



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 16 Eanáir 2014

Thursday, 16 January 2014

Chuaigh an Leas-Cheann Comhairle i gceannas ar 9.30 a.m.

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

IBRC Liquidation

1. **Deputy Michael McGrath** asked the Minister for Finance the current state of the liquidation process for the Irish Bank Resolution Corporation; the level of discount he expects will apply to IBRC's loan book; if he expects to make a payment to the National Asset Management Agency in respect of the loans it will take on; and if he will make a statement on the matter. [1767/14]

Deputy Michael McGrath: The purpose of this question is to get a sense of the status of the liquidation of IBRC. It is almost 12 months since this House passed emergency legislation to appoint special liquidators. The truth is that we are very firmly in the dark as to how that liquidation process is going in terms of valuations and the book value of the assets. Yesterday the Minister for Finance gave some indication of how much of those assets are likely to be sold with the balance being transferred to NAMA, but I hope he will take the opportunity today to update the House on what is an extremely important liquidation of a very large State-owned institution.

Minister for Finance (Deputy Michael Noonan): I am very pleased with the progress made to date in the liquidation of IBRC. The special liquidators continue to implement the orderly and efficient wind-down of IBRC in accordance with the provisions of the IBRC Act 2013 and instructions that have been provided to the special liquidators by me under the IBRC Act 2013.

In relation to the timelines set out in my instructions, I can confirm that the special liquidators completed the valuation of IBRC's loan assets by 30 November 2013 and substantial progress has been made on the sale of IBRC assets. Sales processes for these assets had commenced by 31 December 2013, as required, and it is anticipated that the majority of sales will

be completed in early 2014.

The first portfolio sale brought to the market by the special liquidators was concluded successfully in early December where the Evergreen portfolio, a portfolio with a par value of €2.5 billion, achieved sales to third parties of 84% of the total portfolio at values above the independent valuations. This represented a very successful outcome for the special liquidators and is further evidence of the significant interest of international investors in the Irish economy and its future prospects.

There is an obligation on the special liquidators to ensure the assets of IBRC are sold at a price that is equal to or in excess of the independent valuations that have been obtained. Should a bid not be received that is in excess of the independent valuation obtained, the loan asset will be acquired by NAMA at the independent valuation price. Sales to third parties will help to reduce the total amount of assets which are likely to transfer to NAMA as part of this process.

The sales process plan and timeline has been developed following professional advice and in light of requirements of a robust and credible sales process. The special liquidators have also corresponded with all IBRC borrowers providing them with an opportunity to make written representations on the method of disposal of their loans and the criteria for determining who may bid for loan assets. Consideration was given to borrower representations, and the special liquidators are in the process of responding to these borrower representations.

Additional information not given on the floor of the House

The IBRC loan books have been divided into portfolios and subsequently subdivided into tranches, depending on the professional advice obtained, for ensuring the maximum value is obtained for the sale of the loan assets and also to reflect feedback received from borrowers from the representation process.

In relation to the repayment of the debt owing to NAMA as a result of the promissory note transaction, I am pleased to note that a total of €1.225 billion has been repaid to NAMA by year end. The moneys repaid reflect both the proceeds of sales processes completed to date and also the scheduled and, in some cases, accelerated repayment of borrower obligations during the year.

As the Deputy is aware, the terms of the promissory note transaction created a potential liability for the State should the value of the IBRC assets be insufficient to cover amounts due to NAMA. However, while the exact outcome of the liquidation will not be known with certainty until the asset sale process has completed, I am pleased to note that, at present, the special liquidators do not expect a further call on the Exchequer to arise.

Deputy Michael McGrath: The fundamental question is when will we have a comprehensive picture of what is going on in respect of the liquidation of IBRC. That, in essence, is what I seek to find out. Is it not the case that the prohibition that exists in the case of NAMA, which we discussed at a meeting of the Oireachtas Select Sub-committee on Finance yesterday, preventing that organisation from selling loans back to the original NAMA debtors does not exist in the case of IBRC? My understanding is that there are IBRC debtors who are in a position to buy back their loans at a very significant discount and, as a consequence are essentially receiving a write-off of an enormous amount of debt, running into millions of euro, perhaps even hundreds of millions of euro. It is important that the Minister clarifies that point.

