or she should be able to avail of a range of schemes to help him or her to return to work rather than having to wait 12 months to get support.

**Deputy Michael McGrath:** Deputy Richard Boyd Barrett raised an important issue. In the Bill, as published, the period specified was 15 months. I tabled an amendment suggesting a period of 12 months and this was accepted by the Minister. This is moving in the right direction. The logic seems to be to align the relevant period with the qualifying period for those on jobseeker's benefit who are accessing other forms of social welfare support. This is true in the case of the back-to-work enterprise allowance scheme, in respect of which the period is 12 months. The period for the back-to-education scheme is now nine months in certain cases for a third level course. We have all met people in our constituency offices who are unemployed but chomping at the bit to return to third level education or start up a new business. They are told they are not on the dole for long enough to qualify. This is a general issue across a number of schemes and it needs to be addressed.

The incentive under discussion is very modest. I said on budget day that the last thing somebody unemployed for 12 months worried about was paying income tax on the profits of a business he or she had not yet set up. One is exempt from income tax on the first €40,000 of profit in years one and two - this is great and I hope those eligible will have enough profit to avail of the relief - but the reality for most people starting a business involves their hanging in the first year or two. I am not sure how beneficial the relief will be in practice, but the qualifying period of 12 months is one we need to examine. It must also be examined in respect of other schemes. We must incentivise people as soon as they receive jobseeker's benefit. Where they are relying on basic State support, the incentive should kick in as quickly as possible to get them into education, self-employment or mainstream employment.

**Deputy Pearse Doherty:** The objective of the amendment is worthy of support. I can understand that there needs to be some timeframe to prevent people from becoming unemployed in order to avail of this relief. The period may not need to be as long as that about which Deputy Michael McGrath has spoken. It is not €40,000 one is getting; one is exempt only in terms of tax and a portion of the income would be exempt in any case. I hope the measure will allow a number of people who have been self-employed, particularly in the construction sector, to put their tool belts back on and go back working with an upturn in the sector. The problem is that some of those who have been self-employed in the sector may be getting a little work here and there, or may have a week on and a week off; unfortunately, that is the way the construction sector has been in recent years. The period of 12 months' continuous unemployment would mean that they would not be able to avail of the opportunity to set up their own businesses again. A real issue arises that could be examined.

While it might be right and proper in a normal environment to have every measure aligned



with the back-to-work enterprise allowance and other measures in the social protection area, we must understand we are in unique circumstances in the State because so many people are unemployed, including a large number in one sector. In excess of 80,000 people are unemployed in the construction sector. I realise the amendment does not concern the construction sector alone, but we need additional measures to try to address the issue. Trying to co-ordinate measures with existing measures without having a massive impact on getting people back into self-employment is not ambitious enough. Anybody I know who is unemployed wants to find a decent job. People thinking about starting their own business think about all of the risks associated with it. Any encouragement we can give them to become the entrepreneurs of the future is welcome.

Each unemployed person represents a cost to the State in the region of €20,000 per annum if secondary benefits are taken into account. When one notes the modest tax revenue, amounting to a couple of thousand euro, that would be forgone as a consequence of the relief and compares it with the €10,000 cost the State would incur in primary and secondary benefits for an individual unemployed for a period of only six months, one realises the reconsideration of the 12 month period, as advocated in the amendment, is justifiable, at least until we actually determine whether this measure can entice enough people to take the risk or leap of faith required to start their own business and become self-employed.

**Deputy Brian Hayes:** I am aware of a good discussion that occurred on Committee Stage on this issue. With regard to a suggestion made by Deputy Michael McGrath, the Minister has already reduced the period associated with the scheme from 15 months to 12. This tapering was pretty much in line with the range of supports available on the social protection side. We could not have a situation whereby the minimum period for eligibility would be less than the 12 month term which applies for schemes such as the back-to-education allowance. That would create a situation where individuals could claim a tax relief but also could lose their social welfare benefits. In tapering the scheme to the 12-month period, we are effectively bringing this measure into tally with existing supports on the social protection side.

We all accept there must be some minimum period for eligibility. Otherwise we could have a situation in which people in sustainable work situations who have business lined up or a plan to set up their own business become unemployed for a period of one day and thus become eligible, over the next two years, for the full relief. That is in nobody's interest. The Minister has been very fair in acknowledging that this is a modest scheme that is aimed at people who have been unemployed for at least 12 months. It offers targeted support for such individuals in terms of establishing their own business.

Deputy Doherty referred to job losses in the construction sector. I have consistently highlighted the fact that 60% of the people who lost their jobs in the crash were attached to the construction industry, either directly or indirectly through the materials and plant business which supported it. Already in the past 12 months we have seen an increase of some 11% in the numbers employed in construction. The scheme we are discussing could well provide the type of support that is necessary to get people back on their feet and potentially begin to take on employees. That is all to the good. The home renovation incentive, which we have also discussed, is effectively our contribution in the budget to helping the construction industry get back on its feet. The scheme we are discussing in these provisions has a larger application than just the construction industry. In fact, it is a scheme that applies right across the economy.

There must, as I said, be a minimum eligibility period, but we have reduced it from 15

months to 12. There is a variety of international views as to what constitutes long-term unemployment. The OECD has one view and the European Commission has another. In tapering the scheme for a 12-month period, we are allying it to the protections available under existing social protection schemes. The objective is to encourage people who are unemployed for at least a year to seek to get going again by allowing them to write off any profits they might make. It is a big ask and I do not pretend it will be some type of panacea. I have made no predictions of largesse in that regard. We have tapered the scheme to the next two years and to people who are out of work for 12 months or more, and we hope to see a good take-up.

To clarify, individuals who have been unemployed for a period of 12 months or more will be eligible to claim this relief. Qualifying applicants will include those in receipt of jobseeker's allowance, jobseeker's benefit or one-parent family payment and individuals in receipt of partial capacity payments. Where persons who would otherwise qualify attend a training course akin to a FÁS course, the period of training will also count towards their period of unemployment and thus towards their eligibility for the text credit to apply should they establish their own business and make a profit over that period of time.

In conclusion, I am not in a position to accept the four amendments put forward by Deputy Boyd Barrett precisely because, as I have outlined, we must have a minimum period for eligibility. We have opted for 12 months as the most logical choice, given the corresponding condition applying to existing social protection schemes.

**Deputy Richard Boyd Barrett:** We have had an interesting debate and it has given me much to think about as we moved through the different Stages of the Bill. However, the more often I hear the Minister of State's case on this particular issue, the less I agree with it. His main argument against my proposals is the very implausible suggestion that a person might give up his or her job in order, the next day, to avail of a scheme which, as the Minister of State rightly pointed out, is fairly marginal in its likely impact.

**Deputy Brian Hayes:** The word I used was "modest".

**Deputy Richard Boyd Barrett:** Okay; we will call it very modest. In fairness, the Minister, Deputy Noonan, was very frank in his acknowledgment at the committee that several of the initiatives he has brought forward are experiments which may or may not work. That is an honest approach. Given the scale of the crisis we face, we have no choice but to thrash out different ideas and schemes and give them our best shot. It is in this spirit that I put it to the Minister of State that what he just said does not stack up. I cannot envisage a scenario in which somebody would give up a job in order to avail of this scheme. It is simply not plausible.

The issue is one of deciding to whom this modest scheme should be available. Just as it is wrong in the case of other schemes administered by the Department of Social Protection, including the back-to-education allowance, it is wrong in this instance to stipulate that applicants must be unemployed for 12 months before they can avail of it. That does not make sense. I cannot count the number of times people have come into my clinic lamenting this bizarre requirement and saying how much they want to get back to work. The last thing they want is to slide into a situation in which unemployment becomes a self-fulfilling prophecy and they become depressed and less motivated to return to work. When people lose their job, their first instinct is to get back into the workforce immediately. I agree with the Minister of State in so far as he is arguing that this scheme should be aligned with other social protection measures, but my argument is that the latter must also be changed. We should not have a time lag for eligibility of

12 months in any instance. Instead, we must try to get people back to work as soon as possible.

**Deputy Brian Hayes:** The reality is that there is no money about the place. As the Minister has consistently pointed out, where there is no money, one must be experimental and creative in seeking to construct a tax system that encourages the type of entrepreneurship we need. One of the great benefits of the current system is that even though many people lost a great deal of money and a lot of people had to lay off employees, they still know what it is like to earn money and to make a profit. We did not have that in the 1980s. In the current situation, even though so many people have lost so much, they know how to make money. We must foster that type of entrepreneurship - that quiet, determined, enterprising culture - through the tax code.

It is wrong to say that the Government has not done anything in this area. Last year, for instance, we brought forward the JobsPlus scheme, which is a deliberate intervention to help people who are long-term unemployed. The home renovation incentive, as I have stated, is a specific targeted approach on the construction side. Under the scheme we are discussing here, we are encouraging people to get going again where they have a business idea and the potential to make that idea work in terms of the profits they might make or the people they might employ. Slowly but surely, we are putting schemes in place that will make a difference.

The good news is that as the numbers out of work decline, as is already happening, the number of long-term unemployed will also decrease. The most recent statistic points to a reduction in that cohort from 8.5% to 7.5%. It is a reduction of only one percentage point but it represents important progress. The definition of long-term unemployed deployed by the Department of Social Protection is that persons so categorised have been out of work for one year or more. We are allaying that definition with the tax position we are proposing here. We will have to see how it goes. I absolutely concede that it is an experimental measure. I hope as a result of this experiment that people will take up the opportunity offered by this relief. Many of them who have lost much do know how to make money.

**Deputy Richard Boyd Barrett:** The Minister took the opportunity to trumpet the Government's successes and initiatives.

**Deputy Brian Hayes:** No, I am just being factual.

**Deputy Richard Boyd Barrett:** We will agree to disagree on the there-is-no-money argument and agree to use a different language when it comes to profit and entrepreneurship. I accept people want to get back to work and it is largely through no fault of their own that they do not have jobs. If the Minister of State wants to blame Fianna Fáil for that, then that is fine by me too.

When someone loses their job, are we telling them they have to wait 12 months for us to give them a hand getting back to work? I believe we should not. I am proposing that there should be no time gap through this amendment. While I accept this would need to be aligned with the Department of Social Protection, we can start it here with the Finance (No. 2) Bill. I accept there are issues with those who end up long-term unemployed but this should be addressed separately. We need to give those with energy and enthusiasm, those who are used to earning a living, the opportunity to get back into work instead of telling them they have to wait six or eight months to be eligible for this relief.

A clenching point in accepting my amendment is that it would not cost the Government anything. In fact, it costs the Government to keep people on social welfare. If someone wants

to get back to work, then the tax break under this scheme will not cost the Government anything in the end.

The amendment is the correct approach and the Minister of State should concede as he has no arguments for not accepting it.

Question put: “That the words proposed to be deleted stand.”

<i>The Dáil divided: Tá, 75; Níl, 46.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Burton, Joan.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Niall.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Cannon, Ciarán.</i>	<i>Cowen, Barry.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Coffey, Paudie.</i>	<i>Daly, Clare.</i>
<i>Collins, Áine.</i>	<i>Doherty, Pearse.</i>
<i>Conaghan, Michael.</i>	<i>Dooley, Timmy.</i>
<i>Conlan, Seán.</i>	<i>Ellis, Dessie.</i>
<i>Connaughton, Paul J..</i>	<i>Ferris, Martin.</i>
<i>Conway, Ciara.</i>	<i>Flanagan, Luke ‘Ming’.</i>
<i>Coonan, Noel.</i>	<i>Fleming, Sean.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Fleming, Tom.</i>
<i>Coveney, Simon.</i>	<i>Grealish, Noel.</i>
<i>Creed, Michael.</i>	<i>Halligan, John.</i>
<i>Daly, Jim.</i>	<i>Healy, Seamus.</i>
<i>Deenihan, Jimmy.</i>	<i>Healy-Rae, Michael.</i>
<i>Doherty, Regina.</i>	<i>Keaveney, Colm.</i>
<i>Dowds, Robert.</i>	<i>Kelleher, Billy.</i>
<i>Doyle, Andrew.</i>	<i>Kirk, Seamus.</i>
<i>Durkan, Bernard J..</i>	<i>Kitt, Michael P..</i>
<i>English, Damien.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Farrell, Alan.</i>	<i>Martin, Micheál.</i>
<i>Feighan, Frank.</i>	<i>Mathews, Peter.</i>
<i>Ferris, Anne.</i>	<i>McDonald, Mary Lou.</i>
<i>Fitzgerald, Frances.</i>	<i>McGrath, Finian.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Mattie.</i>
<i>Flanagan, Charles.</i>	<i>McGrath, Michael.</i>
<i>Gilmore, Eamon.</i>	<i>McLellan, Sandra.</i>
<i>Griffin, Brendan.</i>	<i>Naughten, Denis.</i>
<i>Hannigan, Dominic.</i>	<i>Nulty, Patrick.</i>

<i>Harrington, Noel.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Harris, Simon.</i>	<i>Ó Cuív, Éamon.</i>
<i>Hayes, Brian.</i>	<i>Ó Fearghail, Seán.</i>
<i>Heydon, Martin.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Hogan, Phil.</i>	<i>O'Dea, Willie.</i>
<i>Humphreys, Heather.</i>	<i>O'Sullivan, Maureen.</i>
<i>Humphreys, Kevin.</i>	<i>Pringle, Thomas.</i>
<i>Keating, Derek.</i>	<i>Ross, Shane.</i>
<i>Kehoe, Paul.</i>	<i>Shortall, Róisín.</i>
<i>Kelly, Alan.</i>	<i>Stanley, Brian.</i>
<i>Kenny, Seán.</i>	<i>Tóibín, Peadar.</i>
<i>Kyne, Seán.</i>	<i>Wallace, Mick.</i>
<i>Lawlor, Anthony.</i>	
<i>Lynch, Ciarán.</i>	
<i>Lyons, John.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Penrose, Willie.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	



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

Question declared carried.

Amendment declared lost.

*4 o'clock*

Amendments Nos. 9 to 11, inclusive, not moved.

**An Ceann Comhairle:** As amendments Nos. 13 and 14 are alternatives to amendment No. 12, they may all be discussed together.

**Deputy Maureen O'Sullivan:** I move amendment No. 12:

In page 18, to delete lines 23 to 38, to delete pages 19 and 20, and in page 21, to delete lines 1 to 17.

I know there has been a change to this section, but I want to make some general points on the one family tax credit and the way in which it facilitated the collaborative approach of parents who had separated but had shared responsibility for their children. When this measure appeared in the budget, it was seen as a retrograde step. We saw the number of emails from separated fathers and organisations such as One Family. It was very distressing and disturbing for those fathers who took responsibility for their children while not living in the same house. There is an issue about how parents are designated. We have to get away from the designation of primary carer and look more completely at shared responsibility.

The one family tax credit was abused by some people who availed of it without contributing, but it is disappointing that all separated fathers were tarred with the one brush. This measure caused them a lot of distress when it appeared in the budget. I am not too sure that the Government's amended section goes far enough because it provides that the second parent will receive the tax credit if the couple is not co-operating, but there must be a period of 100 days involved. This does not sound like shared responsibility. Some of the suggestions by those people working with separated fathers could have been taken into account.

**Deputy Thomas P. Broughan:** I strongly support Deputy Maureen O'Sullivan's comments. I recognise that the Government has perhaps come a small way towards meeting the grave concerns brought to our attention. Like myself, the Ceann Comhairle has probably received many representations on this issue and the retrograde and disproportionate changes the Minister has introduced in this section. It is felt that this is directed against fathers in particular. Recent Trinity College Dublin research shows that in 97% of separated families the courts deem the child's mother to be the primary carer. In that context, and in the context of having very good relationships between both parents as the child is growing, this is a retrograde move by the Government.

Many of my correspondents have noted that secondary carers do not get the majority of the ancillary benefits associated with caring for children, such as child benefit and medical cards.

The number of people affected by this is significant, as the Minister knows. Notwithstanding the slight amendment that was brought in on Committee Stage, at which I unfortunately was unable to be present, for the amount of money the Minister hopes to save, the overall impact is detrimental. Therefore, I urge the Minister of State to consider withdrawing his proposal through our amendment.

**Deputy Pearse Doherty:** We had a lengthy discussion about this amendment on Committee Stage, and this entire section which this amendment deletes. I brought forward other amendments which were more nuanced. I understand the Minister of State's arguments regarding the Commission on Taxation. When we rely on the Commission on Taxation it is important we recognise the very good job it did of trawling through all the different taxation measures. However, it was limited in its scope. There was insufficient engagement with civic society. When the Commission on Taxation recommended that the one-parent tax credit should be given to only one carer there was no consultation with the families or the organisations that represent them. Economists examined the figures and based the recommendation on those assessments.

The SIPTU representative in the Commission on Taxation refused to endorse the commission's viewpoint because it struck the wrong balance. This is a good example of where one can strike the wrong balance. On a fairness level, for two parents to receive a tax credit for one child does not seem to make sense. Cohabiting married couples do not receive the tax credit, so that definitely makes no sense. However, we need to dig deeper and examine how it was introduced, how it has evolved and the impact of removing it. We must judge that impact today. For more than 15,000 carers, primarily fathers, the impact would be a loss of over €220 per month. They will pay €220 per month more tax on the implementation of this measure, approximately €2,500 per year. We must examine the impact that will have on the individual and the child he or she supports.

This is about deleting the section because there are certain things one can and cannot do. I had an amendment down that we examine this as a commencement order. Earlier I discussed the home renovation incentive scheme, which has passed Report Stage. It replaces the environmental incentive introduced in 2009 under the Finance Act 2010. It was subject to a commencement order, which was never given because issues surrounded it. That has happened time and again. We have the issue of the charities scandal. Four years on we still do not have the charities regulator because it is subject to a commencement order. This area should be subject to a commencement order. While it is not a huge group of people, some people will be affected by this.

On Committee Stage the Minister said the principle he wants to see here is one payment to one individual, but he is open to examining the structure of that. It is very clear from Report Stage that, from what I can see in the amendments, the Opposition benches have not provided solutions to the challenge the Minister put to us. There is a reason for that. We left Committee Stage of the Finance Bill on Wednesday night and had to have our Report Stage amendments in by 11 a.m. the following day. It was impossible to rise to the challenge the Minister set us.

There is a need for engagement with the sector and to explore the openness suggested by the Minister on Committee Stage. The State will not save a huge amount of money on this in the context of the Finance Bill but it could put significant pressure on individuals. Deputy Broughan mentioned the Government amendment, which will address and satisfy a number of individuals. I can only guess that the number of people who will be able to avail of this amendment will be limited. While the amendment will go to address some of the damage this

section will cause these secondary carers, it is unfair. The Minister has accepted the principle in legislation that secondary carers can be supported through tax credits in the Finance Bill if they care for their children in excess of 100 days and if the primary carers have no tax liability.

In the tax code the two carers are not assessed based on joint incomes. They are two individual units. Now we are saying the secondary carer is entitled to a tax credit if he or she satisfies two conditions, one that he or she cares for the children for more than 100 days and the other that the primary carer does not avail of the tax credit. The term “secondary carer” is a horrible term because any father is a carer. Other carers who provide care for their children in excess of 100 days, and it could be 150 days, will not receive the tax credit because an individual who is unrelated to them from a tax point of view, is working and has a tax liability. It is discriminatory on that basis.

While I do not object to that amendment because it will benefit a number of people, for the amount of money the State will save there may be a better way of doing it. There have been concerns from the Opposition benches on how this tax credit was used in the past. No voice within this Chamber will argue that we should keep the tax benefit as it is. Equally, a sizeable number of voices in government as well as opposition are concerned that ending the tax credit in its entirety for the second carers, even with the exemption in cases where the primary carer has no income and the secondary carer cares in excess of 100 days, does not go far enough.

A commencement order would be the right way to do it. Let us have some contact with the groups. Let us explore the challenge the Minister has put to us. Can we examine ways of shaping and strengthening this? Later, I will deal with amendments to the Betting (Amendment) Bill. This Bill was to bring in €20 million, and three years later we are still awaiting it. That was not going to affect any individual to the extent that this will affect people. These individuals will be down by €215 per month. We need to take a step back and look at this again. If there is an unwillingness to amend this in the Seanad, in terms of a commencement order, there is no other option for us but to object to the entire section.

**Deputy Richard Boyd Barrett:** We have had some discussion on this. The initial proposal was an absolutely wrong and disproportionate hit at single parents, mainly single fathers, who do not live full-time with their children, but who play a considerable role in looking after them and who take responsibility for them. As I pointed out to the Minister, the proposal was indicative of a conservative perspective on the family that fails to recognise families have changed. The modern family is not the sort of nuclear family of the de Valera period, which involved two parents living together with their children. We have different types of families now and this must be recognised.

Deputy O’Sullivan was right to challenge in committee the language used, which used the terms “primary” and “secondary”. I should have done the same. I have been thinking about these terms and have realised these terms refer to my situation. I am a so-called “secondary” carer as I am a father who does not live full-time with his children, but who plays a full part in my children’s lives. I do so to the greatest possible extent, financially, personally and every other way and I get on very well with their mother, my ex-partner. The language used in the legislation is problematic in that it creates a hierarchy in a situation where two parents happen to be separated and one of the parents has the children living with him or her full-time while the other does not.

The number of days proposed in the legislation - 100 days - requiring the carer to have the

child living with him full-time could be problematic. I mentioned the issue of parents who are out of the country, but I suppose those parents who are out of the country might not get the tax relief. More realistically, what about where a parent is required to live and work in a different part of the country? That parent could be on the phone to his children every day and could be having them stay with him every weekend that is possible, but because of school and work commitments and so on, there could be long periods of time when that parent does not see his children. This does not mean he is not playing a huge role in their lives or not paying maintenance etc. The legislation fails to recognise the human reality of many modern families.

I accept the Government has acknowledged some of the anomalies in the proposals and has tried to address them, but the legislation still does not go far enough. For example, the requirement for the secondary claimant to have the children resident with him for 100 days is problematic. There will be cases where fathers or parents who play a big role in their children's lives - not a secondary role, but who do not live with the children - will be hit unfairly by what is being proposed. My amendment tries to nuance this slightly by reducing the requirement to 50 days, although I do not think this is satisfactory. I also suggest that the proposal should not hit parents where the parent manifestly plays a substantial role in the care and financial maintenance of the child.

My proposal is not perfect because, as Deputy Doherty said, we were told of the deadline for amendments, the day before the deadline. I accept that although the deadline was 11 a.m., we were allowed to submit them somewhat later, but we had a very short time to work out a complicated problem. There is recognition by those who represent single parents that there are problems with the current situation. We need to work on that, but what the Government is doing is unfair. It is neither right nor satisfactory. We were put in a position where we had no choice but to lash in whatever amendments we could at the last minute to meet the deadlines. This is not a satisfactory way to deal with the serious issue confronting families.

We must remember that at the heart of these families are children and that it is these children who will be hit as a result of this. Much of the cost will fall back on the State, in so far as maintenance payments may be reduced. This will impact on social welfare payments, rent allowance payments and various other areas. The proposal has not been thought out fully and must be re-examined.

**Deputy Michael McGrath:** The income of no other group of people has been affected to such a proportion by this budget as will be the income of this group of single parents by section 7. Many single parents, primarily single fathers, will be hit for €2,500 a year, between the loss of the credit and the reduction of the lower rate band. This will apply to people even on modest incomes. People on the average wage of approximately €37,000 a year could lose €2,500. Nobody else has been affected to that extent by the budget.

I concur with Deputy Boyd Barrett that ultimately it is the children who will pay the price for this change. This will mean fewer maintenance payments will be made by fathers, because they will be out of pocket to the tune of approximately €50 a week due to this change. I acknowledge that the current provision regarding this tax credit is anomalous. Deputy O'Sullivan acknowledged earlier that even fathers who play no active role whatsoever in the upbringing of their children can benefit from the credit. None of us would stand over that.

On the substantive issue, amendment No. 14 in my name differs from the proposal brought forward by the Minister, Deputy Noonan, on Committee Stage. He provides that if one parent

does not use the credit, that parent can relinquish that credit and provide it to the other parent in a manner prescribed by the Revenue. However, this does not provide for the splitting of the credit, which is the proposal I wish to make. I suggest that if one parent can use €1,000 of the €1,650 credit, the balance could be transferred to the other parent. The Minister's proposal in subsection (4) on page 20 provides that only one person can benefit from the credit. Will the Minister of State consider making a change so that if the primary claimant only uses a portion of the credit, the unused portion can be used by the secondary claimant? Doing this will still result in only one credit being used, but it will be shared in certain circumstances. This proposal will only benefit a portion of the people who will be affected by this section, but it would help some.

The Government has gone a bit of the way in this section following Committee Stage, but acceptance of my amendment would help more people and I ask the Minister of State to consider it.

**Deputy Róisín Shortall:** I strongly support this amendment because I believe what is being proposed in the legislation is completely unfair and very much targets one section of society, lone parents, and single fathers in particular. These people will lose over €200 per month. If the Minister for Social Protection came up with a proposal in the budget that resulted in a cut of €200 per month in child benefit, there would be uproar. However, the effect on families of what the Minister of State proposes to do here is exactly the same. It takes money out of parents' pockets and will, undoubtedly, have a huge impact on the children concerned.

Nobody suggests that the regime as it operates currently should remain in place. We all accept there are shortcomings in it and that it is open to abuse. What is required is a much more nuanced response to the issue and not just the sledgehammer being used which will result in children being victimised.

The programme for Government makes a very clear commitment to maintaining the current rates of income tax together with bands and credits. The Minister of State and many of his colleagues have made much of this commitment in the programme for Government, but it is quite clear that as a result of this provision the Government will break this commitment in the case of a certain section of society. Labour Party Ministers in particular have claimed credit for measures which will result in people on low incomes being protected, and keep repeating this, but in actual fact this proposal will mean a further 4,000 people will be brought into the tax net. The Government claims it will not make any tax increases but this is the reality of what it is doing. An extra 4,000 people, predominantly single fathers on very low wages, will be brought into the tax net as a result of this measure. I challenge the Minister of State to explain how on earth this is fair.

I point out to Fine Gael Members in particular that an extra 5,500 parents will now pay tax at the higher rate. How is it unacceptable to Fine Gael Members to impose a higher rate of income tax on top earners in Ireland but somehow it is acceptable to impose it on single parents on average wages? I ask the Minister of State to address this point specifically in his response. How on earth is this acceptable when Fine Gael has resisted any attempt to make high income earners pay a fair share of income tax? It is sheer hypocrisy on the part of both Government parties to speak about tax cuts next year while imposing them on single parents this year.

The most basic request coming from people campaigning in this area is that there would be at least a commencement order which would allow further consideration of this measure. This is a very reasonable approach given the rush which has been put on this and the time constraints



applied to getting the legislation through the Houses. A number of groups have lobbied in this area and the approach they have taken is very reasonable. Nobody suggests matters should remain as they are, but they are looking for the Government to accept the reality of people's lives nowadays and recognise some principles we need to apply to the tax and welfare treatment of families in current day Ireland. These groups seek four principles to be accepted. Does the Minister of State accept the principle and practice of shared parenting as a fact and aspect of modern society and family life in Ireland? Is the Minister of State prepared to accept the principle that the tax credit can be transferred to the non-principal carer if appropriately crystallised through a shared parenting agreement? The third principle is that the tax credit should be awarded to reflect the additional costs and needs of children who are cared for through a shared parenting agreement, and the fourth principle is that the tax credit should recognise the costs and needs of the children concerned and therefore the tax credits should follow the children. These are very reasonable principles which reflect the reality of people's lives and the need for fairness in the tax and welfare treatment of separated parents. I challenge the Minister of State to tell me he does not accept any one of these principles. If he accepts these principles he cannot possibly proceed with these provisions.

The minor concessions made following the arguments made on Committee Stage are wholly inadequate to respond to the issues concerned. For one partner to relinquish part of the tax credit is completely imbalanced in terms of the approach to this. We must bear in mind in the vast majority of cases it is the mother who receives child benefit to reflect the costs. What is proposed is that there will be no measure to reflect the costs for single fathers who by and large do their utmost to do the right thing by their children and provide as best they can for their families.

I call on the Minister of State to stand by the commitments given in the programme for Government in terms of not increasing taxes on any sector in society, not increasing income taxes and not bringing any further people into the higher rate of tax, which is what this provision will do, and to recognise the reality of people's lives where parents do not live together and where both parents do their best to provide for their children. In light of this I ask the Minister of State to put a stay on this measure and take time to reflect on the damage it will do to families. Most of all I ask the Minister of State to respect the many parents and single fathers throughout the country who do their utmost to provide for their children and not to proceed with this measure which will result in a loss of more than €200 per month in these circumstances.

**Deputy Brian Hayes:** The single person child carer tax credit will replace the one-parent family credit from 1 January 2014. It will operate differently from the one-parent family credit by being available in the first instance to the primary carer, namely, the individual who cares for the child for the greater part of the year. The one-parent family credit was available on the basis of the child residing with the claimant for part of the year, which led in certain cases to multiple claims in respect of the same child by different individuals. This policy change was recommended by the Commission on Taxation in its 2009 report.

I point out to Deputies no specific tax credit for children in the tax code is available to married or cohabitating couples to assist them with maintaining their children, therefore the existing one-parent family tax credit, and its availability to multiple claimants in respect of a single child, was unfair to such couples. This was accepted by many Deputies in the course of Committee and Report Stages. This change will ensure a maximum of one credit will be available but, as a result of a Committee Stage amendment brought forward by the Minister, it can now be relinquished by a primary carer to a secondary carer in certain circumstances.

The main features of the new credit include that the primary carer is the individual with whom the child resides for the greater part of the year. The primary carer can be the child's parent or the individual in whose custody the child is and who maintains the child at his or her own expense for the greater part of the year. This claimant is entitled to the credit in respect of that child. If the primary carer relinquishes the credit, a secondary carer may claim it. The child must reside with this individual for more than 100 days in aggregate in the year, which is indicative of a level of involvement in the care of the child which is supportive of the primary carer. For the purpose of this limit a day can include the greater part of a day. Only one credit in respect of any child is available and an individual who is a primary carer for more than one child can get only one credit in respect of those children. Where the person who is the primary carer retains the credit, no other individual can get a credit for any of the children in respect of whom the person acts as primary carer. The final point is that, regardless of whether a person is a primary or secondary claimant, he or she must not be married or in a civil partnership, unless he or she has separated, or cohabiting.

On Committee Stage Deputy Pearse Doherty inquired about students, particularly those from rural areas, who were obliged to live away from home between Monday and Friday of each week while attending college. He asked whether they could satisfy the requirement of residing with a primary carer for the purposes of being a qualified child. The Revenue Commissioners have indicated that there was previously a similar qualifying condition in respect of the one-parent family tax credit. There was never any issue of contention with regard to those students being treated as being resident with their parents, despite the fact that they were obliged to be absent from home in order to attend college. The same practical approach will be taken with this new credit.

The entitlement of the primary carer to the credit has precedence in all circumstances. If, however, the primary carer cannot utilise the credit, either the other parent or another person providing care for the child can make a claim for it. As a result, the credit applies in all circumstances. This will only be possible where the primary carer has relinquished his or her claim to the credit. The secondary carer, in claiming the credit, will also be required to confirm that the qualifying child resides with him or her for a period or periods of not less than 100 days during the year of assessment. How this period is determined will be a matter for the primary carer and the claimant to decide. In his amendment Deputy Richard Boyd Barrett is seeking a reduction in this period to 50 days. The shorter timeframe proposed by the Deputy could, in certain circumstances, lead to more than one secondary carer making a valid claim for a tax credit where a primary carer had relinquished it. In addition, the amendment would alternatively allow for the credit to be claimed where a secondary carer played a substantial role in the care and financial maintenance of a qualifying child. This alternative criterion would also allow for more than one secondary carer making a valid claim for the tax credit. It would be impossible for the Revenue Commissioners to adjudicate on to whom the credit should be awarded in such circumstances. On Committee Stage the Minister, Deputy Michael Noonan, pointed out that the definition of a day included the greater part of a day. This means that where a secondary carer takes a child on a Saturday morning and the child returns to the primary carer on Sunday afternoon or evening, this period will be actually treated as a period of two full days for the purposes of the legislation.

In designing this new credit aimed at the primary carer, with the opportunity for relinquishment to a secondary carer, the Minister was very anxious to address the situation which had prevailed with the one-parent family tax credit where any individual who had a child residing with him or her for just one day in the year could qualify for that credit. This could not be allowed to

continue. On Committee Stage the Minister was asked if the credit could be made available to a secondary carer where there was no relinquishment, for example, in circumstances where there was an acrimonious break-up. The officials have considered how this might operate, in consultation with officials from the Revenue Commissioners, and have concluded that in such circumstances it would not be possible to reallocate the credit without the permission of the primary carer. Such an allocation would effectively breach confidentiality in respect of the primary carer's income and tax affairs.

Deputy Michael McGrath's amendment proposes that in order for a person to make a claim for the single person child carer credit as a secondary claimant and rather than requiring him or her to demonstrate that he or she was involved in the actual care of the child, he or she would have to have adhered to the terms of a court ordered maintenance agreement. While the amendment has some merit, it would not take account of situations where separated partners did not need to go to court and manage to agree maintenance arrangements in respect of the child or other care scenarios. It would not take account either, for example, of grandparents also involved in the care and maintenance of a child.

The intent behind the new credit is to provide a support for those single persons, whether they are primary or secondary carers, who have the additional responsibility of caring for a child while in employment. The credit is not granted simply on the basis that a claimant is obliged to provide financial maintenance for a child but rather where that adult is involved in the care of the child. Existing tax legislation does not provide tax relief for that element of a maintenance agreement which specifically relates to support for children. All parents have an equal responsibility to provide financial support for children. Married or cohabiting parents are not granted a tax credit in respect of their children when they must bear similar costs.

The Deputy further proposes that the unused amount of the tax credit could be apportioned to the secondary carer in circumstances where the primary carer did not fully utilise the credit. There are clear administrative difficulties in this proposal which would, at a minimum, require a review at the end of the tax year. However, the Minister would have significant concern about allowing for circumstances where the credit being claimed by one person was determined with reference to the tax and income position of another independent person. To allow for such a division of the credit would possibly expose Revenue to being obliged to indicate in some fashion the confidential details of another person's financial circumstances.

**Deputy Róisín Shortall:** Complete nonsense.

**Deputy Brian Hayes:** For all of the reasons given, I cannot accept any of the amendments tabled by the Deputies.

I will now deal with some of the other issues raised by colleagues. Deputy Pearse Doherty referred to the Commission on Taxation. My understanding is that when the commission examined this issue, it invited significant comment from interested parties or groups. It also consulted widely among a large number of interested parties in the private and public sectors in order to progress its deliberations. It is fair to state the proposal brought forward in the recent budget is more nuanced than the more blatant one made by the commission in 2009. We have been cognisant of some of the points made by Deputies in that regard.

The Deputy made a very fair point on including a commencement order. As I suspect he knows, we calculated the budgetary arithmetic on the basis that €22 million - not an insignifi-

cant amount of money, particularly in the light of the circumstances in which the country finds itself - could be saved by means of this measure. The effect of including a commencement order would be that we would not be able to obtain that €22 million in this tax year and that the full weight of the proposal would not be enforced until the end of next year. As a result, the €22 million would be lost. I am sure the Deputy will inform me where we might find this amount and we would certainly examine whatever suggestion he wished to make.

On married and cohabiting couples, when I was dropping my children to school recently, I met the father of some of their friends who informed me that he was working in London to where he travelled each Monday morning. As a result, he must pay for bed and breakfast accommodation there for five days each week and he is also obliged to make mortgage repayments on his home in the area of west Dublin in which we live. It is not untypical for married parents to find themselves in situations of this nature. They are obliged to hold down two jobs in separate locations in this country or else in different countries. It is not credible to suggest such married couples should be disadvantaged by a continuation of the current scheme. We must be cognisant of this fact.

Deputy Róisín Shortall inquired as to whether we were breaching a commitment contained in the programme for Government in respect of this matter. I do not believe we are doing so and wish to explain why. The programme for Government states that, as part of its fiscal strategy, this Administration will “Maintain the current rates of income tax together with bands and credits. We will not increase the top marginal rates of taxes on income”. The credit is being maintained. It is not being lost but restructured to reflect the purpose for which it was originally intended.

**Deputy Róisín Shortall:** What about the bands?

**Deputy Brian Hayes:** I did not interrupt the Deputy. The credit is intended for use by the primary carer. That has not changed. While the Deputy may take a different view, the proposal does not breach the clear commitment given in the programme for Government. The credit remains, but it is being restructured and specifically designated for the child, as should have been the case since its introduction. That was the purpose of the entire scheme.

Despite the pretence in which some people are engaging, it was recognised for some years that this issue had to be addressed at some point. As I stated, the approach we have taken is better than that proposed by the Commission on Taxation. We have taken a more nuanced approach which ensures the credit will be available to the primary carer or, in certain circumstances, a grandparent. I understand this was not the original proposal made by the Commission on Taxation. I do not accept the Deputy’s contention that we have breached the commitment set out in the programme for Government. On the contrary, the credit remains in place and is better targeted as a consequence of this proposal.

I hope I have answered all of the questions asked. If not, I will address any outstanding issue once the Deputies opposite have made their second contributions.

**Deputy Thomas P. Broughan:** Without casting aspersions on our distinguished colleagues in the bull pen, the Minister of State’s contribution is reminiscent of an episode of “Irish Pictorial Weekly”, with numbers being plucked from the air. He referred to the definition of a day. It seems we will have to define what is and is not a day.

Given the energy the Government is expending on tracking down the €25 million it will al-

legedly save by eliminating multiple claims in 2014, why does it not expend the same energy on pursuing the Googles of this world which pay only a couple of per cent in corporation tax when they should pay a minimum of 12.5%?

The Minister of State explained that the Government had been examining this tax relief for a long time, whether through the Commission on Taxation or in other forums, because it was unfair on families in general. Irrespective of what one's view is of the proposal, it may well be discriminatory against many fathers. In the second or third quarter of this year 34% of births were to single parent families. Since the fateful events of September 2008, successive Governments have taken a series of anti-family measures and interventions which have not been child friendly. For example, child benefit and one-parent family payments were cut, while maternity benefit was made taxable. These measures gave the most vulnerable the task of carrying the burden of austerity. As a recent Oxfam study shows, austerity has been borne most heavily by those least able to bear it. I commend the amendment to the House.

**Deputy Pearse Doherty:** I presume the tax credit can be claimed retrospectively for four years, as is the case with other tax credits. Perhaps this part of the debate will not be broadcast on "Oireachtas Report". As the Minister of State noted, the legislation is so open-ended that one only needs to care for a child for a portion of a day to be eligible to claim this tax credit. Will this mean that we will have a flood of retrospective applications for the tax credit from single parents who, as Deputy Broughan noted, account for 34% of families? A tax credit of €2,500 for each of the past four years would mean that people would get ten grand from the Revenue Commissioners before Christmas. What damage would that do to the €22 million in savings the Government expects to secure?

I could provide different options for generating savings of €22 million. To paraphrase the response of the Minister for Finance when he was questioned about the €3 million loss to the State arising from a mistake made in the local property tax legislation, pluses and minuses are built into every budget. The Government can make a commencement order and if corporation tax revenues are €22 million below target, it will still have scope to make up the shortfall. Governments will always try to define the parameters of the budget in advance. The money generated from Bank of Ireland's sale of a preference share today will be recouped by the National Pensions Reserve Fund, from which the original investment in the bank originated. As a result, the State will lose out as it will no longer receive part of the dividend to the Exchequer that is paid by Bank of Ireland every February. As this example makes clear, issues always arise in terms of the pluses and minuses in a budget.

If the Government genuinely did not want to target single parents, specifically single fathers, for savings of €2,500 per annum, it would find a way around this measure. Based on comments made by the Minister for Finance in committee last week, I entertained the hope he was open to change on this proposal. While the Minister of State may argue that this measure is better than the proposal made by the Commission on Taxation, it is still not a good one. He should explain to single fathers who pay maintenance, provide love, care, protection and support for their children and play a valuable role in their upbringing why losing €220 per month is better than the proposal made by the commission because that argument does not cut it.

The proposal is wrong. As Deputy Róisín Shortall pointed out, if it was presented in its true guise, namely, as a measure to remove €220 per month from single fathers, it would cause outrage. The numbers involved are small and many of those who are entitled to the credit do not claim it. While there may also be others who should not have claimed it because they had



not provided for their children or did not engage with them, we should not throw out the baby with the bath water. There are more sensible approaches to reforming the current system. The proposed measure is cruel to parents and, more importantly, their children.

Separated parents incur additional costs in providing for their children as there will be two homes and essentially two families. Having one tax credit for the child is not how the system should operate.

**Deputy Richard Boyd Barrett:** As I listen to this debate, I am becoming more frustrated and angry about the way in which this issue is being addressed. I keep thinking I am the single parent about whom the Minister of State is talking because I do not live full-time with my children. He makes comparisons with cohabiting couples who have been hammered by cuts in child benefit, income reductions and other changes. It would be a damn good idea to consider tax breaks that took account of the general costs hard-pressed parents pay in bringing up children. However, the Minister of State should not use comparisons with cohabiting couples to justify a cruel attack on one particular group.

As Deputy Pearse Doherty noted, €200 per month is a big chunk of money for the vast majority of those who have benefited from this tax credit. There is a major issue in this regard. Irrespective of how many days of the year my children spend with me, I must have somewhere for them to stay.

*5 o'clock*

Whether it is the Minister of State's 100 days or fewer, where are they going to sleep when they come to stay? Are they to sleep in a box? One must have a bigger house. Both sets of parents must have a place for the children to stay, and that generates an extra cost.

The Minister's provision completely fails to take typical situations into account. For example, there are cases of working parents in which the single father would take the children every second weekend. Such fathers cannot take the children during the week because they are at school, and they take them every second weekend. The parents alternate but they make big financial contributions, and then the fathers would go to see their children during the week for half a day, for instance, to go to a football match or to go out shopping, and take them for extra days at the holiday period. Such parents might not fit into the Minister of State's criteria, but they incur significant extra costs because a key feature of ferrying children back and forth in that situation is extra transport costs that one would not have to pay for otherwise. The Minister of State is not taking these matters into account; he is hitting at a group of persons in a big way and, by extension, no doubt he is hitting at the children. It means parents will see their children less. That will be the effect.

**Deputy Michael McGrath:** On the amendment that the Minister, Deputy Noonan, brought forward, the Minister of State, Deputy Brian Hayes, elaborated on how it will work in practice where one parent can relinquish the credit to the other parent and he confirmed that the consent will be required of the primary claimant. It is important to acknowledge that many relationships end fairly badly and, unfortunately, such consent may not be forthcoming in many cases.

On the second issue of the possible division of the credit which would have been a good step which would have obviated some of the worst aspects of this decision, the Minister of State gives two main reasons it cannot be done. First, he stated it would involve in some way transgressing the confidentiality of one person's taxation affairs, essentially, by letting the other

person know that he or she did not use all of the credit. The Minister of State could include the consent provision there. That would certainly deal with that.

Second, the Minister of State stated it would be difficult to deal with administratively. I do not believe it would be. It might mean, for example, that somebody would have a time lag of one year in arrears with which he or she could deal by way of seeking a P21 balancing statement and he or she could get the credit the following year for the unused portion that the other parent did not claim for the previous year. That is eminently doable.

The Minister of State confirmed in the course of the discussion a tight and strict interpretation. The impression given that he has moved considerably from the original draft of the Bill does not stand up to scrutiny. He is saying that one person can transfer the credit in full to another person if he or she so consents, fills up a form and sends it off to the Revenue. I would suspect that not many will fall into that neat little category.

**Deputy Róisín Shortall:** The Minister of State has been somewhat economical with the truth in his comments on the programme for Government. As he stated, the programme for Government states:

As part of our fiscal strategy the new Government will: ...

- Maintain the current rates of income tax together with bands and credits.

Theoretically, the Minister of State is retaining the credit even if he is taking it from one group. I will concede that point to some extent, but I will not accept that he is maintaining the bands.

The figures that have been provided to us through parliamentary questions state clearly that some 4,000 parents who are currently not paying tax will be brought into the tax net as a result of this measure and a further 5,500 parents will pay tax at the higher rate. The Minister of State is not maintaining the bands for those parents. Would the Minister of State address that point about the broken commitment to maintain the bands? The point is that, in total, almost 5,500 parents stand to pay extra income tax as a result of these changes. That figure also has been provided by Revenue. It flies in the face of the commitments that have been given on taxation.

The Government, in particular, the Minister of State's party, but also the Labour Party, has steadfastly refused to increase the taxation burden for those earning over €100,000. In the light of that and the Government's stated commitment not to increase taxes, how on earth can he justify bringing 4,000 of those who are on minimum wages into the tax net and increasing the bands of 5,500 others on low wages to bring them into the higher rate of tax? It seems that when it comes to the Government, in particular, Fine Gael, there is one law for the golden circle of high earners and another law for those who happen to be single fathers on low income. That is an indefensible position for the Minister of State to adopt.

He has been given a number of suggestions of how he might deal with it.

**An Ceann Comhairle:** We are over time.

**Deputy Róisín Shortall:** If the Minister of State accepts the principle of shared parenting, there should be a shared arrangement. I endorse the points made by Deputy Boyd Barrett. We are all too familiar with separated fathers who are living in tiny bedsits or one-bedroom flats who do not have the opportunity to have their children living with them because of the serious

housing crisis. The Minister of State is also completely ignoring that. In most cases, such parents have very limited means indeed. How can he justify it?

**Deputy Brian Hayes:** Through this Bill, the Government is attempting to restructure this credit to focus it exactly on the primary carer and, exclusively, on the child to ensure that the support in the tax code goes directly to the child. I think there is an unanimous view on all sides that this anomaly has gone on for far too long. The point has been made consistently by colleagues that married or cohabiting couples face a discrimination in the tax code in that such provision is not granted to them. There is an acceptance that we must resolve this.