The Minister mentioned yesterday that approximately €6 billion of the €12 billion may well end up in NAMA. It would be important for him to clarify that this morning. Can he give us any assurance that the mortgage holders of IBRC will not in any way be disadvantaged and will not lose any of the protections they have under the code of conduct on mortgage arrears and the consumer protection code, irrespective of where their loans end up?

Deputy Michael Noonan: The special liquidators are appointed under legislation passed by the Houses of the Oireachtas and are working in accordance with that. That empowered the Minister for Finance to issue instructions. I issued instructions. They have valued everything up to 30 November and are proceeding to sell.

The special liquidators have divided the portfolio initially into tranches and have sold 84% of the first tranche and are involved now in bilateral negotiations with bidders who are marginally below the valued price so it will go above 84%. The level of interest being expressed on the first round on the other portfolios is very high too. While the figure I gave yesterday was a very rough estimate, it looks as if it might fall that way, that approximately half or so will be sold and the other half will go to NAMA. We do not have the actual figure yet.

The Deputy asked a question yesterday which I did not get a chance to answer on the old story of whether, when the liquidation is completed, there will be a black hole and the State have to put in money. That will not happen. The advice from the liquidators now is that they will at least come out of it on an even basis. It is too early to say yet until more sales go through, but the liquidators are confident enough that it will go through.

The Deputy is right to say that when the special liquidator legislation went through, because it was a liquidation, there was a possibility that debtors could buy their own loan books back. They have done that in the first round but because very valuable loan books were put up first, many have bought their own debt back at par and not at the enormous discounts the Deputy describes. There is some discount.

Deputy Michael McGrath: I thank the Minister for his reply. When will we see all of that information, even in aggregate form? The instruction the Minister gave was that the assets would be sold by 31 December or as soon as practicable thereafter. I think those were the words he used in the instruction to the special liquidators. When will the drawbridge come down on this? Is it at the end of the first quarter this year that the liquidator will either have sold on the assets or the transfer to NAMA will take place, and the overall financial performance of the liquidator can then be assessed? When will we see the information and what will we see? Can the Minister give any reassurance to IBRC mortgage holders who are not getting any write-off whatsoever from the special liquidator, unlike some of the larger IBRC debtors, which the Minister has confirmed? In contrast, mortgage holders face the possibility of losing key statutory protections if the loan book ends up with an entity that is not regulated in Ireland, given the consumer protection code and the code of conduct on mortgage arrears would no longer be available to protect them. That is an outcome we need to avoid at all costs.

Deputy Michael Noonan: The liquidators are conscious of those issues. It would be impractical to sell mortgage by mortgage, so what is on sale is the mortgage book, and it will then be bought by some financial institution. I am assured that because one's mortgage arrangement is a matter of contract law, all the rights one had initially when arranging the mortgage will be preserved on the transfer, and the purchaser will have the same obligations as the original holder of the mortgage book.

Deputy Michael McGrath: Some protections are outside the contract because they are statutory protections. That is the point.

Deputy Michael Noonan: Yes, but the liquidators are aware of this.

On the Deputy's other question, there are code names on the different tranches. Evergreen, the first one I was describing, has a face value of €2.5 billion. Some 84% of this is gone already and more of it will go. The second one has the code name Sand, which has €1.8 billion of residential mortgages. The special liquidators have given significant consideration to, and have sought independent advice from PwC in regard to how the residential mortgage portfolio and other loans are to be dealt with. Following that independent advice, the special liquidators have decided that the residential mortgage book will be split into four segments consisting of performing, non-performing, owner-occupier and buy-to-let mortgages. This was believed to be the best portfolio mix to maximise interest in the sales. The portfolio valuation was completed on 11 September and the sales process commenced on 14 October.