An issue at which we all need to look between now and next year's budget is whether we can find a new way to deal with this issue. I heard colleagues who were engaged in this issue on Committee Stage state that they had not the time to put forward a more workable solution to this issue. The Government is all ears on how we can resolve this issue but it must be done on a fair and equitable basis. We cannot discriminate in favouring of one group as against another. We are determined to ensure that-----

**Deputy Pearse Doherty:** The Minister of State is just after doing so.

**Deputy Róisín Shortall:** That is exactly what the Minister of State is doing in taking €2,500 from a particular group.

**An Ceann Comhairle:** The Minister of State without interruption.

**Deputy Brian Hayes:** If another way can be found - perhaps we have time between now and next year's finance Bill to establish whether that can be teased out by the committee - the Government would consider it.

On the question of the loss of income to parents as a result of this measure, I understand 5,500 is, broadly speaking, the number of individuals that has been determined by Revenue. If one takes a person earning the minimum wage of €17,500 per annum-----

**Deputy Róisín Shortall:** On a point of order-----

**An Ceann Comhairle:** We are out of time, actually.

**Deputy Róisín Shortall:** -----that is not in line with replies that have been given to parliamentary questions on this matter.

**An Ceann Comhairle:** The Minister's two minutes are up.

**Deputy Brian Hayes:** I apologise for that, a Ceann Comhairle.

Question put: "That the words proposed to be deleted stand."

<i>The Dáil divided: Tá, 78; Níl, 48.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Tom.</i>	<i>Adams, Gerry.</i>
<i>Breen, Pat.</i>	<i>Boyd Barrett, Richard.</i>
<i>Burton, Joan.</i>	<i>Broughan, Thomas P.</i>
<i>Buttimer, Jerry.</i>	<i>Calleary, Dara.</i>

<i>Byrne, Catherine.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Collins, Niall.</i>
<i>Cannon, Ciarán.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Collins, Áine.</i>	<i>Daly, Clare.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Dooley, Timmy.</i>
<i>Connaughton, Paul J.</i>	<i>Ferris, Martin.</i>
<i>Conway, Ciara.</i>	<i>Fleming, Sean.</i>
<i>Coonan, Noel.</i>	<i>Fleming, Tom.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Grealish, Noel.</i>
<i>Coveney, Simon.</i>	<i>Halligan, John.</i>
<i>Creed, Michael.</i>	<i>Healy, Seamus.</i>
<i>Daly, Jim.</i>	<i>Healy-Rae, Michael.</i>
<i>Deenihan, Jimmy.</i>	<i>Kelleher, Billy.</i>
<i>Doherty, Regina.</i>	<i>Kirk, Seamus.</i>
<i>Dowds, Robert.</i>	<i>Kitt, Michael P.</i>
<i>Doyle, Andrew.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Durkan, Bernard J.</i>	<i>McConalogue, Charlie.</i>
<i>English, Damien.</i>	<i>McDonald, Mary Lou.</i>
<i>Farrell, Alan.</i>	<i>McGrath, Finian.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Mattie.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Michael.</i>
<i>Fitzgerald, Frances.</i>	<i>McLellan, Sandra.</i>
<i>Fitzpatrick, Peter.</i>	<i>Martin, Micheál.</i>
<i>Flanagan, Charles.</i>	<i>Mathews, Peter.</i>
<i>Flanagan, Terence.</i>	<i>Murphy, Catherine.</i>
<i>Gilmore, Eamon.</i>	<i>Naughten, Denis.</i>
<i>Griffin, Brendan.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Hannigan, Dominic.</i>	<i>Ó Cuív, Éamon.</i>
<i>Harrington, Noel.</i>	<i>Ó Fearghail, Seán.</i>
<i>Harris, Simon.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Hayes, Brian.</i>	<i>O'Brien, Jonathan.</i>
<i>Heydon, Martin.</i>	<i>O'Dea, Willie.</i>
<i>Hogan, Phil.</i>	<i>O'Sullivan, Maureen.</i>
<i>Howlin, Brendan.</i>	<i>Pringle, Thomas.</i>
<i>Humphreys, Heather.</i>	<i>Ross, Shane.</i>
<i>Humphreys, Kevin.</i>	<i>Shortall, Róisín.</i>
<i>Keating, Derek.</i>	<i>Smith, Brendan.</i>
<i>Kehoe, Paul.</i>	<i>Stanley, Brian.</i>
<i>Kelly, Alan.</i>	<i>Tóibín, Peadar.</i>
<i>Kenny, Seán.</i>	<i>Troy, Robert.</i>

<i>Kyne, Seán.</i>	<i>Wallace, Mick.</i>
<i>Lawlor, Anthony.</i>	
<i>Lynch, Ciarán.</i>	
<i>Lyons, John.</i>	
<i>McEntee, Helen.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Penrose, Willie.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Pearse Doherty and Thomas P. Broughan.

Question declared carried.

Amendment declared lost.

**An Ceann Comhairle:** Amendments Nos. 13 and 14 were discussed with amendment No. 12 and, as a result of the decision on amendment No. 12, neither amendment can be moved.



**Deputy Richard Boyd Barrett:** May I make a point of order on this?

**An Ceann Comhairle:** There is no point of order on an amendment.

**Deputy Richard Boyd Barrett:** I am asking about that.

**An Ceann Comhairle:** Is this to raise a point of order or to have a discussion?

**Deputy Richard Boyd Barrett:** No discussion. I am not revisiting the debate, just making a point of order.

**An Ceann Comhairle:** It is a rule. The amendment has already been discussed and the Deputy cannot move it.

**Deputy Richard Boyd Barrett:** The amendments tabled by Deputy Michael McGrath and me are insertions, so I do not understand why they were not dealt with separately from amendments that propose deletions. I can understand how amendments proposing to delete a provision of the Government's legislation are directly counter to one another and that the amendments fall if the words stay, but I do not understand how an amendment that proposes to insert something new, and not to delete something the Government has said, is not voted on as a separate matter.

**An Ceann Comhairle:** What we voted on was whether the words proposed to be deleted stand. The words stand and therefore no changes are made to the Bill.

**Deputy Richard Boyd Barrett:** With respect-----

**An Ceann Comhairle:** We are moving on. The Deputy has had his say.

**Deputy Richard Boyd Barrett:** Very briefly, with respect-----

**An Ceann Comhairle:** Please, Deputy, sit down and respect the Chair. If Deputy Boyd Barrett wants to come to me afterwards, I will explain it to him in simple language. Please sit down and respect the Chair.

**Deputy Richard Boyd Barrett:** Surely I am allowed to make-----

**An Ceann Comhairle:** I have already told the Deputy that the question was "That the words proposed to be deleted stand", and it was carried.

**Deputy Richard Boyd Barrett:** My amendment does not propose that they do not stand.

**An Ceann Comhairle:** Once the question was carried, the Deputy's amendment became irrelevant. I ask Deputy Boyd Barrett to resume his seat.

**Deputy Richard Boyd Barrett:** My amendment does not ask that the words do not stand.

**An Ceann Comhairle:** The officials will explain it in detail to Deputy Boyd Barrett.

Amendments Nos. 13 and 14 not moved.

**An Ceann Comhairle:** Amendments Nos. 16 to 19, inclusive, are alternatives to amendment No. 15, and amendments Nos. 15 to 19, inclusive, may be discussed together.

**Deputy Thomas P. Broughan:** I move amendment No. 15:

In page 21, to delete lines 18 to 39, and in page 22, to delete lines 1 to 25.

This is the section dealing with relief for insurance against the expense of illness. As the Minister of State may remember, on Second Stage I strongly opposed this provision for a reduction in the relief available to those with medical insurance premiums above €1,000 for adults and €500 for children. Deputy Peter Mathews also made a passionate speech attacking this measure as an increase in income tax which would effectively reduce the incomes of families. Many Members, and anyone with medical insurance, felt the reference to gold-plated premiums was an insulting and irritating comment by the Minister for Finance. The cut applies to some 90% of health insurance policies. There is a double whammy of stamp duty increases provided under the Health Insurance (Amendment) Bill. The measure aims to raise €94 million in 2014, or €127 million in a full year. It has been noted that changes to relief for medical insurance and to the DIRT rate in 2014 will generate the same amount of revenue as the bank and pension levies combined. I listened to the discussion on Committee Stage and it is welcome that section 8 has been amended in respect of students under 23 years of age with adult health insurance premiums. It was particularly unfair that children over 18 years of age, who are treated by health insurers as adults, were not recognised as such in the Finance (No. 2) Bill. There is also an amendment on dental expenses which is relevant under section 470 of the Taxes Consolidation Act 1997.

With the sustained increase in the cost of health insurance premiums, I disagree with the imposition of this cap. I have always basically been a National Health Service man and in my former party for a decade or more we had very deep and profound discussions, as the Acting Chairman may have had with his former colleagues, about what we should do with the Irish health system. I always took the view that we should emulate the British system, with service free at the point of use and the State essentially organising the profession and system in an efficient and coherent manner. It may be seen by some that this is part of the road we must travel on the way to a health system that has the entire population insured.

We all have had personal or family experience of the way people have had to downgrade health insurance plans because it has been impossible, with ever increasing premiums, to maintain the plan that people want. There was a 12 month extension from the European Commission with regard to the State insurer, VHI, and authorisation from the Central Bank on the capital shortfall of €220 million. VHI and other insurers are under pressure so price increases from the likes of Aviva and others will be in the order of 5% and over. This will also result in defections that Deputies rightly predicted on Second Stage would come from the imposition of this section.

This relates to fundamentally unfair treatment of private health insurance policies in this Bill and it is contrary to the Government's stated aim in the programme for Government of moving to some kind of egalitarian and universal model of health care. The way in which the Government has done this is reprehensible and will have a very severe negative impact on many families in 2014. This morning I heard reports of a speech at the weekend - unfortunately I was not present to hear it - when the Tánaiste spoke about the bills that are coming in on top of families and making life so hard, leaving people on edge. Many of these extra bills and cutbacks are a product of the Government; these include the full-year property tax and the 50% increase in Dublin city waste management charges. There has been a plethora of utility bill increases and this will be a double whammy on the health insurance side. It is something the Minister of State should reconsider.

**Deputy Denis Naughten:** I rise to speak to amendment No. 16. The Minister on Committee Stage argued that the significant increase we have seen in health insurance has not led to a significant fall in people covered by health insurance. We know that approximately 7.5% of the people insured have now left the system, which is not a small number of people in any respect. Many thousands of people within the health insurance system have downgraded plans, removed children from plans or cut back on other household expenditure to try to hold on to health insurance. The Minister made the argument on Committee Stage when he recited statistics from a survey, and I am sure the officials can provide those to the Minister of State. They made it clear that people were sacrificing in trying to hold on to health insurance, and the cost was a significant contributing factor to people leaving the system. Families are making many sacrifices in trying to hold on, if at all possible, to health insurance.

Over the past three years the health insurance levy has doubled and significant additional pressures are being put on families with regard to health insurance policies. I accept the principle behind the Minister's argument on budget day, although his maths are still wrong in that respect. On budget night I stated that the Minister would have to revisit this because the legislation was to be rushed through and we are doing that with this amendment. I still think the maths are wrong and this will put an unnecessary financial burden on people.

I accept the Minister has indicated that if he does not do something in the next couple of years, we could see €1 billion being put into the health insurance system in tax credits. None of us wants to see that happening. The Minister has set a benchmark on gold-plated health insurance policies that is far too low and because of that, even the most basic policies will see an increase. The Minister made the point on Committee Stage that those on the lower end of the scheme - a typical family - might be looking at an increase of approximately €40, which may well be the case. The difficulty is that the figures from the Department on the overall savings underestimate the total. For example, VHI believes that approximately €120 million will be taken from their customers alone with this proposal, and overall we are probably looking at a saving by the Revenue Commissioners of approximately €170 million. Dividing that among the number of people currently covered by health insurance, the average charge per person covered by health insurance is approximately €80. If a typical young family is paying an extra €40 for a policy, in effect this becomes an age tax, as older people at the higher end of the health insurance system will pay significantly more in their health insurance policies than was the case until now. With this measure, the Government is targeting older people.

I accept there are some policies such as VHI's plans D and E that are gold-plated, and we should not provide tax relief for them. There are many older people who want coverage for hip or knee replacements, and they should have the right to that level of cover. These people are paying premiums well in excess of the average which the Minister spoke about on Committee Stage and they will be paying far more than €40 extra for their policy. That is on top of an increase in the levy and spiralling bed costs. Aviva has already announced that its average price increase will be between 5% and 11% as of 1 January and GloHealth has indicated its increase will be between 5% and 10%. This will force more people from the insurance system, particularly those who are healthier. These are younger and more profitable people within the health insurance system, and they cross-subsidise the older people in the system.

My amendment deletes the provision introduced on budget night. The proposal the Minister put forward acts as a disincentive to taking out health insurance for families. Bizarrely, the proposal put forward on budget night builds in an incentive to families to come back into the health insurance market or to bring their children back into it. It also encourages younger

people to start paying health insurance, which is what we need to do if we are to have a sustainable health insurance system. It does that, bizarrely, because as the legislation currently stands, the policyholder will get €500 of relief for each child on the policy and €1,000 for every adult, irrespective of the cost of the policy. That would encourage more families to take up health insurance and would reduce the burden across the board. It would act as a support for the community-rated system and for older people in the system because it would reduce the overall cost of health insurance for everybody. By encouraging young families with children to take out health insurance, we would be making it cheaper for Granny, which means she can stay in the system and access the coverage for hip replacement or knee replacement. In contrast, the proposal that is currently before us acts as a disincentive for families and makes health insurance far more expensive for Granny, forcing her out of the health insurance system and back onto the public system along with everyone else. The measure is a retrograde step.

I find the situation frustrating. I made a number of proposals on health insurance to the Minister for Health, including the introduction of lifetime community rating, which could encourage younger people to take up health insurance for the first time. Another option would be to introduce a proper calculation for health status that is not based on how many days a person spends in a hospital bed but is more focused on keeping people out of hospital and in the community. Older policyholders could be encouraged to shop around. The Health Insurance Authority has said there are cheaper policies available from other health insurers, but because older people are afraid to switch from their current provider they are not availing of the cheapest policies, which could provide them with enhanced hospital cover. It should be possible for health insurers to directly negotiate with public hospitals, particularly where there is spare capacity within the system, as at present. The Minister does not disagree with any of my suggestions. In fact, he agrees with me. The difficulty is that he has failed to put any of the measures in place over the past 12 months and is kicking the can down the road. We have an opportunity to remove the proposed Government change, which would provide a small incentive for families to take out health insurance for the first time or put their children back on the policy and thereby reduce the overall cost of health insurance for older people within the system. Everyone would benefit. It would act as a community benefit, incentivising people to get involved in the health insurance system. The measure would also support the establishment of universal health insurance, which is the Government's objective. I urge the Minister of State to accept the amendment.

**Deputy Richard Boyd Barrett:** I do not believe in health insurance at all. As I listened to the discussion with Deputy Naughten and heard about all the problems and anomalies that can develop, it made me realise what a load of nonsense it all is. It is the irrational working out of a two-tier system in which one gets better health cover if one has money than if one does not. That is a rotten idea. Universal health insurance sounds good, but the key word is "insurance". What the public hear is "universal health", and they like the sound of that, but they do not get the bit at the end - that is, "insurance" - which involves private insurance companies that want to make money. That is the real agenda. The extreme manifestation of the system is in the United States, where more money is spent on health than anywhere else yet tens of millions of people do not get proper health cover because vast amounts of money are eaten up by the private health insurance companies in administration and billing. It is a complete waste and has nothing to do with delivering health care.

In principle, I am against all of that. However, we must deal with the sad reality that the alternative to privatising the provision of health care via the insurance market is a national health system which is paid for through progressive taxation based on one's ability to pay. It is simple,

because the money comes out of income tax and one does not have administration, the billing, the waste, and all the millions spent on advertising or corporate branding, none of which has anything to do with health. One just gets the health service. Is it not blatantly obvious that such a system would be far better? However, we do not do that. What we are doing is slashing the public health system and forcing people who would much rather go to a decent public hospital and not have to wait on a trolley or spend a year on a waiting list for a procedure to take out health insurance that they cannot really afford because they are terrified of having to deal with the bargain-basement version of health care that one gets in the public system.

Ironically, in a way, the Government then goes after those people. It punishes them for taking out an insurance policy against having to deal with the chaos the Government has left in the public health system. The Government then hits such people, which is rotten. It is another significant hit for people whom even Fine Gael purport to represent. My amendment is an attempt to minimise the damage the Government is doing and the cost that will be imposed on people. I agree with Deputy Naughten that this measure will tip many people over the edge and they will not be able to afford health insurance any more. In many cases, such people will not go to hospital when they are sick. They will hold back. Many people are doing that already because it just costs too much. Because they do not have a medical card they do not go to the doctor, or else they wait until they are really in pain or more sick than they would otherwise have been if they had not had to take into account the financial imposition involved in going to hospital. The measure is completely retrograde. My amendment is merely an attempt to minimise the damage. This is another example of how the Government must completely reassess its thinking on how we provide a health service.

**Deputy Michael McGrath:** These debating points have been well rehearsed. We had a lengthy debate on Committee Stage. We are beginning to see the full picture of the health insurance market. Deputy Denis Naughten referred to the increase in premium costs announced by Aviva. The average increase is 5.2%, but the cost of some policies will increase by 11%. We should remember these increases are altogether separate from those resulting from the restriction of tax relief. The increases announced by Aviva and the expected increases to be announced by Laya Healthcare and VHI are consequent to general inflation in medical costs, the issue concerning the charging for public beds in public hospitals, etc. These issues are all having a very serious impact. The Minister for Finance seemed to base his argument on the apparent fact that, despite an increase in the order of over 80% in the cost of premiums in recent years, the number of people relinquishing health insurance policies had only fallen by approximately 7%, which was quite remarkable. The Minister has made the point that the market is very inelastic, but that is because people are fearful. They do not want to let go of their health insurance because of what they hear about the public health system. In some cases, the public health system's bad reputation is unwarranted, but in others the very real stories people have, particularly about waiting for elective procedures in orthopaedics, etc., are justified.

The objective of my amendment is very modest and based on my recognition that the Minister will not change his mind about introducing this restriction of the tax relief. It would require, at least, that the value of the tax relief the Minister proposes to leave in place would not be undermined over time by the time value of money and inflation. In amendment No. 19 we are suggesting the amounts referred to in the tax relief provisions should be increased annually in line with medical inflation, as measured by the CPI and published by the CSO.

It is worth repeating the point I made on Committee Stage, namely, that by restricting tax relief and implementing other health policy initiatives, the Minister's overall goal of having



universal health insurance is becoming increasingly distant. More people will end up forfeiting their health insurance because they simply cannot afford to pay for it. The very idea of universal health insurance is that as many people as possible who can afford to pay for health insurance should continue to do so, while the State would pay for the health insurance of everybody else. That model will not work if the number of people paying for health insurance is diminishing all the time. The very policy decisions the Government is taking are accelerating that trend. Young people, including those who are working and have young families, or those we most need in the system to pay for the health insurance needs of others, are the very ones who cannot afford to maintain their cover. That is a fundamental flaw.

I would love to believe the announcement of a free GP card for every person under six years will be honoured shortly, but I very much doubt it. There is no chance of our seeing free GP care for all in the lifetime of the Government. Universal health insurance is becoming increasingly distant as a policy objective. The decision in the Finance Bill is contributing to this.

**Deputy Róisín Shortall:** I support the thrust of the amendments. This measure demonstrates that, where the Government's health policy is concerned, the left hand does not know what the right hand is doing. On the one hand, the official health policy is that we are to move towards a system of universal health insurance. That will be exceptionally difficult to achieve without any change being made. However, when the Minister for Finance introduces the restriction on tax relief for so many people, it will make it virtually impossible. This highlights the lack of coherence in the direction of the Government's health policy.

The Minister stated on budget day that this measure would affect only gold-plated policies. I completely concur with Deputy Broughan's comment that this was so insulting to people who were struggling to maintain their health insurance policies. There are a couple of points we are entitled to know. I ask the Minister of State, Deputy Brian Hayes, to provide a full explanation for the thinking behind the Minister's comment. Either his phrase was included in the Budget Statement to deceive people – I do not believe he deliberately tried to mislead people – or the Department got its figures wrong and was using net instead of gross figures. We are entitled to an explanation and it is important that we hear it.

The fact of the matter is that a majority of policyholders will be affected by the reduction in tax relief. It will affect people with very modest policies such as families with two young children. Those on a basic plan B, for example, will lose €90 straight off as a result of the measure. What will really hurt will be an increase by the insurance company and we are seeing this happen. One company announced a 5% increase, but increases could be anywhere between 5% and 10%. The cumulative effect of the loss of tax relief and a premium increase is such that a family with average cover will lose €200 to €300. That is a clear tipping point for many families.

We know that approximately 6,000 families are leaving the health insurance market every month and this is before the making of the budgetary changes. With the making of the budgetary changes, there is no doubt that the rate of departure will accelerate, with the result being greater pressure on the public health service, increased costs and longer waiting lists. This makes absolutely no sense at all.

We were promised a system of universal health insurance by 2016. Part of the promise was that a lot of exploratory work would be done. The Department and the Minister for Health, we were told, needed to scope out what was entailed in moving towards a system of universal health insurance. We were promised a White Paper within the first year of government. There

is still no sign of that paper two and a half years later. The proposal was very much predicated on switching the emphasis in the health service from the acute hospital sector to primary care. It was also predicated on reducing the cost base of the health service, but we have seen little or no progress in that regard. When we consider what has happened in the past two and a half years, including the loss of tax relief, the charging of the full rate for the use of public beds by private patients and the failure of the Minister for Health to introduce substantial moneys owed by the insurance sector, we realise it all adds up to a system of health insurance that is getting very close to the point of collapse.

Some days ago we heard the commitment that has been repeated in the past two years by the Minister for Health, namely, to bring in the money owed by insurance companies. Acute hospitals across the country are owed substantial amounts by insurance companies. In many ways, there is complicity in the delay because of the lack of a sign-off by consultants on many bills. A lot of the outstanding moneys should be in the system. There is a realisation that an attempt to bring the moneys into the system would put the health insurance industry in even more serious difficulty. All in all, this does not add up. There is no plan. As I stated, we are getting very close to the point of collapse in the health insurance sector. As a result of various measures announced in the budget, including the one under discussion, we will reach a point very soon in the coming months at which the centre will not hold in the health service. If there is any attempt to take out the kind of savings proposed by the Department of Health, the system will come crashing down.

*6 o'clock*

The cutting of this relief just does not make any sense whatsoever. We are supposed to be making health insurance more affordable. Cutting this relief makes it less affordable for the majority. Even at this late stage, will the Minister apply sense and logic and give some long-term thinking to where our health services and insurance system are going?