There is another tranche, which is called Rock and Salt, for some reason, and it has a total par value of €7.3 billion, which is huge. That is effectively the UK loan book, to the value of €7.3 billion. The valuations were completed on 11 September and the sales process commenced on 28 October. The last tranche has the code name Stone and Pebble, which is, again, a huge portfolio of €9.3 billion of commercial real estate. The Pebble portfolio consists of commercial loans of €800 million. The valuation was completed on 11 October and the sales process commenced in mid-November. Therefore, they are more or less on target, although they asked for a little extra time with one of the portfolios because they thought they would get a better price, and so, rather than selling before Christmas, they left it until the new year. However, the extensions in time I have given them are marginal and, to date, as far as I am concerned, they are doing a pretty good job of disposing of the assets at prices higher than the valuation process.

Mortgage Arrears Proposals

2. **Deputy Pearse Doherty** asked the Minister for Finance the reason according to figures recently released by his Department that after nearly three years of this Government only 17% of mortgages in arrears of over 90 days in the six largest banks are in a permanent restructuring; and the reason the number of these permanent restructurings not performing is rising. [1796/14]

Deputy Pearse Doherty: I am sure the Minister is aware of the reason this question was put down. While I acknowledge some very small progress in dealing with mortgage arrears, it is painfully slow. This is deeply frustrating for tens of thousands of families who are in mortgage distress and in arrears, and who have not had a long-term restructuring offer from the bank. The figures the Minister released recently show that only 17% of family homes have been restructured in the long term. I am sure the Minister is disappointed with that figure. What more is the Government planning to do in this regard?

Deputy Michael Noonan: The Government is aware of the significant difficulties some homeowners are facing in meeting their mortgage obligations and the Deputy will know that a comprehensive strategy to tackle the problem is in place. Implementation of that strategy is a major priority and, in that context, the Central Bank mortgage arrears resolution targets – or MART – framework is key. Under this rolling process, quarterly performance targets have now been set to the end of June 2014 to require the banks to propose and put in place durable long-

term solutions to address the individual cases of mortgage arrears.

The Central Bank has indicated that all six mortgage lenders covered by the MART process have reported that they met the 20% proposed sustainable solutions target for the second quarter of 2013 and also the 30% target for the third quarter in 2013. In particular, with respect to the third quarter 2013 target of 30%, which is the latest available data from the Central Bank, the lenders have reported to the Central Bank they had issued proposals to 43% of mortgage accounts in arrears.

The new monthly mortgage restructures and arrears data published by my Department will also provide an impetus for those MART banks to increase the pace of provision of mortgage restructures. That data shows that some progress has been made in putting permanent mortgage restructures in place. For example, the number of permanent restructures of permanent dwelling mortgages more than 90 days in arrears has risen from around 41,200 in August to around 49,300 in November 2013, an increase of almost 20%. The number of permanent restructures of mortgages more than 90 days in arrears has also increased.

The ongoing roll-out of the MART process, in particular the incremental targets to put in place sustainable mortgage restructures, will be very important for this. Of course, the MART process can only work for the benefit of borrowers in circumstances where the borrower works with the lender and engages with the process. Likewise, lenders must also communicate and engage with a borrower in difficulty in line with the requirements of the code of conduct on mortgage arrears. Early and effective engagement between borrowers and lenders is, therefore, key to resolving cases of mortgage difficulty. A reduction in the number of early arrears cases, as evidenced in recent statistics, shows the benefit of early engagement between both parties. Where there is effective and meaningful engagement between the borrower and lender, the data is showing that an increasing number of durable long-term mortgage restructures is being put in place.

However, I agree with the Deputy that it will now be necessary this year for banks to significantly build on progress made to date. The issue of mortgage arrears is a major problem that needs to be resolved, not only for an individual borrower and lender, but also for the long-term economic and social health of the country. A comprehensive strategy to do this is now in place and the Government will ensure that it is fully implemented by all the parties involved in this process.

Deputy Pearse Doherty: I have no doubt of the Minister's sincerity in wanting this issue resolved, and nobody in their right mind would want to see families that have fallen into this position being left lingering there. We are six years into a banking crisis and the Minister is in government nearly three years. I am sure that on the day he walked into his office in the Department of Finance, he would not have been satisfied if he had fast-forwarded three years and saw that only 17% of those in mortgage arrears of 90 days or more had been restructured on a long-term basis. It is a complete failure.