We deserve an explanation. Did the Minister deceive the House or did the Department of Finance get its figures wrong again?

**Deputy Brian Hayes:** Amendment No. 15, tabled by Deputy Broughan, opposes the section. Amendment No. 16, as tabled by Deputy Naughten, opposes the section with the exception of the amendments to this section which we introduced on Committee Stage. Amendments Nos. 17 and 18, tabled by Deputy Boyd Barrett, seek to increase the ceilings for qualification for tax relief in respect of private medical insurance premiums, specifically an increase in the adult ceiling from €1,000 to €1,500 and in the child ceiling from €500 to €750. Amendment No. 19, tabled by Deputy Michael McGrath, seeks to ensure ceilings are increased annually in line with medical inflation as measured by the consumer price index published by the Central Statistics Office.

On amendments Nos. 15 and 16, the cost of income tax relief in respect of medical insurance has increased significantly in recent years. These costs were estimated at €404 million in 2011, €448 million in 2012 and €500 million in 2013. Despite the increasing cost of the relief, the numbers insured are estimated to have decreased by approximately 170,000 over the same period while, at the same time, the level of medical cover has decreased on some policies. Against this background, the increase in costs is unsustainable. In addition, if the relief were to remain unchanged and the trend were to continue, we could be facing a tax liability of approximately €1 billion by 2020. Anyone who is being logical must ask whether that is sustainable.

The tax system is supporting those who can afford private medical insurance to the tune of €500 million per annum. Effectively, that means those taxpayers who could never afford private health insurance, or who have had to give up their policies due to personal circumstances, are providing financial support via the tax system to those individuals who can afford such insurance.

The cap on the amount of the premium for which tax relief will be provided will restrict the exposure of the Exchequer in respect of more expensive insurance policies while not affecting individuals with insurance policies that provide more standard levels of cover.

If amendments Nos. 17 and 18, tabled by Deputy Boyd Barrett, were to be accepted, the Revenue Commissioners estimate they would reduce the expected full-year yield of €127 million to €61 million. In other words, the expected yield would be more than halved. The maximum gain from these amendments to an adult individual would be €100 per annum, or roughly €8 per month.

The Commission on Taxation acknowledged in 2009 that medical insurance is expensive and that tax relief plays a role in attracting and retaining individuals in the medical insurance system. However, it also stated that there is a sizeable deadweight element to this relief, as many individuals would pay these premiums in the absence of the income tax relief. On that basis, the commission recommended that the relief should be continued, but on a more limited basis. The Government is satisfied that the introduction of the new ceilings will achieve such an outcome.

The Government cannot accept amendment No. 19 as it seeks to impose indexation on the qualifying ceilings for tax relief in respect of medical insurance premiums. Such a proposal would not act to curtail the price increases imposed by insurers and would merely restart the process of increasing the cost to the Exchequer of this relief. The Government believes the new ceilings are reasonable and justifiable, given that the Revenue Commissioners has estimated that 47% of policyholders will be unaffected, and of the 53% of policyholders that will be affected, many will only be affected marginally. These figures are very different from the more bloated comments the industry makes, which people seem to accept without any question. It is envisaged that the new ceilings will ensure continuing support via the tax system for those who purchase medical insurance policies, while reducing Exchequer exposure to more expensive policies. In addition, individuals can of course opt for less expensive policies and therefore avoid the impact of this measure entirely.

The medical insurance companies are continuing to post significant profits. However, despite these profits, insurers continue to increase the prices they charge to consumers. Both Aviva and Laya have indicated that they will increase premiums by approximately 5% from the start of next year. Against this background, customers must take their financial affairs into their own hands. The peak renewal period will occur this month. Accordingly, I urge consumers to shop around before renewing their policies. The principal insurers continue to generate significant profits and, therefore, could be more active in reducing any increases in premiums for their customers. For the reasons outlined above, I cannot accept these amendments.

Deputies Broughan and Shortall mentioned the Minister's comment about gold-plated policies, which is a selective quotation made for people's own political reasons. I will repeat what the Minister for Finance actually said in his Budget Statement:

This will restrict the exposure of the Exchequer on premiums paid for gold-plated medical insurance policies, while not affecting the majority of individuals who avail of more standard levels of medical cover[.]

This is the important bit that everyone ignores for the purpose of their own agenda. The rationale for this, which Deputy Shortall asked me to explain, was based on the assessment given by the Revenue Commissioners of the level of relief drawn down by individuals. That information, which dates back to 2002, shows that 47% of policyholders will be unaffected. Of the 53% of policyholders that will be affected, many will be affected only marginally. The Minister's comment on gold-plated policies, which has been deliberately twisted and turned for all sorts of agendas, must be read in its entirety.

He said "while not affecting the majority of individuals who avail of more standard levels of medical cover". That is the statement he made on budget day, and if people choose to play politics with that for their own ends, then that is a matter for them.

Deputy McGrath spoke about inelasticity and mentioned the issue of families and individuals not retaining their medical insurance. People have a tendency to stay with one insurer. It is true that since the crash we have seen a pretty significant group of people not continuing with medical insurance policies. As I said in my initial reply, over a four-year period the level of increase in the medical insurance CPI was in excess of 86%. I do not think we can compare general CPI across the economy with medical insurance, but there have been very significant rises in medical insurance over that period of time, and we must ask whether things can be done differently with regard to the unit costs involved. These are very profitable companies which continue to record quite substantial profits in their operations in this country. I do not think that people who cannot afford medical insurance and who do not obtain the benefits of it through the tax code should be continuously subsidising other people who can afford it and who still have it in spite of these very difficult times.

The risk equalisation system is designed to keep prices the same for all categories of consumer, regardless of age. It is difficult to see how greater tax relief could be provided to younger individuals without breaching the principles of risk equalisation.

This is a very significant relief, and it is important that it remains as it is. We believe the decision we have taken is broadly in line with the recommendation that came from the 2009 report of the Commission on Taxation. If we did not take this action, we could have faced a much greater exposure because the level of tax forgone over the course of the last three years has exponentially increased from €400 million to nearly half a billion euro. The great majority of people will be unaffected by the action that we have proposed, and even those that are affected will only be affected marginally. That is backed up by the evidence of the Revenue Commissioners.

**Acting Chairman (Deputy John Lyons):** We are into the second round, so each speaker has a maximum of two minutes.

**Deputy Thomas P. Broughan:** Thank you, a Chathaoirligh. I have listened carefully to the Minister of State, but I think the proportion of people affected, at 57%, is not an insignificant percentage. I know some of the estimates we got after the budget were around €200 per family, and that is a significant additional cost. I am *ad idem* with Deputy Boyd Barrett. Deputy Shortall, Deputy Boyd Barrett and I all have a similar belief in a certain type of health system.

Over the years we had a lengthy debate in the Labour Party about the best approach to reforming the Irish health system. Under a previous spokesperson in 2002, we eventually went with the insurance-based system, but a number of us felt that a national health service such as that which has been in the UK for decades, including Northern Ireland, was a fairer system. If the wealthiest people wanted to have a more private system, then so be it, but the vast bulk of people should receive the necessary service very quickly at the point of use. Unfortunately, the Minister of Finance and the Minister for Health cannot come into the House and present us with some sort of national health system which would obviate the concerns that many of my constituents genuinely have about this and about the impact the current system will have on their lives.

The Minister of State is right about the profits made by insurance companies and about the need to examine that area to see if there can be greater efficiencies.

**Acting Chairman (Deputy John Lyons):** Thank you, Deputy.

**Deputy Thomas P. Broughan:** I mentioned already that the VHI and the Government are under serious constraints due to new rules at a European level. I do not think the Minister has really addressed-----

**Acting Chairman (Deputy John Lyons):** Deputy, your time is up.

**Deputy Thomas P. Broughan:** I want to make a final point.

**Acting Chairman (Deputy John Lyons):** As the proposer, the Deputy knows he will be entitled to speak again.

**Deputy Thomas P. Broughan:** The final point I want to make is that the Minister has not ordered his officials to do a cost-benefit analysis with regard to the huge numbers leaving the private insurance system to go into public care. Can the Minister of State give me figures from a cost-benefit analysis that show which situation is more expensive for the State?

**Acting Chairman (Deputy John Lyons):** I must intervene in fairness to everybody. The Deputy can speak a final time as proposer of the amendment.

**Deputy Thomas P. Broughan:** I appreciate that. I did that job in the Chair for many years before you appeared in this House.

**Acting Chairman (Deputy John Lyons):** So let us be fair to everybody and-----

**Deputy Thomas P. Broughan:** We are discussing the Finance Bill in the House with a Government which has a huge majority-----

**Acting Chairman (Deputy John Lyons):** The rule states that the Deputy has two minutes.

**Deputy Thomas P. Broughan:** -----and which has done outrageous things.

**Acting Chairman (Deputy John Lyons):** For the purpose of fairness, each person may respond for two minutes.

**Deputy Thomas P. Broughan:** Maybe you would like to display a sense of fairness to the Opposition, which has very limited time today and tomorrow to discuss this most important Bill.



**Acting Chairman (Deputy John Lyons):** Thank you. I call Deputy Shortall.

**Deputy Róisín Shortall:** The majority of people who have health insurance will be faced with increased costs as a result of this measure, and then there will be an inevitable increase in the cost of premiums, meaning that many families will be faced with a bill of between €200 and €300 in additional costs for their health insurance. That makes it less affordable and means that more and more people will abandon their health insurance. That is not the aim of the exercise in terms of moving towards a system of universal health insurance.

I agree with previous speakers who spoke about the need to move towards a different system, whether that be a national health service or a social-insurance-based health system, which I believe would suit this country best. We are travelling down a road that will result in the effective privatisation of much of our health service, with the insurance companies, whose profits and costs are not under control, determining the shape of our health service. As the Minister of State has said, the insurance companies will be the predominant purchasers of health care, whether at acute hospital level or primary care level, and I cannot understand how that will operate within an Irish context.

The model that is being used is the Dutch model. It has not been successful. There has been huge health cost inflation, with very expensive health insurance costs for all of the population as well as underdeveloped primary care. It does not make any sense to be travelling down a road towards a system that has already been shown to have failed in Holland. This will exacerbate the situation in the health system at the moment, and I appeal to the Minister and the Minister of State to do the sensible thing and try their best to ensure that health insurance remains affordable for as many people as possible. This is flying in the face of that.

**Deputy Denis Naughten:** Not since the former Taoiseach Bertie Ahern spoke about smoke and daggers have we seen a sleight of hand such as that used by the Minister on budget night in respect of this health insurance issue. I cannot understand how anyone can figure out that 43% is a majority, and it really worries me to think that we have a Minister for Finance who believes that 43% is a majority. When I did maths in school, 43% was not a majority. It is a minority of people who are able to avail of the more standard policies who will not be affected by health insurance changes. The vast majority of people who are in receipt of health insurance will actually be affected by this. That is where the Minister of State's calculation is flawed, because health insurance is again increasing this year. The Minister has made the point that people can move to cheaper policies. What is the Department's calculation of how many people will move to cheaper policies under the threshold? The VHI, which knows something about the Irish health insurance market, has estimated that the total tax take from this will be approximately €170 million, €50 million in excess of what is proposed here. Deputy Boyd Barrett's amendment would bring in the sort of figure the Minister envisages and ensure that far more people will be out of the tax system regarding this proposal. The Minister says that only 190,000 out of 2.13 million people will have a significant increase in their health insurance premiums as a result of this. Nobody believes that. In my book, 43% is not a majority.

**Acting Chairman (Deputy John Lyons):** I apologise for not calling Deputy Boyd Barrett earlier.

**Deputy Richard Boyd Barrett:** I do not mind; I just wonder how it works. I get pulled up on protocol fast enough.

It is ironic that the Minister used the argument one would expect us to use about subsidies for private health insurance to justify what he is doing. I agree with him, if the other side of that equation were a significant upgrading and increase in resourcing for the public system, so that we are not subsidising a two-tier system, which is wrong. The vast majority of people who take out private health insurance do not want to be in a two-tier system but feel forced to, and now the Minister is punishing them because he will not do what is necessary - that is, fund a proper national health service through progressive taxation.

It is interesting to hear the Minister go through it. The Minister cuts public health budgets. He also cuts subsidies to private health insurance, which will hit the middle group. When we say there is no elasticity in private health insurance, that means the very rich will always be able to afford it. The people in the middle, who are just above the threshold but not rich, take it out because they feel they have to. In many cases they cannot really afford it and this is just enough to push them into a situation in which they feel they cannot afford it. People may feel they have particular ailments and therefore they need health insurance. Simultaneously, the Minister is reducing medical card entitlements, so many of those people who might be entitled to medical cards will not get them.

**Acting Chairman (Deputy John Lyons):** The Deputy's time is up.

**Deputy Richard Boyd Barrett:** The net effect is that the private health insurance companies will make more money from the rich people who can afford private health insurance while everybody else will be pushed back on the public system as they cannot afford it.

**Acting Chairman (Deputy John Lyons):** The Deputy's two minutes are up. He spoke to me about protocol, so let us keep to it.

**Deputy Richard Boyd Barrett:** Yes; I was approximately ten seconds over time.

**Acting Chairman (Deputy John Lyons):** That is ten seconds too many.

**Deputy Brian Hayes:** My good friend Deputy Broughan is entitled to an answer to his question about cost-benefit analysis, and I have no difficulty giving it. We normally do a cost-benefit analysis when we give taxes out rather than take taxes in. Normally, the analysis is published on the day the Minister gives the statement. It is often an appendix to his speech. Deputy Broughan's point is that there could be a cost to the public health care system as a consequence of this, but it would not be normal for a cost-benefit analysis to be done in a circumstance in which we are taking some tax back. That must be seen in the context of the total amount of tax foregone. Nobody would stand over a situation in which we allowed this to rapidly increase year on year when there are such competing demands for the resources we have on the tax side.

Deputy Naughten is relying on the VHI. One picks the people one wants to rely on. We are relying on the estimate of €127 million for the total amount that will be taken back on this, and that comes from Revenue figures. We would dispute the view of the VHI and other elements of the industry. We never argued that 43% was a majority. Deputy Naughten needs to get the words right. The Minister, Deputy Noonan, said that 43% of people would be unaffected by this and, of the 57% of people who could potentially be affected, the great majority of those would be affected only marginally, so in the round the effects will be borne more substantially by people with larger premiums. We had a very good discussion on Committee Stage and Report Stage. We have to do this as a means of tapering tax credits.

**Deputy Thomas P. Broughan:** The Minister has not addressed the central concerns. Those in his party sometimes portray themselves as representatives of the squeezed middle. On this matter the Minister is not representing the people he hopes to represent. Maybe the squeezed middle is better represented by this side of the House. Why did the Minister not go in a different direction and examine capping the overall levels of relief rather than looking at it in terms of premium amounts? Maybe he had that discussion on Committee Stage. That could have targeted what the Minister referred to as those gold-plated policies. The Minister could have taken a fundamentally different approach to it, maybe reducing the amount of tax expenditure to an extent. It is a tax expenditure, but I would have thought a cost-benefit analysis would be done when clawing back a tax expenditure. Why could the Minister not have examined it in a more fundamental way to come up with a provision that might have had a less harsh impact on the 57% of people who, the Minister has admitted, will be profoundly affected by this?

Question, "That the words proposed to be deleted stand", put and declared carried.

Amendment declared lost.

Amendments Nos. 16 to 21, inclusive, not moved.

**Deputy Pearse Doherty:** I move amendment No. 22:

In page 37, between lines 18 and 19, to insert the following:

"20. The Minister shall within 3 months of the passing of this Act prepare and lay before Dáil Eireann an analysis of the tax increases in this Act, and the total of tax increases and spending cuts of Budget 2013, setting out the continuing impact on people based on their gender, income, age, marital and disability status."

This is an equality budgeting amendment. The party has drafted legislation and tabled this before the Houses before and, unfortunately, it has been rejected by the Government. I tabled an identical amendment on Committee Stage but felt obliged to move it again because it goes to the heart of what the Finance (No. 2) Bill is about. If one is willing to introduce the policies discussed earlier, such as those regarding private health insurance, asking separated fathers to pay €2,500 extra in tax or cutting supports for struggling families, then one should at least be able to have that budget equality-proofed by examining the impact it will have on different sections of society. The impacts I have mentioned relate to gender, income, age and marital and disability status. I discussed this at length on Committee Stage and I will leave it there, because I expect the Government will support this amendment given the number of motions passed at the Labour Party conference last weekend calling for equality-proofing of Government policies to ensure the distribution of austerity measures did not fall too unevenly on any section of society.

Motion No. 30 specifically called for equality proofing in the disability sector. I hope the Tánaiste, Deputy Gilmore, has had the ear of the Minister of State and has told him that, given the endorsement the Labour Party conference gave to the spirit of this amendment, there is now a change of heart in Government policy. However, in case there is not, let us be clear that the Government has presided over unequal budgets over the past number of years. While it proudly states that the austerity measures must be implemented and we must serve the masters of the troika and the market, there is a fairer way to balance the books. As the only party in Opposition which has provided a fully costed alternative to meet the Government's adjustment targets for 2014, we have shown how that can be achieved.

Even if the Government rejects our proposals from an ideological point of view, it should still be able to stand up and explain the impact its measures, collectively, will have on those with disabilities, on women or on any sector of society. This is not something that is alien to policy. It is something that happens. I believe it is something that will happen in this House in the not-too-distant future, because equality budgeting is something in which we in Sinn Féin, and I am sure others in this Chamber, genuinely believe. Equality budgeting does not force the Government to do anything. If we had equality budgeting, it would not mean one dot in this Finance Bill would have to change. It would not mean that any of the cuts that were introduced, whether we are talking about the cuts made by the Minister for Social Protection, any of the savage cuts imposed on the health services by the Minister for Health, or any others, would have to be reversed. What it would mean would be transparency for the public in a situation in which people believe the Government has set out to target certain sections in society and to protect certain other sections. If the Government believes those claims are rubbish, it should put its money where its mouth is and allow for equality budgeting, as happens in other jurisdictions.

**Deputy Thomas P. Broughan:** I warmly support the amendment put forward by Deputy Doherty. It is clearly a huge lacuna in budgetary strategy and policy that we do not have the serious equality proofing he talks about. For about ten years we have inserted a couple of pages in the budget documents which give a rudimentary Department of Finance type of analysis of the impact each tax change will have. I have been calling for some time for changes in this regard. Last year, I submitted an amendment to the then Finance Bill asking for a permanent commission on higher incomes and wealth to provide policy makers such as ourselves with the requisite information so that we know what we are doing when we are talking in the spring about the proposed budget for the coming year. We do not have that information.

This is the first year the CSO is conducting a survey on levels of income and wealth. It is a small survey involving approximately 5,000 households. In the context of the recent significant disclosures relating to voluntary bodies and the provision of top-up payments from non-public sources to health organisations that are primarily funded by the State, the public would like to know what people earn. They know what we earn and we must register our interests. We do not have a register of interests for the media and I believe we are remiss in that. We cannot see and do not know the particular interests of journalists and media and broadcast organisations. We do not know where they are coming from on issues. Broader society needs to know of these interests. For example, I, along with my colleagues Deputies Nulty, Murphy, Halligan and Pringle, have called for the reintroduction this month of the Christmas bonus or for some solidarity payment to the squeezed bottom of society, to the people who are suffering due to additional utility bills and so on. This payment would give them some kind of a boost. My main point and the reason I support the amendment so strongly is that we need to know the basic earnings and income of everybody. We need to know the level of wealth in society. We proposed a wealth tax for the recent budget, as did Sinn Féin. We estimated that a sum of between €300 million and €450 million could have been raised towards reducing the fiscal gap this year. There is a dearth of information in this area and we need to address that.

The acceptance of this amendment to the Finance Bill would be helpful because it would mean we would find out the real information about higher earnings and levels of wealth in society. How can we frame policy if we are framing it in darkness? We hear the views of some great industrialists, media owners and media conglomerates, people who are allegedly worth billions of euro, some of whom are not domiciled here for tax purposes. They might have a strong view on what we should do in this House in regard to fiscal policy, but we do not have

any information on them. Therefore, I welcome this amendment.

Last year I proposed an amendment to the Finance Bill providing for a commission on higher incomes. As the Minister of State probably knows, the UK has a commission on high pay - a voluntary agency - which tries to collate and collect this information. I understand it is a commitment of the next Labour Party Government there to establish such an institution in the UK next September so that this critical information on budget and taxation policy will be available. Again, I warmly support Deputy Doherty.

**Deputy Michael McGrath:** Deputy Doherty's amendment is quite modest. The issue is that there is no agreed methodology for measuring the impact of a budget. For the past number of years we have cited the ESRI and its analysis of the budget and the Minister has responded by stating that the ESRI has not taken X, Y or Z into account. We have no agreed basis for measuring the impact of a budget on different groups of individuals. This should be done, as it would make for better policy decisions and would allow everybody to understand the impact of Government policy in regard to budgetary matters.

**Deputy Richard Boyd Barrett:** I strongly endorse Deputy Broughan's comment regarding the media and so on. He is absolutely right. He might be interested to know that I received a strongly worded letter from the gentlemen I mentioned yesterday about certain comments I made about him in the Dáil. These people certainly know how to pursue their agenda.

**Deputy Fergus O'Dowd:** I hope the Deputy is going to apologise.

**Deputy Richard Boyd Barrett:** I will not apologise. The Minister of State must be joking.

We end up batting back and forth with claim and counter-claim about the impacts of budgets. I am convinced that as a result of measures taken by the Government, the gap between rich and poor is growing. I do not believe everybody is feeling the pain to the same extent. There is a fair bit of evidence that corporate profits are increasing, and the value of financial and property assets are also increasing, according to the CSO, but we are told everybody is feeling the pain in the same way. I do not believe it for one minute, but the Minister of State states that it is true that everybody is feeling it equally and we go around in circles. Why do we not have an agreed basis for assessing the impact? We could then let the public assess whether the parties here actually care about issues such as equality and the impact on vulnerable groups or whether it is rhetoric. If we have an agreed basis for assessing these things, that would allow an objective judgment by the public on the impact of various measures.

I commend the civil society and anti-poverty groups who have pushed the agenda of equality budgeting, but we need to specifically add into this mix anti-poverty budgeting. We can have equality and prosperity and we can also have equality and misery. Equality and misery is not much good, so we need to include in the criteria and indices the extent to which measures push people into poverty. We also need agreed definitions of poverty based on real consultation with civil society and various stakeholders so we do not have to have these ridiculous arguments. To my mind it is blatantly obvious that poverty is increasing as a result of the measures being taken, but let us have objective criteria to assess these matters.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd):** On Committee Stage the Minister, Deputy Noonan, made it clear that his position remained unchanged and that he did not believe there was a great deal of difference in principle between his position and that of Deputy Doherty. Analysis can play a



very important part, but it should not be applied to everything, particularly in instances where we do not deem it necessary. If the cost in terms of time and resources is totally disproportionate to the yield from the analysis then it is not done.

This Government has carried out more economic impact assessments in respect of tax proposals than any other. There exists a concept in politics and public administration which is generally summed up as “analysis paralysis”. We do not want to get into that situation, as the Government must govern. While we can examine everything all of our lives, there is a principle of proportionality, and the level of resources invested in carrying out analysis should be commensurate not only with the scale of expenditure involved but the scale of the resources available and not least the demands already placed on these resources in the preparation of budgets and finance Bills.

The programme for Government contains a commitment to require all public bodies to take due note of equality and human rights in carrying out their functions. Furthermore, the Cabinet handbook requires a statement on the likely effects of the decision sought on equality and on persons who are experiencing or are at risk of poverty or social exclusion, and they must be included in the memorandum for Government. Consequently, the Government does not consider each of these important issues at individual policy or programme level.

I remind the Deputy that the State and its bodies take provisions of equality legislation into account in the development and delivery of policies and services. I also remind the Deputy that a distribution analysis of taxation measures is performed based on various income levels for various categories of income earners. These categories include single individuals, married one-earner couples with no children and married one-earner couples with children. A distribution analysis which models the impact on disposable income by income decile using SWITCH, the ESRI tax benefit model, is also undertaken in evaluating various taxation options. Examples continue to be included every year in the budget documents.

In future, as part of our annual budget, Ireland will submit a draft budgetary plan to the Commission no later than 15 October. This is a requirement of Regulation 473/2013, which specifies that all euro area member states not in a macroeconomic adjustment programme will be required to submit this plan. As part of the materials supplied, Article 6(3)(d) requires, where possible, the inclusion of indications of the expected distribution impact of the main expenditure and revenue measures. This distribution analysis will be conducted using the SWITCH model, as has been the case in previous budgets. Information contained in the draft budgetary plan sent to the Commission will also be included in the budget booklets distributed to Members of the Oireachtas.

**Deputy Pearse Doherty:** With respect, much of what the Minister of State has said is a load of nonsense, to tell the God’s honest truth. We have heard it all before from the Minister, Deputy Noonan. The Minister has no analysis paralysis when it comes to analysing. The Minister of State said we are the best and we have done so much analysis and impact assessment, but the first measure on which the Government carried out an impact assessment was legacy property tax reliefs. It carried out an impact assessment because a previous finance Bill contained provisions to get rid of them based on a ministerial order. We could not do this to the property developers, so the impact needed to be examined. They are not like single fathers; they really deserve our attention because the Galway tent might be gone and a new Government might be in place, but the same people fund the parties at the end of the day. They are their friends with whom they congregate, and they know them because they were not unique to one

individual party. They may have dominated and corrupted that party, but they are not unique to it. The Government carried out an impact assessment for these individuals and concluded that property tax relief should not be ended for all of these individuals because some of the smaller investors would be hit disproportionately. No such impact assessment whatsoever was done for single fathers who will be affected by the budget. The Government has gladly voted to charge them €2,500 extra in tax. No impact assessment was done for any child who has suffered as a result of the budget, or for any elderly person who has lost support in the form of the telephone allowance. No impact assessment was done for patients who will suffer as a result of the €666 million in cuts that the Minister for Health, Deputy James Reilly, will inflict. No impact assessment whatsoever was done for the young people who have had to take a further cut in their social welfare entitlement as a result of the Government's Pathways to Work strategy, which is nothing more than an incentive for young people to leave our shores. This is the priority the Government gives in terms of analysis paralysis. It will carry out economic impact assessments for those who need them least.

This has happened in other jurisdictions and it can happen here. It is the right thing to do. The Government should be bold enough to stand up and state that this is what it stands for, this is the Finance Bill it will introduce, that it stands by these measures and that this is the impact the Bill will have on various sectors of society. The Government is afraid of and running from the truth because the truth, if it is unveiled, will show very clearly that the Government is pro-austerity but has forced austerity down the throats of the weakest members in society. This is the problem with equality budgeting for the Government.

**Deputy Thomas P. Broughan:** The thing about the Government is that we have paralysis but not analysis on many issues such as housing. We are mired and nothing is happening, and there is not much analysis either. I know of the Minister of State's distinguished career; we were both spokespersons on energy.

**Deputy Fergus O'Dowd:** And transport.

**Deputy Thomas P. Broughan:** I did not realise the Minister of State also had responsibility for finance. I have been here for many hours and I wonder why neither the Minister for Finance, Deputy Noonan, nor the Minister for Public Expenditure and Reform, Deputy Howlin, is here at the ultimate Stage of the Bill in the House. I would have thought it was the responsibility of at least one of them, without belittling the contribution of the Deputy O'Dowd or that of the Minister of State, Deputy Brian Hayes. I strongly support Deputy Doherty.

**Deputy Fergus O'Dowd:** Perhaps Deputy Doherty has a problem remembering things. He spoke about developers. The biggest developer who was involved in the biggest controversy in the country for a long time was a member of his party.

**Deputy Pearse Doherty:** No.

**Deputy Fergus O'Dowd:** Yes, he was. He spent some time in a certain house in the North and in his house in Dublin he hid a few bob, amounting to €250,000, in the bathroom and forgot about it. The relationship between developers and the Deputy's party is very clear.

I know that those opposite do not like it, but the number of people in employment increased by more than 58,000 this year.

**Deputy Thomas P. Broughan:** The same number of people emigrated. That is more than

it takes to fill the Aviva Stadium.

**Deputy Fergus O'Dowd:** I did not interrupt the Deputy. I ask him to be kind and to listen, difficult though that may be for him. There are more people working now than there were last year, tax returns have increased and a greater air of confidence is evident. Notwithstanding the difficulties families face - and no one is denying that such difficulties exist - when I knock on people's doors, I am met with hope and positivity. I have been told that the Government, which is doing a very good job, should continue with its work.

**Deputy Thomas P. Broughan:** They are asking those in government to close the gate behind them as they leave.

**Deputy Fergus O'Dowd:** The Deputy should have some manners, as we say in my house, and listen to people rather than trying to interrupt them. He should refrain from interrupting. People have informed me that they believe the Government is succeeding in dealing with the issues, notwithstanding the fact that there is a long way to go. It is no surprise that *Forbes* magazine has an article on its website today which states that Ireland is the best country in the world in which to do business. We have restored our credibility internationally. The troika will depart these shores on 15 December next.

**Deputy Thomas P. Broughan:** They will be back in February. From now on they will be visiting us twice rather than four times each year.

**Deputy Fergus O'Dowd:** If we were to refer to the troika representatives as "emigrants", then we would be extremely happy that they are leaving. We had the courage of our convictions and we dealt with the issues that arose. We did not shy away from difficult decisions and our policies are successful. That is the reality of the situation.

**An Leas-Cheann Comhairle:** I thank the Minister of State.

**Deputy Fergus O'Dowd:** I will conclude shortly. I just want to finish reading my reply.

**An Leas-Cheann Comhairle:** There are just two minutes for each Member.

**Deputy Fergus O'Dowd:** I know that. I will be as brief as possible. The Deputies opposite need to examine the independent analysis from *Forbes* and other international magazines and journals because they will discover that we have restored both our economy and our credibility and that our budgetary policy is having an impact.

**Deputy Pearse Doherty:** Again, the Minister of State is way off subject. He is engaging in a diversion because he does not want anyone to enter into a real analysis of what is happening.

**Deputy Fergus O'Dowd:** No; sorry-----

**Deputy Pearse Doherty:** With respect, the Minister of State should show some manners. The Government does not want to introduce equality budgeting for the citizens on whom its budgets are going to have an impact. The Minister of State made a charge in respect of a developer in this city, which I reject. I presume he was referring to Mr. McFeely.

**Deputy Fergus O'Dowd:** I did not name him.

**Deputy Pearse Doherty:** I advise the Minister of State to read Sinn Féin's newspaper, *An Phoblacht*, which as long ago as 1999 carried statements and stories in respect of that devel-

oper. *An Phoblacht* actually referred to him as a “rogue developer” and a “rogue merchant” and reported tenants stating at the time that he did not treat them like human beings. This was long before any issues arose in respect of Priory Hall. I reject the Minister of State’s attempts to deflect attention from the reality, which is that the first assessment the Government carried out related to section 23 developers. Perhaps the Minister of State will indicate whether I am right or wrong in stating that the first economic impact assessment carried out by the Department of Finance following the Government’s election related to such developers. The Ministers from the Department of Finance are not present but I can inform the Minister of State that it was the first assessment carried out.

I stand by the charge that the Government will not carry out economic impact assessments in respect of young people, the elderly, those with disabilities and others who need them most. There is nothing to fear about equality. The Minister of State should not try to deflect this debate off course. Even if the economy was booming again and everything was perfect, there would still be a need for equality budgeting. Even if the Government were in a position to introduce giveaway budgets, there should still be equality budgeting. It is a principle and it has nothing to do with how the economy is performing at any given time. As legislators, we should be able to see how our decisions affect individuals and not take anyone else’s word for it. Anything we do that has an impact on people should independently assessed. That is the way that it happens in the North, in Scotland and in other jurisdictions which are not too far away. In those places, equality budgeting is the norm.

As I said earlier, the day will come when this State will be dragged out of the Dark Ages and equality budgeting will be the norm here. Let us be clear about this matter. At its annual conference last weekend, the Labour Party passed a resolution - No. 28 - which states that all future policies and Government funding decisions should be equality-proofed to assess their impact on people with disabilities. Why would the Tánaiste, Deputy Gilmore, and other Labour Party Deputies not vote in favour of such a resolution, particularly when it is the right thing to do? They should come to the Chamber now and vote against my amendment, which refers to “setting out the continuing impact on people based on their gender, income, age, marital and disability status”. Let Labour Party Deputies inform those who attended or watched their conference last weekend and believed the spin that the party is not really in favour of equality proofing when it comes to disability benefits and that even though this has been a long-held policy, it is not being honoured.

Sinn Féin intends to continue to raise this issue and pressurise the Government to bring forward proper equality proofing. People should have nothing to fear from transparency regarding where the axe falls in the context of budgetary commitments made by any Government at any time.

**An Leas-Cheann Comhairle:** Is the amendment being pressed?

**Deputy Pearse Doherty:** Yes.

**Deputy Fergus O’Dowd:** I want to respond to that.

*7 o’clock*

**An Leas-Cheann Comhairle:** The Minister of State cannot do so. Deputy Pearse Doherty is the final speaker on the amendment.

Amendment put:

<i>The Dáil divided: Tá, 40; Níl, 70.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Boyd Barrett, Richard.</i>	<i>Barry, Tom.</i>
<i>Broughan, Thomas P.</i>	<i>Breen, Pat.</i>
<i>Browne, John.</i>	<i>Buttimer, Jerry.</i>
<i>Calleary, Dara.</i>	<i>Byrne, Catherine.</i>
<i>Collins, Joan.</i>	<i>Byrne, Eric.</i>
<i>Collins, Niall.</i>	<i>Cannon, Ciarán.</i>
<i>Colreavy, Michael.</i>	<i>Carey, Joe.</i>
<i>Cowen, Barry.</i>	<i>Coffey, Paudie.</i>
<i>Crowe, Seán.</i>	<i>Conlan, Seán.</i>
<i>Daly, Clare.</i>	<i>Connaughton, Paul J.</i>
<i>Doherty, Pearse.</i>	<i>Conway, Ciara.</i>
<i>Ferris, Martin.</i>	<i>Coonan, Noel.</i>
<i>Flanagan, Luke 'Ming'.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>Fleming, Sean.</i>	<i>Creed, Michael.</i>
<i>Fleming, Tom.</i>	<i>Daly, Jim.</i>
<i>Grealish, Noel.</i>	<i>Deenihan, Jimmy.</i>
<i>Halligan, John.</i>	<i>Doherty, Regina.</i>
<i>Healy, Seamus.</i>	<i>Dowds, Robert.</i>
<i>Kelleher, Billy.</i>	<i>Doyle, Andrew.</i>
<i>Kirk, Seamus.</i>	<i>Durkan, Bernard J.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>English, Damien.</i>
<i>McConalogue, Charlie.</i>	<i>Feighan, Frank.</i>
<i>McDonald, Mary Lou.</i>	<i>Ferris, Anne.</i>
<i>McGrath, Finian.</i>	<i>Fitzpatrick, Peter.</i>
<i>McGrath, Michael.</i>	<i>Flanagan, Charles.</i>
<i>McLellan, Sandra.</i>	<i>Griffin, Brendan.</i>
<i>Murphy, Catherine.</i>	<i>Hannigan, Dominic.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Harrington, Noel.</i>
<i>Ó Cuív, Éamon.</i>	<i>Harris, Simon.</i>
<i>Ó Feargháil, Seán.</i>	<i>Heydon, Martin.</i>
<i>Ó Snodaigh, Aengus.</i>	<i>Hogan, Phil.</i>
<i>O'Brien, Jonathan.</i>	<i>Howlin, Brendan.</i>
<i>Pringle, Thomas.</i>	<i>Humphreys, Heather.</i>
<i>Ross, Shane.</i>	<i>Humphreys, Kevin.</i>
<i>Shortall, Róisín.</i>	<i>Keating, Derek.</i>
<i>Smith, Brendan.</i>	<i>Kehoe, Paul.</i>
<i>Stanley, Brian.</i>	<i>Kelly, Alan.</i>
<i>Tóibín, Peadar.</i>	<i>Kenny, Seán.</i>
<i>Troy, Robert.</i>	<i>Kyne, Seán.</i>



4 December 2013

<i>Wallace, Mick.</i>	<i>Lawlor, Anthony.</i>
	<i>Lyons, John.</i>
	<i>McEntee, Helen.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>McNamara, Michael.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Murphy, Dara.</i>
	<i>Murphy, Eoghan.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Mahony, John.</i>
	<i>O'Reilly, Joe.</i>
	<i>Penrose, Willie.</i>
	<i>Perry, John.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Rabbitte, Pat.</i>
	<i>Reilly, James.</i>
	<i>Ring, Michael.</i>
	<i>Ryan, Brendan.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Timmins, Billy.</i>
	<i>Tuffy, Joanna.</i>
	<i>White, Alex.</i>

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

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendment No. 23 in the name of Deputy Boyd Barrett is out of order.

Amendment No. 23 not moved.

**An Leas-Cheann Comhairle:** Amendments Nos. 24 and 25 are related and may be discussed together.

**Deputy Pearse Doherty:** I move amendment No. 24:

In page 54, between lines 20 and 21, to insert the following:

“(3) The Principal Act is amended in 372AAB in part (a) by deleting the words “immediately prior to conversion” and replacing with “for a period not less than 5 years prior” and in part (b) by deleting the words “immediately prior to conversion” and replacing with “for a period not less than 5 years prior.”.”

Amendment No. 24 relates to the so-called living city initiative. There is a widening of the living city initiative to include a number of other cities despite the fact that the initiative has not been up and running in the two cities identified for it in the Finance Bill 2013. We have seen a trend of the Government introducing policy without any evidence to back it up. One is supposed to allow a pilot scheme take effect, assess it after a while and if it is worthy, expand it or roll it out nationally, but that is not the approach the Minister has taken.

The key to this amendment is in the Bill. The amendment refers to the Principal Act. It amends the Bill, first, by deleting the words “immediately prior to conversion” and replacing them with “for a period not less than 5 years prior”. The reason for this can be found in the original living city initiative, and because the Minister is expanding the scope of it. The Finance Act 2013 states:

‘conversion’ in relation to a building, structure or house, means any work of—

(a) conversion into a house of a building or part of a building where the building or, as the case may be, the part of the building has not, immediately prior to the conversion, been in use as a dwelling...

The key point here is that this initiative is aimed at buildings that have not been lived in. Obviously, the name, “living city initiative” is to get people back living in the city. However, the definition of conversion is that it is not, “immediately prior to the conversion,” lived in. Earlier we dealt with an amendment where persons had to be unemployed continuously “for the period of 12 months immediately” before. Therefore, there is a definition of “immediately”. It means straight before.

The question here is how long does somebody have to be not living in the house before he or she can apply for this scheme. As I stated on Committee Stage, although we do not know what parts of Dublin will be designated, let us say a part of Dublin around the canal was designated where there is a house built pre-1915 in which somebody is living. This scheme is so lucrative it is unbelievable. If one has the tax liability to avail of it over the period of ten years, it is a 100% grant. How long does somebody have to leave the house unoccupied for him or her to avail of this grant? The definition under the original section is that “the building has not, immediately prior to the conversion, been in use as a dwelling”. My reading of the Act - this is why I seek clarity - is that it would apply if one was not there for a month, two months or a year. What is meant by “immediately prior”? If we look at what we dealt with earlier in terms of 12 months of continuous unemployment immediately prior to taking up the position, then that means the day before. It will be interesting to hear the Minister of State’s response.

**Deputy Billy Timmins:** Amendment No. 25 states:

In page 54, between lines 22 and 23, to insert the following:

“(4) The Living City initiative should include the following cities and town—Cork, Dublin, Galway, Kilkenny, Limerick, Waterford and Bray.”.

Deputy Pearse Doherty referred to amendment No. 24. I believe this is a positive initiative and I would be supportive of the concept. The principle is to revitalise certain parts of cities and, hopefully, a town, that will be designated for the future.

I do not agree with Deputy Pearse Doherty’s amendment because it limits the possibility that this policy will achieve change. It is not to assist the developers but to revitalise towns. We all will be aware that there are large tracts of the cities of Dublin, Cork, Limerick or wherever where many of the buildings are converted pre-1963 into a multiplicity of units, many of which are fire hazards or are of a poor standard. I believe that the initiative can be positive.

What is the status of the scheme outlined in the Finance Act 2013 for Georgian houses in Waterford and Limerick? It is important that this, as a pilot scheme, is monitored.

We can get a little confused. When we talk about the economic collapse, we always talk about the property bubble. There was not a property bubble. It was a money bubble. There were many decisions made. There is the disposal of newspaper groups, bank shares and land. Many items other than residential property were purchased for quite crazy figures. Companies exchanged hands. It is important to realise that it is possible to provide incentives for residential property without causing a difficulty with regard to the price.

We in the Reform Alliance have come up with a concept, which we will be forwarding to the Minister for Finance, called, “a fair value”. This is to try to establish a co-relation between the average income and the average house price - the average house price as a multiple of the average income - and to use this as some sort of measuring tool with respect to lending to ensure that there is no irresponsible lending in the future and financial institutions lend in a responsible manner. It is a progressive policy and I sincerely hope the Minister will take it on board. We will be distributing it to the various stakeholders over the next couple of weeks. It is simple. It is in addition to the standard percentage of disposable income or the two and a half times the income of the principal earner in a couple plus one time the other income that financial institutions would apply.

My amendment No. 25 is simple. It may appear narrow. It shows up a greater fault in how we make policy here. I lived in Galway and Kilkenny and both of those towns are listed in the initiative. I have sought to add Bray to it because, by any independent objective analysis, the numbers of properties in Bray that would benefit from this are far greater than the numbers of such properties in Galway or Kilkenny. In Galway city there are old properties in the area called The Crescent and in Eyre Square and Taylor’s Hill that need to be revitalised. In Kilkenny city the old properties are in a limited area around the core of the town off High Street and Patrick Street and an upper part known as the Lacken area that looks down on the lower area of the city. In Bray there is a large area stretching from the Main Street heading east down towards the seafront, through Meath Road, Sidmonton Road and Florence Road, where a large number of properties are in multiple units and many of them are old buildings in a very poor state of repair. If one was to base the criteria for inclusion purely on economic and social analysis and the potential to improve a town, I believe that Bray should be included at least before those two cities

I mentioned although I am not so sure in that respect in the case of the larger cities. I raised this issue with the Minister on Committee Stage and indicated my intention to table an amendment on Report Stage. He indicated at the time that he would give consideration to including Bray at some time in the future but not now, but I hope he has seen fit to change his mind. Bray's inclusion in this initiative would be a positive move for the town as it needs an incentive.

**Deputy Fergus O'Dowd:** On Deputy Doherty's amendment, I would like to clarify any confusion which may exist in relation to the point he has raised in his amendment. I share his concern that the initiative should be targeted at the areas where it will do the most good and that it should not be available on a wide-scale basis. The landscape of this country is still scarred by the rampant tax-driven property developments of the past. Mercifully, these older tax schemes have been largely brought to an end and the Minister for Finance has no ambition to preside over a repeat of them in the future.

Deputy Doherty's amendment concerns the residential element of the initiative. Under the scheme, the building must have been originally constructed as a dwelling prior to 1915. The relief is intended to apply to expenditure on refurbishment or conversion of the building for residential purposes. The relief only applies to the person who owns the building and is residing in it as their sole or main residence. Furthermore, the relief is only given for any of the first ten years after conversion or refurbishment and while the person continues to be in residence.

The Minister for Finance envisages two types of situations in which this relief might apply. First, the building may currently be occupied as a dwelling, though in need of refurbishment. Subject to all the other conditions of the scheme being met, the owner-occupier of that dwelling can avail of the relief in relation to the cost of that refurbishment. The term "refurbishment" takes its meaning from elsewhere in the tax code but the use to which the building is put does not change. It was and remains a dwelling. The relief also applies to refurbishment of an empty dwelling so it is not vital that it is occupied at the time the work is done, although of course it must subsequently be occupied as the sole or primary residence to avail of the relief.

The second situation is where the building has been converted into something else since it was originally built. While it may have been constructed as a dwelling it may now be a shop or put to some other use entirely. Where eligible work is done on such a building it is classed as a "conversion". This is also allowed. The reference to "immediately prior to the conversion" in paragraph (a) allows for the situation in which the building is converted back into a house from having previously been something else. Similarly the same reference in paragraph (b) is to address situations in which the building is converted into a series of apartments from having been a single dwelling or not in use as a dwelling at all.

During the Committee Stage debate Deputy Doherty was concerned that the occupier could move out of the building for a short period so as to avail of the relief and it would appear that his amendment is designed to prevent this. He seeks to ensure that properties cannot be converted overnight from a business to a residential dwelling and that the premises must have been a business premises for at least five years before conversion works are carried out. The likelihood of a premises being changed from residential use to business use and then back again to residential use within a period of five years would appear to be remote. It is difficult to see what loophole could be availed of here to circumvent the intention behind the legislation. The key objective is to encourage people, especially families, to live in these run-down areas, and that is what the relief is designed to do.

The Minister for Finance hopes that this measure will work and if it needs improvement in the future he will consider changing it. Since this initiative is not available in the rental sector I am confident that it will cause no distortions in that sector. I am aware, for example, that some low income individuals and families currently live in substandard rented accommodation in inner cities. If the relief under this initiative were available to landlords, it could ultimately result in rents being increased and becoming unaffordable to this group. Obviously, theirs is an unhappy situation and I do not wish to introduce a tax incentive which would have the perverse effect of making their situation any worse. I hope that Deputy Doherty accepts that explanation.