The Minister and the Central Bank have talked tough in the past in saying they would examine this and bring forward new initiatives. They need to start talking tough with the banks. I have been meeting with senior people in the banks. They tell me very clearly that if the Government and the Central Bank set targets, they will meet them. However, the way they are meeting them is through letters of repossession. The Minister can see from these figures, which he himself released, how the long-term restructuring is taking place, which is by way of arrears

recalculation. There is no real, meaningful engagement and no urgency being sensed by the banks on this issue.

Deputy Michael Noonan: I agree with the Deputy that everybody in the House would like it if better progress was being made by the banks. Even though, as the Deputy said, there has been crisis in the banking industry for almost six years now, when I became Minister in March 2011, we effectively had a broken banking system. The doors were open but it was barely ticking over, and demoralised staff without capital were not able to do what banks should do, particularly in regard to mortgage arrears. It has taken a long time to mend and recapitalise the banks, and it has taken a long time for new management to restore some level of morale to the banking industry. The banks were completely deflated and many of them were incapable of doing what is required to be done. It has been a long process, disappointingly long, but we want to keep them on the targets that have now been agreed by them with the Central Bank. I am in constant meetings with the banks to ensure they meet those targets.

A permanent restructuring of a mortgage, even when the arrangements are made between the parties and the banks, has to be in place and successfully operating for six months, so there is clearly a time-lag between the audit of what is a permanent restructuring and the actual arrangement being put in place.

Deputy Doherty has concentrated on the end of the six-month period but if he looks at my reply, he will see that 43% of those in arrears over 90 days have now had proposals put to them which would resolve their problem. That figure will feed through over this year and there will be a better set of statistics. The Deputy is right. He is disappointed and I am disappointed. We all know what is happening on the ground. There is no lack of will in my Department to drive the process forward and make sure the banks do not resile from the targets to which they have agreed.

Deputy Pearse Doherty: I welcome the fact that 46% have been offered deals but the devil is in the detail and when one goes into the detail, one finds from individual banks that thousands of those offers have been letters of repossession. None of us are going to dispute that. That is the reality. They tell us straight up that the penalty for not reaching the target is so severe that they will reach it and the easiest way they can do this is repossession. The problem is that this does not resolve the problem for genuine people who want to pay their mortgages and stay in the family homes and who want an offer of long-term restructuring.

I welcome the Minister's comments about his disappointment but it needs to go further. He needs to send out a clear message to the institutions under this process that there will be no more hokery-pokery with the figures and that repossessions on the scale on which they have been done to meet the targets are no longer acceptable. We also need to see long-term restructuring that goes further than arrears recapitalisation, which is the bulk of what is happening, and interest deferral. We must look at a greater range of issues around split mortgages in terms of debt write-down, debt for equity swap which is not happening, the Ulster Bank model and the economic concession model which seems very favourable as well. We need to see more of these measure and less of the legal letters to meet the targets.

Deputy Michael Noonan: Some months before Christmas, the relevant committee of the House containing many of the Deputies who are here examined the banks on this issue and highlighted the fact that repossession letters were not deemed to be a satisfactory solution. Deputy Doherty put down a question to me asking me what my view on that was. We do not

deem letters of repossession to be satisfactory solutions. While we need to know the information about letters of repossession, they should not be put in the tot of what is a satisfactory long-term solution. The banks are now aware of that.

Ministerial Meetings

3. **Deputy Joe Higgins** asked the Minister for Finance if he will report on his meetings in 2013 with representatives and lobbyists from the financial services industry, the tobacco industry, the property industry and any other industry representative groups. [1756/14]

Deputy Joe Higgins: Could the Minister report on meetings he had in 2013 with representatives and lobbyists within the financial markets system, the tobacco industry, the property industry and other industry groups? This is all the more relevant in view of the information in recent days about the nauseating gouging of the Irish taxpayer by company consultants to Irish Water to the tune of €50 million.