Deputy Timmins indicated on Committee Stage that he would submit an amendment on Report Stage to include Bray in the scheme. The Minister for Finance explained to him then, and I repeat it, that he was not prepared to do this at the present time. This is a pilot scheme. When it was introduced originally it was intended to apply only to Waterford and Limerick. The Minister for Finance has since been persuaded by the results of the *ex-ante* cost benefit analysis to include Cork, Dublin, Galway and Kilkenny. Deputy Doherty thinks he has gone too far as it is but we will not be going beyond these six cities until we see how the initiative has worked out. The Minister will be consulting with all the relevant local authorities in the coming months with a view to identifying the streets and the areas within these cities where the relief will operate.

The legislation provides for the Minister for Finance to specify by order the “special regeneration areas” to which the relief will apply. The cities and-or towns themselves are not referenced in the primary law. For the reasons I have given, I am not accepting Deputy Timmins’s amendment.

**Deputy Pearse Doherty:** Aside from the issue that the scheme is being expanded before it is even up and running, I do not believe that my amendment is in conflict with the Government’s intention in this respect. The Minister of State referenced a number of situations but I did not hear him address the concerns I raised. He spoke about the conversion of a property from a dwelling to a commercial premises. Section 372AAB of the Finance Act 2013 relates to owner-occupiers. This initiative is designed to encourage owner-occupiers to go back and live in these houses. That section states: “‘conversion’ in relation to a building, structure, or house, means any work of...conversion into a house of a building or part of a building where the building or, as the case may be, the part of the building has not, immediately prior to the conversion, been in use as a dwelling”. One can fix or change the house one owns as long as it was not lived in previously. The reason that clause is included is that the measure is not intended for people who are living in their houses and want to avail of a tax break to knock a few walls and do up the house, rather the house has to be unoccupied and located in a part of the city that needs regeneration. My concern is that the wording “immediately prior to conversion” could enable people who occupy the House to move out, avail of the tax break and then move back in because no time limit is given. I gave the example of an unemployed person availing of the start your own business scheme but that scheme does not state that the applicant needs to be immediately unemployed beforehand, rather it means that the applicant needs to be immediately unemployed continuously for 12 months.

**Deputy Billy Timmins:** I regret that the Minister of State did not take on board the points I raised. The argument I put forward still stands. My understanding of the scheme is that once the person is living in the house at the time the conversion is done - where the person lived prior to or after that is irrelevant - that is the only qualification required. Perhaps the Minister of State could clarify the regulations. In the case of a building that was constructed with, say, a shop on the ground floor, as many of these buildings were, and the second and third floor were residen-



tial, does all of the building qualify for relief, or is it only the residential part of the building, or is there division in respect of the relief?

**Deputy Fergus O'Dowd:** I advise Deputy Doherty that the officials have offered to meet with him to clarify the issues he raised. If he is happy to accept that offer, they would be happy to do so. However, the position still stands and we do not accept the amendments.

**An Leas-Cheann Comhairle:** Deputy Doherty, how stands amendment No. 24?

**Deputy Pearse Doherty:** I will withdraw it.

Amendment, by leave, withdrawn.

**Deputy Billy Timmins:** I move amendment No. 25:

In page 54, between lines 22 and 23, to insert the following:

“(4) The Living City initiative should include the following cities and town— Cork, Dublin, Galway, Kilkenny, Limerick, Waterford and Bray.”.

**An Leas-Cheann Comhairle:** Deputy Timmins, how stands the amendment?

**Deputy Billy Timmins:** I will withdraw it.

Amendment, by leave, withdrawn.

**An Leas-Cheann Comhairle:** Amendment No. 26 in the name of Deputy Richard Boyd Barrett has been ruled out of order. Amendments Nos. 27 and 28 in the name of Deputy Pearse Doherty have been ruled out of order. Amendments Nos. 29 and 30 in the name of Deputy Michael McGrath have been ruled out of order.

Amendments Nos. 26 to 30, inclusive, not moved.

**An Leas-Cheann Comhairle:** Amendment No. 31 in the name of Deputy Michael McGrath arises out of committee proceedings.

**Deputy Michael McGrath:** Is there time to move this amendment?

**An Leas-Cheann Comhairle:** Yes.

**Deputy Michael McGrath:** I move amendment No. 31:

In page 69, between lines 18 and 19, to insert the following:

“**48.** Section 119 of the Finance Act 2001(as amended by section 99 of the Finance Act 2010) is amended by inserting the following new subsection (5) into section 119 (penalties for certain excise offences):

“(5) where the offence referred to in subsections (1) and (2) relates to tobacco, a person convicted of such an offence shall be liable—

(a) on summary conviction to a minimum fine of €5,000 or at the discretion of the court, to imprisonment for a term not exceeding 12 months or to both,

(b) on conviction on indictment—

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(i) to a minimum fine equal to 5 times the value of the excisable products concerned, including any duty or tax chargeable thereon, or €130,000 whichever is the greater, or, at the discretion of the court, to imprisonment for a term of not less than 5 years or to both, or

(ii) where the value of the excisable products concerned including any duty or tax chargeable thereon, is greater than €250,000, a minimum fine equal to 5 times the value of those products, or, at the discretion of the court, imprisonment for a term of not less than 7 years or to both.”.

Debate adjourned.

### **Message from Select Committee**

**An Leas-Cheann Comhairle:** The Select Committee on Justice, Defence and Equality has completed its consideration of the following Supplementary Estimates for public services for the year ending 31 December 2013: Vote 35 — Army Pensions.

### **Electricity Infrastructure: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Michael Moynihan on Tuesday, 3 December 2013:

That Dáil Éireann:

agrees that Ireland’s electricity infrastructure and transmission capability be modernised, as well as expanded, to allow for a clean, sustainable and affordable supply to the public and to support all future economic and societal development; accepts that Fáilte Ireland has raised concerns about erecting overhead pylons in certain areas, and there is considerable concern amongst the public about the lack of consultation, as well as health and visual concerns on the proposals being put forward by EirGrid, that involve high voltage lines to a height of 135 feet being erected in many regions throughout the country; and calls for an independent international assessment of the EirGrid proposals to take place, so that the health and visual concerns held by the public are fully addressed, the cost and placing underground of the transmission cables are fully examined and a report on these matters to be published by the Minister for Communications, Energy and Natural Resources.

Debate resumed on amendment No. 1:

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

“acknowledges the Government’s commitment to retain the electricity transmission and distribution networks in public ownership as strategic infrastructure and to ensure they are developed and maintained in the national interest;

recognises that investment in the national grid is vital to ensuring a secure, reliable and safe supply of electricity and is critical to economic recovery;

supports a grid investment strategy that reduces our dependence on imported fossil

fuels, helps us create less carbon waste and enables us to reach our 40% renewables targets by 2020;

recognises legitimate concerns about the impact of new transmission lines and other infrastructure on the landscape, the environment and on local communities;

notes the request of the Joint Committee on Transport and Communications to extend the period of public consultation;

confirms, as set out in the Government Policy Statement on the Strategic Importance of Transmission and Other Energy Infrastructure of 17 July 2012, that EirGrid must take account of all relevant national and international standards and follow best practice and that, in particular, grid development must:

- be taken forward on the basis of the best available knowledge and informed consultation and engagement on the impacts and costs of different engineering solutions;

- comply with every applicable national and international standard – on health, environment, biodiversity, landscape and safety;

- be based on the best available advice and expertise and must address and mitigate any human, environmental or landscape impact; and

- be delivered in the most cost efficient and timely way possible;

welcomes the decision to extend the current public consultation to 7 January 2014 and, acknowledging that the consultation should proceed without disruption, notes that the Minister for Communications, Energy and Natural Resources will, after that date, respond on behalf of the Government to the issues raised;

calls on EirGrid:

- to fully engage with potentially affected communities;

- to examine impartially the case for all achievable engineering solutions;

- to undertake and communicate a well-informed, objective and authoritative analysis, impact assessment and pre-planning consultation; and

- to build community gain considerations into its project budgeting and planning; and

encourages the public to participate fully in the consultation process.”

- (Minister for Communications, Energy and Natural Resources, Deputy Pat Rabbitte).

**Deputy Mick Wallace:** I propose to share time with Deputies Luke ‘Ming’ Flanagan, John Halligan and Mattie McGrath. There is much concern across the country about EirGrid’s Grid25 scheme. There is much worry that not enough is known about the project, especially from the point of view of the people in the country. EirGrid would like the cheapest option and this concern is of the highest priority, with the people and the environment secondary. This is hardly a new phenomenon as the austerity of the past few years was hardly geared towards the people’s

concerns. It was geared more towards the financial markets. The strategy of the Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, states, “The development of renewable energy is central to overall energy policy in Ireland. Renewable energy reduces dependency on fossil fuels...”.

A few weeks after his publication, the Minister was speaking at an event telling more than 70 companies and 100 participants how they can be supported in accessing the major business opportunities linked to current offshore oil and gas exploration activity. The International Energy Agency is at pains to tell us that, if we are serious about limiting climate change, two thirds of fossil fuels that we have already discovered should be left in the ground. The Minister spoke this morning in the House about making environmental targets and the prospect of generating revenue for the State in the process from selling wind generating power to the UK. It is fair to surmise in our current trajectory that the Minister has little interest in alleviating the problems of climate change and is more interested in the financial end of the renewable energy scheme.

The progress of EirGrid’s Grid25, Shell’s activities in the Corrib Gas project and the proliferation of private windfarms throughout Ireland directly contravene the requirements of the United Nations Aarhus Convention, the aim of which is to promote citizens’ access to information, public participation in environmental decision-making, and access to justice. There are serious questions to be answered. Why is wind making up 90% of our renewable energy when it is regarded as volatile? Why are we not spending more on wave and geothermal energy? Why are we wasting so much money and increasing emissions by heating poorly insulated housing and buildings? Why is there not more retrofitting? Do we really need EirGrid’s Grid25 scheme or is it a business venture to grow exports and profits? Will we abandon tourism? Will we put the health of our people and our environment at risk in the interest of big business?

**Deputy Luke ‘Ming’ Flanagan:** The consultation process began yesterday at the committee meeting when John O’Connor, the incoming chairman of EirGrid, was asked if he would live beside a pylon. He said he would not like to live close to a pylon and asked who would. That started the consultation process because there has not been a consultation process, especially in the area in which I live, where 10,000 leaflets mysteriously did not arrive at the people most affected by the matter under consultation.

It is obvious at this stage that we will have to go back to the drawing board. We must talk to people first. Doing so will establish whether people are agreeable to the pylons being overground. If not, the possibility of going underground must be examined. After that, we decide the terrain of the route. Overground routes require different terrain from underground routes.

The Government does not seem to understand consultation. If the Government were running a matchmaking agency, with the hope of marriage for its clients at the end, it would start off by marrying them without getting them to talk to each other. Then, it would put them into marriage counselling and try to sort out the problems after the contract was signed. That is not the way to proceed. We must have all the knowledge before signing up to the contract. That is the reason for the current mess. Jim Higgins, MEP, is going to solve it in Europe at a petitions committee. There is a political circus around this. All the Government Deputies and some of the rebel Labour Party Senators will solve the problem when the solution is in the Minister’s hands. The Minister can solve this by making the decision to go back to the beginning and start consultation where it should begin, at the beginning. He should listen to the incoming chairman who said he would not like to live close to a pylon. He said he would not like his view damaged or that it would be a disamenity. He thinks people should be compensated if affected but he has

already confirmed that people will be affected. This must all be thrown into the pile and the Government must go back to the beginning. That is where things usually start.

**Deputy John Halligan:** One wonders at the reasoning behind Mr. John O'Connor's comments yesterday in light of the amount of fear, concern and anger of thousands of people, particularly in rural areas. I have addressed two meetings, one of which was in the Comeragh Mountains, with 1,500 attendees, expressing their concerns. We are still unsure about the potential impact of overground pylons on the general health of the population. Concerns have been expressed by the International Agency for Research on Cancer, IARC, which is part of the World Health Organisation, about the non-ionising radiation that comes from pylons. The IARC concluded it is possible there are health risks associated with overground pylons. In 2006, it reported that if pylons are put overground, they should be kept away from populated areas. If a respected organisation like the IARC is making comments like this, we must take on board what it is saying. It claims there is the potential of serious health risks because of pylons.

I have spoken the EirGrid and its consultation process is abominably poor. That is accepted by Deputies on all sides. EirGrid had an idea that it could pick out the areas and then had to make statements in the newspaper before proceeding. It underestimated the uneasiness in the population in many rural areas. I urge the Minister to go back to EirGrid. I do not accept the EirGrid assumption that going underground would increase the cost sixfold. That is inaccurate.

**Deputy Mattie McGrath:** I am delighted that the Fianna Fáil Party tabled this motion. I am exhilarated to see the Minister in the House to listen and reply to the debate. I tabled a parliamentary question two weeks ago and I thought I was back in the era of Mary Harney, with the idea that the Minister has no responsibility for EirGrid. He evaded responsibility. I am delighted he is sitting up and listening now. Is that because he was grilled at the Labour Party conference last week? I am saying to the Minister and any supporter of his amendment that this is going nowhere. As I stated this morning, if this does not go underground, the project will be buried anyway. There is a feeling that EirGrid has been cavalier and arrogant, and to add insult to injury, the Minister, Deputy Rabbitte, has decided to appoint the former chairman of An Bord Pleanála - now retired - as the gamekeeper in EirGrid. He knows every nook, cranny and pigeon hole in An Bord Pleanála, where the planning process has been subverted. The process will not go to council level and it must go to An Bord Pleanála, so who better to put into EirGrid than Mr. John O'Connor? He waltzed before the committee yesterday and told me, among many others, that he never asked for a job specification when the Minister asked him to take on the role and he did not ask about remuneration either. He would not need to as he is already on a healthy pension from many other places. He is retired and I have nothing personal against the man but there are plenty of young people with expertise who can listen to and deal with people while being accountable to them.

We are accountable here and I am a Teachta Dála, which equates to a messenger boy. I do not mind that and I am proud of it, as I have been elected by the people of south Tipperary to tell the Minister, Deputy Rabbitte, and his colleague, the Minister of State, Deputy Alan Kelly, that their blackguarding of the people will not continue. We had Cromwell in Tipperary and bloody blackguards of all kinds but we will not put up with these mobsters, as I call them. They think they can insult and lie to people while scoffing at them. They have never taken off suits to put on wellies to engage with the public. They have come here to say they had engagements at marts and race meetings. As I stated today, one goes to a mart to buy or sell a beast and one goes to a race meeting for a punt. People do not go to talk about EirGrid. All this is to satisfy the Aarhus Convention provisions on consultation. These people are not consulting at the mo-



ment but they will have to engage with the people. They will not get away with this.

The Minister is wilting under the pressure. He might say that promises are made at election time and he can talk about Mrs. Murphy's bull, Mrs. Brown's cow or Mrs. Keane's dog but they are coming back to bite him at the heels, the knees and further up as well. We are not going to have this in rural Ireland as there has been no engagement. What has it all been for but to take wind energy from big business and export it to Her Majesty, if we do not mind, so that the country can get over its Kyoto promises? The Minister has signed the memorandum of understanding to help meet the UK's obligations with regard to fossil fuel use and emissions. The Minister should think long and hard and ask Mr. O'Connor to retire to Cork. He should make a new appointment of somebody who will consult and listen to the people before it is too late and the project is scrapped. I introduced a scrap metal Bill to the House but I will not need to do so again if this project goes ahead, as it will be consigned to the scrap heap.

**Deputy John O'Mahony:** I wish to share time with Deputies McEntee, Connaughton, McNamara, Ann Phelan, Anne Ferris and Coffey.

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

**Deputy John O'Mahony:** I am thankful for the opportunity to contribute to the debate on an issue that is affecting communities throughout the country. I have no wish to contribute to a circus but I am earnestly seeking a solution that is acceptable to the communities throughout the country. I was not aware until last night that the issue of modernisation and upgrading the grid has not been discussed at length in this House, and I welcome the opportunity to be part of this debate tonight.

There is an acceptance on all sides of the House and even on the ground that there is a need for long-term planning for sustainable energy and future grid supply. We are in the middle of the Grid West controversy and there are communities and organisations which came into being five or six years ago, when the project was mooted by the previous Government. There was a suggestion at the time that the west should not be left out again and the issue has clearly taken a new turn in recent weeks. It is important we address it in the correct fashion. This process must take place in a way that is sensitive to affected communities and done with their support and acceptance.

There are two extreme solutions but none is acceptable. One option is to abandon the project and leave the grid as it is while the other is to steamroll the project through without listening to or taking on board the concerns of the people. I am old enough to remember rural electrification and I often wonder if we had started that from scratch recently, how would its impact have been accepted in the community? There must be a better way than the second option. Having read the Fianna Fáil motion and the Government amendment, both, by and large, show a clear path between the two extremes.

I have sat through three four-hour meetings in recent days and weeks, listening to communities first, the chairman-designate being interviewed yesterday and the representatives of EirGrid today. It is clear that the process up to now, such as it is, has not worked. There has been consultation but it has not been as meaningful as it should be. EirGrid has taken that issue on board and it will be interesting to see how that will work on the ground. The replies to questions have not been clear or concise, and there were mixed messages and different answers from different officials. The undergrounding issue has not been addressed in clear and precise

terms, as in some cases the cost is six times that of overgrounding and with other cases the cost is three times as much. There is also the question of whether technology could be upgraded before the pylon projects go ahead, and could the cost be brought down as a result. Clarifying these questions would help all sides, including EirGrid. If it is independently established that undergrounding would be three times the cost of overgrounding, people must be willing to answer the question of whether they would be willing to pay three times their energy bills in coming years.

In Mayo there is the question of an inability to deliver the grid because of restrictions surrounding special areas of conservation. Deputy Calleary is aware that work on the N26 was turned down a few years ago because it interfered with a few Whooper swans but it is now proposed that the pylons will be put through exactly the same area. The suggestion seems to be that the birds and bees are taken account of but people and their homes are not. Those issues must be considered.

At the outset I indicated that I very much welcome the debate tonight on the motion and amendment. I also welcome the fact that EirGrid established that there needs to be better consultation and more independent information on health and cost issues, as well as matters of undergrounding, the environment and the implications for tourism. It is important to realise that this will be a long process and nobody in any of the affected areas will wake up tomorrow to find a huge pylon outside their front or back door. No single event will decide this but the process must be examined. I look forward to a fine-tuning or refining of the issue to allow the process to go ahead while taking on board the sensitivities and concerns of the communities.

**Deputy Helen McEntee:** We have seen tonight that this is a very emotive issue. We have heard how many people are very upset and angry and they want to know where things are going and what is happening. We cannot blame those people as the issue is very contentious; we are wondering if the lines should be put overhead or underground and if it is feasible for the lines to go underground. We are also asking what is the cost for both options. There are also the splinter issues stemming from the main issue, including health, community gain, visual impact, tourism and heritage, as well as property value. All these questions must be answered. As Deputy O'Mahony has stated, although many issues have been raised, there have not been many answers. That is why we have seen panic, confusion and anger throughout the country, and there is a vacuum and a lack of information.

The expansion and upkeep of our grid is very important. EirGrid is in charge of that and it has an extremely important job but it should be careful in how it does it. There is much talk about keeping the lights on, which is fine. It is not too long ago that we were told in Meath that if the North-South interconnector was not completed by 2012 the lights would go out. We are not in darkness now. I do not know whether that is due to the downturn in the economy of the fact that we do not need as much energy. Either way, we do not need to become hysterical and we do not need to exaggerate. That goes for both sides of the argument. EirGrid has an important job but public representatives have an equally important job, namely, to represent those who elected us. Currently, a significant number of people are not happy with the manner in which EirGrid has rolled out the project. Lack of public acceptance is the one factor that could delay a project of this size. One of the main reasons for the lack of acceptance is the lack of public consultation and the inability to take on board the views of people on the ground.

Earlier today, EirGrid came before the Joint Committee on Transport and Communications. Its representatives spoke about the importance of the public consultation process and how they

give everybody involved a chance to have their say. They said the process is ongoing and that every matter raised would be addressed. I can only speak for those connected to the North-South interconnector and those in Meath and possibly Cavan and Monaghan but the consultation process has come and gone and the issues raised were not addressed. Years of hard work were invested by many people and hundreds of thousands of euro were spent by the same people but undergrounding was not properly addressed. It is the single biggest problem faced by EirGrid in the roll out of the GridLink project and it was not publicly addressed by EirGrid. I find that incredible. The issue must be addressed. The situation has been ongoing in Meath for six years. Sometimes when an issue does not relate to one's back garden, one does not pay any heed but now the issue affects everyone's back garden and it is being raised much more. The Minister accepts the need to address the concerns brought to him by Members. I am not an expert in health, property valuation, the environment or how much a project would cost. My purpose is to raise the issue. I am delighted to contribute to the debate.

**Deputy Paul J. Connaughton:** I wish to share time with Deputy Heydon. We will take two minutes each.

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

**Deputy Paul J. Connaughton:** Electricity transmission and distribution networks are a vital element of public infrastructure and that is why the Government is committed to retaining the network in public ownership. Part of the commitment involves ensuring the infrastructure is properly maintained and developed and it is its development that is at the heart of the debate. We all recognise that in order to ensure a secure and safe supply of electricity ongoing investment must be made in the national grid. Electricity is a key element in helping the Government to achieve its aim of using 40% of renewable energy by 2020 and achieving a constant reduction in dependence on imported fossil fuels. Transmission infrastructure has been identified as being of strategic importance but people - families and communities - are paramount when it comes to putting any piece of infrastructure in place. Careful consideration must be given to its siting and the impact it will have on communities, not just now but for many decades to come. Public consultation is vital and must not be a token exercise. I call on EirGrid to engage fully with the communities that will be affected by the decision.

Too often to date, alternative solutions were not properly investigated because companies were too focused on the additional cost that would result from alternatives. It has been estimated that putting cables underground would cost three times the overground method. I query such costs. Has the option of running electricity cables adjacent to motorways been properly investigated? Surely, with Government backing, the land necessary for that would be much cheaper than the running of lines through private land and the building of pylons all over the country. Would the maintenance of such lines also prove to be more cost effective?

Community life is a cornerstone of Irish life and we cannot on the one hand promote involvement in communal activities and community life if we do not balance it by taking proper cognisance of the fears and worries of local communities where such fears are expressed. Consultation with local communities must be of paramount importance in terms of updating our national electricity transmission infrastructure.

**Deputy Martin Heydon:** I am pleased the issue has been raised in the Private Members' debate because it has a significant impact on my constituency of Kildare South. I have raised the matter on a number of occasions through parliamentary questions, in a Topical Issue debate

and engaged directly with the Joint Oireachtas Committee on Transport and Communications. I commend my colleague, Deputy John O'Mahony, for his chairmanship of the committee and the work it has done.

I stated on the record of the House previously that an independent, full cost-benefit analysis of all the options must be carried out so that we can adequately examine the position on undergrounding cables or placing them overground and the technical and cost implications of both in order that we can make an informed decision rather than the current situation in which EirGrid has said it is too expensive and that it will not examine the option. It is evident that improved consultation is required because to date it has not been up to scratch. I welcome the extension of the consultation period to 7 January as it will provide extra time. We must listen to people's genuine concerns about the erection of large pylon structures in their area on health, the environment and the impact in terms of the devaluation of one's property.

We also need a full, independent analysis of the existing 400 kV line we have in the country that stretches from Moneypoint to Dunstown in Kildare. It has been in place for 30 years. The Radiological Protection Institute of Ireland, for example, could examine the health impacts, if any, on people living in areas adjacent to the line. Such work would be useful.

I concur with what Deputy O'Mahony said, that we should not abandon the process of ensuring that our electrical infrastructure is fit for purpose both now and in the future but we need an open debate about our energy needs, including wind energy, to find out where we are heading.

**Deputy Michael McNamara:** Just two years ago, the Government, in particular the Minister for Arts, Heritage and the Gaeltacht, invited the public and interested parties to have their say on a national landscape strategy for Ireland.

Is there an unusual echo in the Chamber or is that my imagination?

**Deputy Ann Phelan:** Yes, there is.

**Deputy Michael McNamara:** Anyway, I will continue. At the time the Minister said the European landscape convention was adopted in 2000 as a new Council of Europe instrument with which to guide the management, planning and protection of all landscapes in Europe. Ireland, in common with 34 other countries, has signed and ratified this convention. The Minister said:

The aim of a national landscape strategy will be to put in place a framework to achieve balance between the active management, forward-planning and protection of our internationally renowned landscape as a physical, economic and cultural asset. A core objective of a national landscape strategy is for the sustainable management of change affecting landscape and not the preservation or freezing of the landscape at a particular point in its continuing evolution.

Balance is essential to the debate and it is particularly lacking in the contribution of some but not all Opposition Members. Change is inevitable as we move forward. With your permission, a Leas-Cheann Comhairle, I wish to read a short extract from the county development plan for County Clare:

County Clare possesses world-class renewable energy potential. It has some of the best

wind speeds in western Europe, a long Atlantic coastline and a valuable estuary resource. It is also one of the most afforested counties in Ireland. These resources present excellent opportunities for investment in wind, wave, tidal, hydro and biomass energy. The county also has an excellent modern grid distribution network with two 400 kV power lines strategically traversing the county providing potential for new connections.

I am pleased to acknowledge that previous Governments built two power stations in County Clare, both of which were in their time the biggest power stations in the country. I am equally pleased to say that when those Governments built them they did not leave them in splendid isolation but they connected them to our population centres, hence the two 400 kV power lines. Change is inevitable. The change that will be wrought by pylons, power lines, wind farms, fracking and the potential for fish farms and increasing the aquaculture output of this country, and even by water abstraction plans for Dublin, pose a challenge but there is no reason the challenge cannot be met in balance with the landscape by the Government and future Governments. It was not impossible to harness the Shannon and transfer the energy across the country or to build a power station in Moneypoint and transfer the power that was generated. There is no reason we cannot move forward in that vein but the histrionics some Opposition Members have brought to the debate would suggest that we abandon all progress and development and effectively sterilise the country. That simply cannot happen. In the world in which we live progress and development are inevitable. I accept we need balance and the development must be beneficial to the health and economic well-being of the majority of citizens but that does not mean that development cannot happen in the manner outlined. I believe it can and therefore I cannot support the motion as presented by the Opposition.

*8 o'clock*

**Deputy Ann Phelan:** I am thankful for the opportunity to speak. I am glad my colleague spoke about the need for balance because we certainly need it in this area. With four optional routes in County Carlow and one in County Kilkenny, there are many very unhappy people. I will not play politics because I believe this issue is too important to be preying on people's fears and circulating misinformation to promote fear for political gain.

As a member of the Joint Committee on Transport and Communications, I have had the opportunity to voice my concerns and those of the constituents I represent from counties Carlow and Kilkenny. We have had the newly appointed chairman of EirGrid, Mr. John O'Connor, and the CEO, Mr. Fintan Slye, before the committee. I understand the importance of upgrading the electricity transmission and distribution networks in public ownership throughout the country, but I believe the consultation process that has been in motion until now has not gone far enough in addressing the real concerns and fears of constituents or in actively engaging with citizens. In endeavouring to engage EirGrid appears to have had the exact opposite effect to that desired. However, we are now beginning to see real engagement. I thank the Minister, Deputy Pat Rabbitte, for extending the consultation period to 7 January 2014.

There is a perception that there has been a lack of transparency and clear-cut facts. There has been much talk about the effect the upgrade could have on regional economic development. If the project is to support job creation within the major towns along the proposed routes, EirGrid needs to outline how this will be the case. It is not that people want to be unreasonable for the sake of it; they are simply angry and afraid that their concerns are not being heard. Adequate facts are not being put in the public arena.



I raised this issue this morning with the CEO of EirGrid and asked him how, if we were to re-establish the sugar beet industry in Carlow, the proposed project would support that industry. Mr. Slye outlined that he was unable to go beyond the specifics at this stage. I did not expect him to have specifics at the committee meeting, but we need clarification on the local benefits. If there is none, what is the point of the entire project? How can we regain public confidence in EirGrid - it is severely lacking - if we cannot outline any benefit to the communities? If we cannot do so, they simply will not accept it.

I welcome EirGrid's clarification today that it has examined all of the scientific evidence regarding the connection between electromagnetic fields and health problems, with a particular focus on childhood leukaemia. An independent expert was present with EirGrid today at the committee.

The grid development must be based on the best available advice and expertise and must, unquestionably, avoid any human, environmental or landscape impact, particularly along the Barrow corridor in my constituency, which is rich in archaeological and historical significance and has a wealth of natural habitats. I certainly do not want to see pylons destroy the Barrow corridor or any part of counties Carlow and Kilkenny. In the words of the chairman of EirGrid yesterday, "Who would?"

I do not want to pre-empt the consultation process but believe the argument has now moved on to whether lines should be overground or underground. We must have the cost-benefit analysis if the public is to accept the project.

**Deputy Anne Ferris:** I have deep concerns about the Grid Link line of pylons from County Cork to County Kildare. A new assessment of this aspect of the Grid25 project would be beneficial. However, a more fundamental assessment is needed than the "health and visual concerns" report that Fianna Fáil is seeking. I will return to the issue of the type of report needed. Today Fianna Fáil is asking for the wrong report and we must ask ourselves why that might be. A clue might be that two of the signatories to the motion - Deputies Michael Moynihan and Barry Cowen - are already on record as being strong supporters of wind generation projects for the export of energy supplies. There is, undoubtedly, a need for wind power to meet our national renewable energy targets but to spend a fortune on upgrading parts of the national grid for the primary purpose of exporting wind power supplies is another story. I will return to that issue. Fianna Fáil knows full well it is not possible to produce any kind of visual report on pylon routes that have not yet been identified unless the international consultants are the type that normally work with the assistance of a crystal ball in a tent at the Galway races.

EirGrid's plans are to proceed all the way to consultation with An Bord Pleanála without revealing the specific route of the pylons. This is very wrong, but it will not be corrected by the strangely worded motion Fianna Fáil has put before us today. It is kicking the can down the road and not doing so in the interests of anyone's health.

The pylon route that concerns me most is the D2 corridor which, for some reason known only to EirGrid, sweeps through an area of undeveloped natural farmland with high tourism potential in east Carlow and west Wicklow. It is miles away from the centres of industrial growth mentioned by the Minister yesterday. This corridor happens to run through an area designated by Wicklow County Council as being more suitable for future wind farm development than elsewhere in the county.

We must go to EirGrid's own project reports to see the link between the Grid Link part of the Grid25 project and the exportation of wind power. Page 9 of the lead consultant's stage 1 report of September 2013 states the drivers that mostly influence future or proposed network capacity are integration and future interconnection along the south-east coast of Ireland with either Great Britain or France. There it is in black and white. EirGrid's vision for the Grid Link piece of this project is not primarily about upgrading the national grid for national needs; rather, it is about upgrading the national grid for the export of power supplies. The Minister does not share this vision and has stressed the importance of improvements to the national grid in terms of EirGrid's obligations as a supplier of energy to Irish homes and businesses, not in terms of a subsidy for wind energy exportation. I can understand why. The exportation idea is losing appeal. Not only does Britain have two other interconnectors, to France and Belgium, it is planning three more to mainland Europe, in addition to a new nuclear power plant and a major increase in its number of wind farms. I cannot seem to pick up a newspaper these days without reading the views of eminent economist Colm McCarthy who points to the availability of Scotland as a much less costly source of wind power for Britain than Ireland.

I would welcome an up-to-date, fully costed assessment of the overall need for the Grid Link project at the scale proposed or at any scale at all.

**Deputy Paudie Coffey:** I, too, welcome the opportunity to contribute to this debate. It is the responsibility of every public representative to advocate and relay on the floor of the Dáil the concerns he or she is hearing from constituents. I have already placed many of these concerns on the public record, at both Dáil and Oireachtas committee level. Many constituents were in contact with me this evening about the motion. It is very obvious that the soldiers of destiny, Fianna Fáil, were very busy this evening spinning a yarn that the motion involved a "Yes" or "No" vote on the suspension of the EirGrid project. This is disingenuous. It is preying on people's fears and playing politics with the genuine concerns of constituents. I do not know what Fianna Fáil is trying to achieve in putting that kind of message out. If one reads the text of the motion, one realises there is no message further from the truth. In 2006 Fianna Fáil introduced the strategic infrastructure legislation and it fully endorsed Grid25 in 2008. The latter is what EirGrid is pursuing today.

We have a responsibility in this Chamber to debate all of the issues surrounding this matter, including energy security, climate change challenges and the justification for and pre-consultation on projects such as the one in question. In saying "justification" I refer to the specific details of the economic demand for the power lines. Is the demand real or not? Is it based on projections from the Celtic tiger era or the realities of the economy today? We need to focus, in particular, on this area to determine whether the investment is justified in the first instance. We also need to address people's genuine concerns about the impact of pylons on health, land values, visual amenities and the environment. At today's transport committee, EirGrid's chief executive admitted it could have done more work on information and transparency around these issues. I challenged him that its consultation process is just about ticking the boxes and going through the motions. We have heard the same from many other Members across the country. There needs to be an impartial examination of EirGrid's proposals.

The whole matter will boil down to whether these power lines can go overhead or underground. Is it technically and economically feasible to underground these cables? We need to have full transparency and the facts around this in any debate, as well as a full cost-benefit analysis including the full lifecycle of the overhead option versus the underground. The Minister for Communications, Energy and Natural Resources conceded to me in the Chamber last

week that he is open to the merits of this suggestion. I urge him to have that cost benefit analysis undertaken in the interests of achieving public confidence in this project. Unless we have clear and concise information on the Grid Link project rather than these generalities we have received so far, as well as the pros and cons of each option, we will meet much resistance to this project.

**An Ceann Comhairle:** I call on Deputy Michael P. Kitt who is sharing time with Deputies Ó Cuív, Smith, Troy and Dooley.

**Deputy Michael P. Kitt:** I commend Deputy Moynihan on putting down this Private Members' motion. I fully support his call for an independent international assessment of EirGrid's Grid Link proposals. There are health concerns about the proposed power lines, as well as concerns about the visual impact of them, which need to be addressed.

One significant issue is the cost of undergrounding the transmission cables. I would like to see this matter examined. In several years time, undergrounding of transmission cables will probably be the norm. Already, we see what Tidy Towns committees can do in tidying up the electricity cables in their towns. I would like to see a cost-benefit analysis of the undergrounding option. I support the upgrading of the national grid to ensure security of energy supply. We also need to boost capacity for renewed economic growth and allow for the possibility of increased electricity links across the country.

Fáilte Ireland has raised concerns about the erection of overhead pylons and their possible impact on tourism. Their visual impact on the Comeragh Mountains has been raised on several occasions but there are also walking and cycling routes being developed, particularly in the west, that will also be affected by these power lines. Residents in these areas are concerned that EirGrid has not engaged in proper consultation on the project with many describing it as a farce.

I have read several reports of families in dispute with EirGrid because of the proposed siting of a high voltage pylon 25 m or 50 m from their homes. In one case, a family argued the pylons would have a devastating impact on their autistic daughter. If families go to great lengths to get a house in an appropriate peaceful location for their autistic child, it is unbelievable they could face this further imposition.

There is a level of arrogance in the whole pylon controversy. People get annoyed when they are told that as far as EirGrid is concerned the matter has been settled and they will have to get used to the decision already made. In today's *The Irish Times*, an article stated the chairman designate of EirGrid, a former chairman of An Bord Pleanála, John O'Connor, may reconsider taking up the post. This was thrashed out yesterday at the transport committee when there were some suggestions that he might have a possible conflict of interest in his new post. Interestingly, Mr. O'Connor said there would be no backdoor telephone calls or anything underhand during his tenure. Instead of anything underhand, it is a pity these transmission cables could not be underground. Will the Minister confirm if Mr. O'Connor is taking up the post because he seemed to indicate yesterday he would be discussing it with the Minister?

EirGrid has stated there will be a €1 billion investment in the three areas designated for the project, the north east, the west and south east. High voltage pylons running through these areas will form part of the Grid 25 project. While it is designed to boost the network's capacity and ship electricity from wind farms in the west and south to consumers in the east, a strong lobby has emerged claiming these plans will damage property values and the environment in the areas

along the pylons' routes, as well as presenting health risks. Local action groups want the lines placed underground. EirGrid claims three independent reports state such a move could cost three times more than overgrounding and create ongoing difficulties with maintenance. I would like to see that claim queried by an international independent study.

**Deputy Éamon Ó Cuív:** It is important we examine this issue in a comprehensive and analytical way. I was slightly surprised by the tone of Deputy Anne Ferris's contribution which was more vitriol about Fianna Fáil rather than solving a difficult conundrum, one that is constantly moving forward. We often find that people oppose infrastructure projects that are badly needed for the greater good of society. We cannot always go with those who oppose the provision of infrastructure that discommodates them personally if the greater good of society is served. I recall a Fine Gael colleague of the Minister of State, Deputy Perry, putting it succinctly at a meeting I attended when he said we all want the waste collected but no one wants a dump near them, we all want mobile phones but no one wants a telecommunications mast near them. It is fair to say we all want electricity but we do not want the power lines that are attached.

Some of the power lines are being developed to facilitate wind farms. The north-south interconnector is creating the kind of grid we would have had if this island had never been partitioned. As there was a large generating plant in the North, it made a whole lot of sense that all generation plants on the island were available to the whole grid on the island.

The idea that the Government has eliminated wind farms totally and that there would be no new 440 kVA lines going up is fallacious, as far as I understand, and there will be a need for that type of line. I accept that Deputy Ferris has a point and that we need to look at the situation regarding wind farms and the export of energy. The second thing we need to look at is the required set back for wind farms from dwelling houses. When the 500 m limit was set, the height of wind farms was a lot lower than it is today. Therefore, a parallel debate is needed on the wind farm issue. Until that debate takes place, we will not get buy-in from the public on the various issues involved.

Is it right to have an upgrade of the grid? I believe we need to have a world class grid, and so I do not go along with the people who say that we should not future proof the kind of provision of electricity that we have. How often in the past have we complained that previous generations did not provide the basic infrastructure of roads, electricity, telecommunications and so on for a modern state? We must face up to the fact that we will have to put in high tension lines. The question then arises that if we have to put them in and if the basic plan is right, subject to looking at the wind farms, should these lines be totally overground, totally underground or a mixture of both? We know that the requirement to put them totally overground is a non-runner, because there are many 440 kVA lines that run underground, and the interconnector between Ireland and Britain runs underground. When there was an issue in the Cork Harbour area, lines were put underground because it was decided that they would be visually intrusive.

We have to make a decision on three grounds as to whether we go for the overground or underground option. The first issue is whether there is a health issue or not. The second issue is whether people are comfortable that there is not a health issue, because perhaps there is not a health issue. I remember a report was done on the telecommunications industry which stated that a particular mast affected people's health, not because of the mast in itself, but because it created fear and that had an effect on people's health. That those effects were there was accepted, even if they were not adduced by the radiation from the mast. The third issue is visual. Again, I differ from the point made by Deputy Ann Ferris because I think she was being a little

bit simplistic. She asked why it was going near the mountains and near the low populated areas of County Wicklow and County Carlow. She tried to go into the big conspiracy theory that it is some wind farm that the Minister is contemplating.

**Deputy Pat Rabbitte:** She is wrong.

**Deputy Éamon Ó Cuív:** That is what I was going to say.

**Deputy Pat Rabbitte:** Her entire proposition that this is being built for export is wrong. It has nothing at all to do with that.

**Deputy Éamon Ó Cuív:** I am glad the Minister has said that. I am trying to be balanced and reasonable here, but I was disappointed with the attitude taken by the Deputy. Debate in Private Members' business often takes a mature and reflective view. My understanding of the conundrum that is faced by anybody who wants to put in major infrastructure was clarified in a case when efforts were made to put a 110 kVA line into Connemara. On one side, we were constrained by the SACs, while on the other side we were constrained trying to keep the line away from houses. No matter which way we go, we tend to get into trouble. I imagine that one of the driving forces for moving into less populated areas is the very need to keep away as far as one practically can from areas of high population where the line would be running near to dwelling houses. However, when that is done, the lines run into areas of great scenic amenity.

Over the period of time that this has been debated since the beginning of the North-South lines, I have moved from a position that with community gain, there might not be much option in real terms, due to cost, to do anything other than put the vast majority of the line over the ground on pylons. A few things have swayed my view in a different direction, one of which is the already stated drop. It was a 10:1 ratio when it started, but now it is a 3:1 ratio. Some of these gadgets have more power than the kind of computers that only a major multinational company could buy 30 or even 20 years ago. If the EU was to take a decision that to preserve the visual landscape of Europe, it would put resources into developing the technology to do this underground, then I believe those ratios would drop dramatically. We must ask what is our landscape worth? We can say that we have to move these lines away from houses because there are all sorts of implications for people's well being, lifestyle and so on, but when we move in the other direction, we have to ask, with all of these landscape policies to stop building houses and other structures, if the cost of putting it underground totally outweighs the protection of the landscape.

As a nation, we need to know how far we can drive down the cost. We also need to know the absolute feasibility of putting these underground. That should be put to the people as a whole, and they should decide whether they are willing to pay the extra cost to do what I think the vast majority of Irish citizens want, which is to put these lines underground.

**Deputy Brendan Smith:** I welcome the fact that the Minister and the Ministers of State are here to listen to the debate tonight. The issues before us in this Fianna Fáil Private Members' motion reflect the serious concerns being expressed by communities in many counties throughout the country in respect of the proposed new power lines. From my own interaction with individuals and with representative groups in my own constituency of Cavan-Monaghan, I know they believe very strongly that EirGrid has not engaged in proper consultation.

The basic thrust of this motion requests the Government to provide for an international independent assessment of EirGrid's Grid25 proposals to upgrade the national grid using overhead



pylons. There has been widespread criticism of reports carried out in 2012 and 2013 on some aspects of the Grid25 proposals. A constant criticism was the failure to factor in the very negative and widespread effects such pylons would have on areas and terrain that are an important and in many instances, unique feature for our tourism product. Not taking into account the impact on residential areas surely diminishes dramatically the value and the credibility of such reports. The loss of confidence in the EirGrid approach is driven by the inadequacy of those reports on the basis that their remit was too narrow. People believe that not taking into account their day to day concerns amounts to a total disregard of their own opinions on these issues. People are realistic enough to accept and fully understand there will be a need to upgrade and modernise the transmission network. The project as envisaged to date would cast a blight on a large part of the countryside and be an unacceptable intrusion on countless individual homes. EirGrid needs to state very clearly to local communities that it will consider undergrounding the transmission cables, where possible. A large State or semi-State company must be conscious of the need to have the trust and confidence of local communities on whose grounds or lands it wishes to traverse and whose co-operation it needs. People are alarmed by the suggestions some pylons could be located within 30 m of a residential property.

There is a need for an independent international assessment of the EirGrid proposals. Undergrounding such transmission cables would not be a new departure, as such cables were placed underground in Cork in 2004, as my colleague Deputy Eamon Ó Cuív said. The undergrounding of these transmission lines followed from the work of an independent mediator. If large tracts of the countryside are populated with these large structures, a major visual change will have occurred in the countryside that we all value so much. Thereafter, there could only be a visual improvement by undergrounding cables.

The Fáilte Ireland comments are significant and referred to “the character of the landscape and the various aspects of the cultural heritage”. Fáilte Ireland refers to the fact that damage could be done to those traits of the countryside by the erection of such structures near to those areas of particular cultural heritage and the character of their landscapes. The landscape was given to us. It should be nurtured and cultivated properly. As a society, we should do everything we can to protect the great strengths of that landscape. That does not in any way prevent modern developments carried out within certain parameters and with proper planning and consultation with the people who live in these areas.

The North-South 400 kV interconnector development has been in the planning and design process for some time. The project has been the source of major concern for many communities in County Monaghan, particularly in Corlea, Muff and Kingscourt and other parts of County Cavan. The people who spoke to me at the weekend strongly expressed their concerns that there was no proper consultation by EirGrid. One cannot win the trust of the people if they do not believe their views and opinions have been taken into consideration in advancing and planning a project.

**Deputy Robert Troy:** I welcome the opportunity to contribute to the debate. My colleague, Deputy Michael Moynihan, must become complimented because were it not for his bringing forward this Private Members’ motion we would not be here discussing this multi-billion euro project in the State. As previous speakers said, there is widespread concern and anxiety across numerous counties about the construction of large overhead transmission pylons, the Grid25 project and the proposal to build three new 400 kV power lines.

While the Government welcomes and commends the decision to extend the public consulta-

tion process to 7 January 2014, this is not good enough as it does not address the huge volume of concerns. A number of the key decisions have been made. EirGrid has decided that the capacity of the new power lines will be 400 kV. It has decided that work on the upgraded network will be carried on single routes. It has decided against using underground lines owing to perceived costs. The costs, figures and information supplied by EirGrid has continuously changed. That is why Fianna Fáil has called for an independent, international assessment of the EirGrid proposals in order that the health and visual concerns of the public are fully addressed and that the cost of undergrounding transmission cables will be fully examined. The project which will cost the State billions of euro warrants such an assessment in order that we can be sure of the information and have absolute confidence in the information before us. It is critically important that as a country we have the strategic infrastructure in place. I do not concur with some of the previous Government speakers who say we should not examine this issue because we do not need the capacity now. We should examine it in order that we can future proof and ensure we will have the infrastructure in place, as the motion states, in order that we can “allow for a clean, sustainable and affordable supply to the public and to support all future economic and societal development”.

We have ambitious renewable energy targets for 2020. The need for some of the new transmission pylons derives from the Government’s ambitious targets for wind-generated electricity. Last night the Minister confirmed to the House that turbines planned for export would not be able to connect to the national grid. I ask for something more concrete than the Minister’s word because it would not be unheard of for Ministers to say something one day and do something else the next. The manner in which the Government is pursuing the renewable energy sector is haphazard and that is fuelling concern and anxiety.

Earlier this year the review of the 2006 wind energy guidelines gave the public a two-week window of opportunity to make their submissions. When it became aware of the proposals for the industrial wind farms in the midlands, it took 12 months and two public marches, when more than 1,000 people marched to Dublin Castle and 2,500 people marched in Mullingar, before the Minister, Deputy Pat Rabbitte, agreed to develop an overall policy and planning framework to guide An Bord Pleanála on the export of wind energy. Why is it taking a 12 month process before that report will be debated in the House? People would be forgiven for cynically thinking the Minister was waiting - if he could listen, he might be able to answer-----

**An Ceann Comhairle:** The Deputy is running out of time.

**Deputy Robert Troy:** It is nice, when one is contributing and asking a question, when the Minister listens. Why is it taking 12 months to produce the overall policy and planning framework to guide An Bord Pleanála on the export of wind energy? Why are we waiting until after the local elections to publish that policy? The Government has refused and continues to refuse to introduce a robust framework and legislation to deal with wind energy generation for export and domestic consumption. We need a strong legislative framework in place that will alleviate people’s concerns and fears. It is not just Members on this side of the House who are calling for it but also Deputies on all sides of the House and local authority members representing all political parties. If the Minister engaged and listened more, perhaps there would not be the same level of anxiety and fear.

**Deputy Timmy Dooley:** I welcome the opportunity to contribute to the debate and compliment Deputy Michael Moynihan on giving us all, including the Minister, an opportunity to address this issue. As the Minister will be aware from his backbenchers and communities around

the country, there is very real concern and fear. Some of the fear is unfounded and not backed up scientifically. The one certainty is that the spread of these towers around the country and the cabling that will follow will significantly impact on the environmental aspect of many communities and the amenity from which so many benefit. I have little doubt the pylons will also impact on property prices. This issue requires a great degree of consideration from EirGrid and the Government before they proceed.

Recently, the Minister indicated he intended to appoint a Mr. O'Connor, the former chairperson of An Bord Pleanála, as chairperson of EirGrid. I do not know the reasoning behind this decision, but perhaps the Minister will have an opportunity to allude to it. In the minds of many, there is a perception that Mr. O'Connor was nominated because of his unique insight and knowledge of the planning process, having headed an Bord Pleanála, the independent planning authority for 11 years. Mr. O'Connor appeared before the Joint Oireachtas Committee on Transport and Communications yesterday, where he set out his understanding of planning and his respect for the built heritage, the environment and all of that. When questioned as to whether he would exclude himself entirely from the planning process undertaken by EirGrid, he refused to confirm he would. He said he would not involve himself in the preparation of individual planning applications or in any communications with An Bord Pleanála, that he would not make any underhanded calls and would not involve himself in the various public hearings.

I have no question in regard to the integrity of Mr. O'Connor. I believe he was a fine civil servant, is a fine public servant and is a man whose reputation is beyond reproach. However, I think the Minister has made a bad call in this case. Mr. O'Connor's unique insight, his knowledge and his understanding of the planning process create the perception of an unfair advantage for EirGrid in its desire to get what it wants through the An Bord Pleanála process. This sends a negative message to the small groups of community leaders who are fighting against the goliath of EirGrid and its might, its financial standing and its capacity to have consultants and experts of all descriptions. Now, the Minister proposes to appoint to the head of that organisation someone with a unique insight into the planning process.

**An Ceann Comhairle:** We cannot have any suggestion that there could be any improper behaviour on the part of the gentleman in question.

**Deputy Timmy Dooley:** Let me clarify this further.

**An Ceann Comhairle:** There are two ways of making suggestions, the direct way and the indirect way. I ask the Deputy to be very careful here.

**Deputy Timmy Dooley:** I am being careful.

**An Ceann Comhairle:** There is an independent process for planning through An Bord Pleanála. The Deputy must respect that.

**Deputy Timmy Dooley:** I accept that. However, what I am saying is that an individual who has a unique insight creates a perception of an unfair advantage for EirGrid.

**An Ceann Comhairle:** The Minister should not respond to this.

**Deputy Timmy Dooley:** I do not think that is acceptable, nor do most of the committee members. People in the Minister's party and Fine Gael raised similar issues. Some took a particular view in regard to his NIMBYism about whether a pylon close to a home would impact

on him. I will not get into that because it is a sideline issue.

Next week, the committee will vote on a motion I have put before it calling on the Minister not to proceed with the appointment. I call on the Minister not to make a decision or not to confirm the appointment until such time as the committee has had an opportunity to discuss my motion.

**An Ceann Comhairle:** Perhaps the Deputy could stick to the motion under discussion here.

**Deputy Timmy Dooley:** I hope the Minister will be able to clarify this for me this evening.

I had an opportunity to question the chief executive of EirGrid at the committee today on the issue of undergrounding and the associated costs.

**An Ceann Comhairle:** The Deputy's time is up.

**Deputy Timmy Dooley:** I will just put this question. The chief executive said the additional cost was three times the cost of putting the cable overground, which is approximately €2 billion. However, what I have not been able to get from EirGrid is the figures on when that €2 billion is amortised over the life of a project like this, probably 40 or 50 years, and how that will impact on the unit of electricity. The Minister has said that if people want the cable underground, it will cost more. Can we be provided with the figures on the scale of the increase and the cost of a unit of electricity if these power lines are to be put underground.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Fergus O'Dowd):** First, I would like to assure Deputy Ferris that the Grid Link project has nothing to do with the export project. Grid Link is not being built to facilitate any traded sector that may emerge in the future.

I have listened carefully to the points made by Members from both sides during this debate and previous debates and to the concerns raised by the Oireachtas committee in the past two days and previously. It is clear the concerns articulated need to be addressed in a calm and collected manner and without circumventing the statutory framework processes already in place or interfering in any way with the role of the Energy Regulator or of An Bord Pleanála.

Yesterday, the Minister, Deputy Rabbitte, made clear that EirGrid must, in the context of the existing framework, undertake and communicate a well informed and authoritative analysis, a thorough impact assessment and engage in pre-planning consultation in arriving at optimal routes, technology choices, design and costings. In addition, EirGrid must address and avoid, where possible, any human, environmental or landscape impact in delivering the best possible engineering solutions for our small and still isolated electricity system. It is important to re-articulate this, so that there is general understanding that EirGrid as the transmission system operator, with a statutory responsibility to discharge its functions responsibly, has confirmed that it recognises the emergence of several priority themes which are causing most concern in relation to the grid projects. EirGrid will reflect on these issues and, in the context of the extended Grid Link consultation deadline, revert with its considered views on how best to carry forward these projects, based on its mature examination of points of concern, and will outline to the affected communities its further thoughts and views.

The Minister confirmed last night that he will respond on behalf of the Government to the issues raised, after the close of the current consultation. EirGrid has also confirmed that it

will update the Oireachtas through re-engaging with the committee early in the new year. In the meantime, EirGrid must be given the time and space to reflect properly over the next few weeks and give due consideration to all the points made, so as to minimise the potential impacts highlighted in many of the comments made to date. I repeat my colleague's encouragement to citizens and public representatives to make their input into the extended consultation process to enable EirGrid to capture all the concerns expressed in various fora. The consultation process is there for a purpose and must be allowed take its normal course.

I can only repeat previous reassurances that the importance of independent, impartial and objective analysis will not be lost sight of following completion of public consultation and there is no intention on the part of the Minister or myself to prejudge any issue. EirGrid has indicated it retains an open mind within the constraints of its obligation to deliver a safe, secure and affordable electricity supply for the benefit of energy consumers, having regard to the environment and a duty to produce least cost, most efficient, project specific technical solutions for transmission grid development.

Public confidence and access to information are key to implementation of the Grid25 programme and our focus, together with that of EirGrid, will be to offer the necessary level of reassurance to local communities in identifying a robust set of next steps which takes due account of valid concerns. Improved articulation of complex, technical and engineering issues must form an inevitable part of that consideration. The ultimate aim is to ensure that Ireland has a fit for purpose grid system suitably responsive to growing demand as economic conditions improve and sufficiently secure to attract inward investment. It will be necessary to take a long term perspective in all of the grid projects and to demonstrate that whole of lifecycle costs are being factored into project decisions.

We must, however, recognise that there is a sense of urgency in keeping the programme on track so as to prevent shortcomings in the system if there is undue delay caused to those elements of the programme which are already well advanced, for example, the North-South line, which is due to proceed to the planning process in the coming months. We welcome the opportunity to hold a debate on the critical points of concern on the Grid25 programme and its attendant projects. This debate has been a valuable exercise and I assure the House that all lessons learned will be factored into the project processes.

**Deputy Dara Calleary:** I thank colleagues on all sides of the House who contributed to the debate over the past two evenings; I thank the Minister, Deputy Rabbitte, for being present on both evenings; and I also thank Deputy Moynihan for giving us a chance to discuss the project and the impact it is having on communities throughout the country. It is regrettable that despite the spirit of general unity and concern in the debate, the Government will divide the House on the motion. The motion does not seek to precipitate any consultation process; it seeks to introduce one which is real, because speaker after speaker on all sides of the House derided the EirGrid consultation process as weak and ineffectual, and there is acceptance of this at Government level and in EirGrid.

I pay tribute to Deputy John O'Mahony for the way in which he has chaired various committee meetings in recent days. EirGrid management attended a meeting today and it was clear they did not have answers for many of the concerns expressed not only at the meeting but during the consultation process. The consultation process on which the motion and the Government amendment seek to lay their hat is flawed and has been judged to be flawed by many Deputies who will support the motion. It seems to lead towards one outcome, which is no matter what



happens the various elements of the Grid25 project, and only the Grid Link element has been extended in terms of consultation, it will end up overground and will end up along the routes currently being proposed.

A number of key decisions were made in advance of the consultation process presenting an outcome. EirGrid decided the capacity would be 400 KV; the upgraded network would be carried in single routes; and the various DC lines. EirGrid also decided against underground lines, initially because they were not technically feasible but as the process evolved over the years EirGrid now states, because it has been challenged by community groups, that it is feasible but has raised the issue of costs. When this started the costs were up to six, seven or eight times as much depending on the part of the country and now they are down to three times as much.

The difficulty with EirGrid's consultation process is it is proceeding to implement the plan during the process. This is very evident in Mayo, where it is proceeding with its agents to try to engage with people along the preferred corridor for Grid west. EirGrid has been asked not to call to people or to telephone them, but it continues to contact people to engage with them during a so-called consultation process. It has got so bad some people are complaining of being harassed by EirGrid, particularly by its agents on this issue. This is not a consultation process.

An independent review would deal with all of these concerns, including the costs concerns, and would have to examine a number of issues. It is EirGrid which suggests it would cost three times as much. Deputy Dooley referred to the question he and many other Deputies posed today regarding how spreading this over the 25 to 30 year life scale of the project would affect bills and consumers. The impact the project will have on other sectors should also be taken into account. I tabled a parliamentary question with regard to the Fáilte Ireland to ascertain its views, and unusually for a semi-State body it quite directly stated it is concerned about the potential effect on our landscape amenities. Grid west has the potential to put 400 pylons through Mayo and Leitrim on the basis of four pylons per kilometre. Why would somebody want to leave the Ruhr Valley to see 400 more pylons in the west of Ireland? This country prides itself on its landscape. If we replace this landscape, which is a magnet for the tourism industry the income from which we are severely dependent and which employs hundreds of thousands of people, with a project surely a cost benefit analysis would include the impact on tourism jobs and the tourism investment.

Property values will be affected and the remarks made yesterday by the chairman designate were important. He stated he did not want one outside his house. All experts agree property values will be affected by these pylons. Affecting people's biggest asset and biggest loan in way over which they have no right will have an impact on the economy and people's ability to move on with their lives. This economic impact should be measured in any cost benefit analysis.

There is still considerable ambiguity with regard to health issues. EirGrid's report and the documentation it has published is quite comprehensive. It includes the views of the World Health Organization, WHO, and the International Agency for Research on Cancer, IARC, which state the impact is minimal. The WHO does not conclude magnetic fields cause any long-term adverse health effects. The documents also state national and international health and scientific agencies have reviewed more than 30 years of research and none of them has concluded that exposure to electromagnetic fields from power lines causes long-term adverse effects on human health. This is fine, but the document also states agencies have recognised a statistical association between estimated higher long-term exposures to magnetic fields and childhood leukaemia

in epidemiological studies, but have not been able to rule out the contribution of chance, selection bias and confounding factors in these associations with reasonable confidence. This should be put in tandem with the statement from the EU scientific committee on emerging and newly identified health risks, which was updated last week. It states a fair number of studies have been published since the previous opinion but the conclusion drawn then still stands, there is still a lack of adequate data for a proper risk assessment of static magnetic fields, and that more research is necessary particularly to clarify the many mixed and sometimes contradictory results. We cannot be ambiguous when it comes to human health and there can be no buts. EirGrid is coming up with corridors which will force people to live adjacent to pylons. Children will go to schools in these corridors under pylons. People will spend six to seven hours a day near these pylons. We need zero ambiguity about the potential effects. Unfortunately EirGrid's own documents and the documents from the EU Commission do not give absolute clarity.

I am glad the Minister of State, Deputy O'Dowd, clarified the impact of the project on our export strategy. There is a challenge because other companies in the Department, namely, Coillte, Bord na Móna and the ESB, are developing similarly grand renewable energy schemes, and County Mayo seems to be the target for many projects. These definitely have an export element. When one considers the amount of power in the planned projects there is far too much for our use. At a meeting today of the Joint Oireachtas Committee on Transport and Communications, Mr. Slye absolutely ruled out any notion of the current grid investment being considered for export and this is welcome. If the planned investment will be used predominantly or totally for our domestic economic use then an international assessment would have to consider demand in the next ten years and whether the investment is still justified and will be repaid in the context of where the economy is going.

Some people have asked why we are looking for an international assessment. The difficulty is EirGrid employs many of the consultants who would conduct such an assessment for communities. At the committee meeting Deputy Patrick O'Donovan asked Mr. Slye how much EirGrid had spent on fees to various professional organisations. He replied it was a commercial issue and he would not provide the information even though it is taxpayers' money. I tabled a question to the Minister on what EirGrid spent on professional fees but because he apparently has no responsibility to the House for EirGrid it was not answered.

**Deputy Pat Rabbitte:** I am amazed every day to learn what responsibilities I do not have.

**Deputy Niall Collins:** The Minister can leave now so.

**Deputy Timmy Dooley:** Deputy O'Dowd holds all the power.

**Deputy Dara Calleary:** Communities throughout the country which are gathering to try to take on the might of EirGrid are faced with a State organisation funded by their taxes and international money which can employ the best consultants available. This has ensured the best engineering, planning and public relations consultants in the country are working to the Grid25 agenda. When they try to find people to make a case for them they are scrambling to fundraise to pay fees and they find the selection available is not what it could be if EirGrid were not in the market.

*9 o'clock*

We are asking David to take on Goliath and David wants to know that his arguments will be assessed in an independent way. That is why we believe an independent analysis should

be carried out in respect of the various factors involved, and this analysis should include input from all stakeholders. On this occasion, the stakeholders must be the communities that will be affected by the plans rather than just the usual suspects. People who may be affected should not only come to realise that fact after the event. They should not wake up with the arrival of a letter from EirGrid three or four years into the project stating that their homes are on a preferred route. It should not be the case that published routes can be changed and that more houses can be affected as a result. Those who were informed last March that they would not be affected by the Grid West project awoke one Monday morning in October to discover that their houses are now bang in the middle of the preferred corridor. When they sought reasons, they were given different answers.

During this debate and at meetings of the joint committee, Government Deputies have expressed concerns about both the consultation process and EirGrid's ability or willingness to manage the information flowing from it to the communities involved and to deal with the concerns of those communities. Those Deputies are now going to vote confidence in that consultation process and in an organisation which has not done well to date in the context of dealing with that process or disseminating information to the communities to which I refer. It has never been our intention to have the project suspended. What we are seeking is an independent analysis of the various aspects relating to it. To paraphrase the Taoiseach, Paddy should be given the clear information he requires. If that happens, matters might progress and people might begin to have confidence. None of the communities affected by the project have confidence in either EirGrid or its ability to respect their concerns or to take account of these in the final plan relating to Grid25. The feeling among many in the communities in question is that EirGrid is going to proceed to use the powers already at its disposal - and perhaps additional ones it might be granted next year - to ram the project through, despite the concerns being expressed. This Oireachtas has a responsibility to provide reassurance to the communities involved on economic, health and other grounds. We must ensure that they are not blinded by spin and that they do not roll over in front of the EirGrid juggernaut. With its motion, Fianna Fáil has presented the House with the opportunity to do just that.

We all believe in the need to upgrade the grid. However, this cannot be done at a cost to communities and at the expense of community solidarity. Another nasty aspect of the project is that communities which are united and whose members are working well together are being split down the middle. EirGrid is handing out money to landowners in order to try to ensure this matter will be done and dealt with in the near future. EirGrid will eventually move on but the legacy relating to how this project is being implemented will be one of bitterness and division in communities which, to date, have been exemplars of the concept of meitheal and of working together. The Oireachtas is being given the opportunity to state that it wants a different perspective and that an independent review should be carried out. We extend to Government Deputies an invitation to join us in obtaining that which we seek.

Amendment put:

<i>The Dáil divided: Tá, 67; Níl, 47.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Boyd Barrett, Richard.</i>
<i>Barry, Tom.</i>	<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>	<i>Browne, John.</i>
<i>Buttimer, Jerry.</i>	<i>Calleary, Dara.</i>

<i>Byrne, Catherine.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Collins, Niall.</i>
<i>Cannon, Ciarán.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Collins, Áine.</i>	<i>Doherty, Pearse.</i>
<i>Conaghan, Michael.</i>	<i>Donnelly, Stephen S.</i>
<i>Conlan, Seán.</i>	<i>Dooley, Timmy.</i>
<i>Connaughton, Paul J.</i>	<i>Ellis, Dessie.</i>
<i>Conway, Ciara.</i>	<i>Ferris, Martin.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Creed, Michael.</i>	<i>Fleming, Sean.</i>
<i>Daly, Jim.</i>	<i>Fleming, Tom.</i>
<i>Deenihan, Jimmy.</i>	<i>Grealish, Noel.</i>
<i>Doherty, Regina.</i>	<i>Halligan, John.</i>
<i>Dowds, Robert.</i>	<i>Healy, Seamus.</i>
<i>English, Damien.</i>	<i>Healy-Rae, Michael.</i>
<i>Farrell, Alan.</i>	<i>Kelleher, Billy.</i>
<i>Feighan, Frank.</i>	<i>Kirk, Seamus.</i>
<i>Ferris, Anne.</i>	<i>Kitt, Michael P.</i>
<i>Fitzpatrick, Peter.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Griffin, Brendan.</i>	<i>McConalogue, Charlie.</i>
<i>Hannigan, Dominic.</i>	<i>McDonald, Mary Lou.</i>
<i>Harrington, Noel.</i>	<i>McGrath, Finian.</i>
<i>Harris, Simon.</i>	<i>McGrath, Mattie.</i>
<i>Hayes, Brian.</i>	<i>McGrath, Michael.</i>
<i>Heydon, Martin.</i>	<i>McLellan, Sandra.</i>
<i>Hogan, Phil.</i>	<i>Murphy, Catherine.</i>
<i>Howlin, Brendan.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Humphreys, Heather.</i>	<i>Ó Cuív, Éamon.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Fearghail, Seán.</i>
<i>Keating, Derek.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Brien, Jonathan.</i>
<i>Kelly, Alan.</i>	<i>O'Dea, Willie.</i>
<i>Kenny, Seán.</i>	<i>Pringle, Thomas.</i>
<i>Kyne, Seán.</i>	<i>Ross, Shane.</i>
<i>Lyons, John.</i>	<i>Shortall, Róisín.</i>
<i>McEntee, Helen.</i>	<i>Smith, Brendan.</i>
<i>McGinley, Dinny.</i>	<i>Stanley, Brian.</i>
<i>McHugh, Joe.</i>	<i>Timmins, Billy.</i>
<i>McLoughlin, Tony.</i>	<i>Tóibín, Peadar.</i>
<i>McNamara, Michael.</i>	<i>Troy, Robert.</i>
<i>Mitchell, Olivia.</i>	<i>Wallace, Mick.</i>

<i>Mitchell O'Connor, Mary.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Dara Calleary and Seán Ó Feargháil.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

<i>The Dáil divided: Tá, 67; Níl, 47.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Boyd Barrett, Richard.</i>
<i>Barry, Tom.</i>	<i>Broughan, Thomas P.</i>
<i>Breen, Pat.</i>	<i>Browne, John.</i>
<i>Buttimer, Jerry.</i>	<i>Calleary, Dara.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Collins, Niall.</i>
<i>Cannon, Ciarán.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
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<i>Conaghan, Michael.</i>	<i>Donnelly, Stephen S.</i>
<i>Conlan, Seán.</i>	<i>Dooley, Timmy.</i>
<i>Connaughton, Paul J.</i>	<i>Ellis, Dessie.</i>
<i>Conway, Ciara.</i>	<i>Ferris, Martin.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Creed, Michael.</i>	<i>Fleming, Sean.</i>
<i>Daly, Jim.</i>	<i>Fleming, Tom.</i>
<i>Deenihan, Jimmy.</i>	<i>Grealish, Noel.</i>
<i>Doherty, Regina.</i>	<i>Halligan, John.</i>
<i>Dowds, Robert.</i>	<i>Healy, Seamus.</i>
<i>English, Damien.</i>	<i>Healy-Rae, Michael.</i>
<i>Farrell, Alan.</i>	<i>Kelleher, Billy.</i>
<i>Feighan, Frank.</i>	<i>Kirk, Seamus.</i>
<i>Ferris, Anne.</i>	<i>Kitt, Michael P.</i>
<i>Fitzpatrick, Peter.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Griffin, Brendan.</i>	<i>McConalogue, Charlie.</i>
<i>Hannigan, Dominic.</i>	<i>McDonald, Mary Lou.</i>
<i>Harrington, Noel.</i>	<i>McGrath, Finian.</i>
<i>Harris, Simon.</i>	<i>McGrath, Mattie.</i>
<i>Hayes, Brian.</i>	<i>McGrath, Michael.</i>
<i>Heydon, Martin.</i>	<i>McLellan, Sandra.</i>
<i>Hogan, Phil.</i>	<i>Murphy, Catherine.</i>
<i>Howlin, Brendan.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Humphreys, Heather.</i>	<i>Ó Cuív, Éamon.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Fearghail, Seán.</i>
<i>Keating, Derek.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kehoe, Paul.</i>	<i>O'Brien, Jonathan.</i>
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<i>McEntee, Helen.</i>	<i>Smith, Brendan.</i>
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<i>McHugh, Joe.</i>	<i>Timmins, Billy.</i>
<i>McLoughlin, Tony.</i>	<i>Tóibín, Peadar.</i>
<i>McNamara, Michael.</i>	<i>Troy, Robert.</i>
<i>Mitchell, Olivia.</i>	<i>Wallace, Mick.</i>
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<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	

*Dáil Éireann*

<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Dara Calleary and Seán Ó Feargháil.

Question declared carried.

The Dáil adjourned at 9.25 p.m. until 9.30 a.m. on Thursday, 5 December 2013.