Deputy Michael Noonan: Throughout the course of 2013, I engaged in a large number of meetings with a wide variety of economic and social representative groups. These meetings involving Department officials and I with representative groups are an important input into my work as Minister for Finance. They provide an opportunity to consider the key issues for a wide range of economic stakeholders in as efficient manner as possible. The following meetings are but a small sample of those which I have engaged in over the course of last year as they refer only to what can be categorised as meetings with representatives and lobbyists from the financial services industry, the tobacco industry, the property industry and any other industry representative groups, which was the key theme of the question.

On 7 May 2013, I along with the Taoiseach and the Minister for Justice and Equality met with the Irish Tobacco Manufacturers' Advisory Committee. The meeting concerned a general discussion on the smuggling of tobacco and its social and fiscal impact. On 12 June 2013, I met with Mr. Kevin Murphy, chair, and Mr. Pat Lardner, CEO, of the Irish Funds Industry Association, IFIA, while attending the IFIA Global Funds Conference at the Four Seasons Hotel. I was there to deliver an address to the conference. The meeting with the representatives of the IFIA was a courtesy meeting and took place on the fringes of the conference. The issues discussed were of a general nature, principally concerning the economy and the financial sector. On 24 July 2013, I met with the Small Firms Association. The discussion related to its pre-budget submission, which is available on its website. Among the topics discussed were employment costs, support for SME investment and job creation, access to funding, making work attractive, balancing the budget and the local property tax.

In addition, during the months of September and October as part of the budget 2014 process, I engaged in meetings with a number of representative groups including the Irish Business and Employers' Confederation, Retail Ireland, the Vintners' Federation of Ireland, the Licensed Vintners Association, Property Industry Ireland, the Irish Farmers' Association, the Construction Industry Federation and the Irish Creamery Milk Suppliers Association. In addition to these pre-budget meetings with industry groups, I also held meetings with the Irish Congress of Trade Unions, the Community and Voluntary Pillar, the Irish Heart Foundation and the Irish Cancer Society.

Deputy Joe Higgins: I note that the Minister did not include a number of financial services

companies and big players in the financial markets that were detailed in an article in the Sunday Independent. He might clarify that. Does the Minister understand how frustrated many ordinary taxpayers are about the privileged access of big players and wealthy interests to the Minister for Finance and indeed the Taoiseach and Government generally while the taxpayers who are paying to bail out many of these interests have no such access? In the past few days, we were given information about the nauseating level of gouging of the taxpayers by consultants to Irish Water to the tune of €50 million, all of whom have been players on the lucrative inside track for years and have received millions of funds from taxpayers' assets. Since the Minister assumed office three years ago, did any of these companies that were named by Uisce Éireann in the past few days and that were favoured by Uisce Éireann with lucrative contracts have meetings with him and if so, what was the subject of those meetings?

Deputy Michael Noonan: Speaking from memory, I am not sure. It is not in the Deputy's question so the reply is not in my brief but if he puts down another question either for oral or written reply, I will get him the information immediately. It is unfair to come in and ask a different question entirely when I am prepared to answer the question that he put before us.

As regards meeting ordinary taxpayers and the Deputy's view that ordinary taxpayers have been much put upon and have a very onerous burden, all of us in this House agree with that. Of course, I meet ordinary taxpayers every week in my constituency. I am sure I meet as many ordinary taxpayers as any other Deputy in the House. I meet dozens of ordinary taxpayers every week all the time, as I am sure Deputies Pearse Doherty and Michael McGrath and everybody else here do. There is no lack of input about the concerns of ordinary taxpayers.

In deciding the meetings from the series of requests for meetings that I receive, I meet representatives from sectors of the economy that can help to grow the economy and give me an insight into what changes might be necessary to grow the economy and create jobs. They are the people who I principally meet. In pre-budget meetings, there are groups that have traditionally met with Ministers such the farming organisations, the Irish Congress of Trade Unions and the social pillar. I meet all those groups in the run-up to the budget to hear their views and concerns and see what kind of meeting of minds we might have in advance of the budget.

Deputy Joe Higgins: As the Minister knows, it was only in the past few days that we were given any information about the lucrative contracts awarded by Uisce Éireann. I wonder if he understands the outrage among ordinary taxpayers over this rip-off to facilitate a system being put in place that will gouge more taxes to pay more bond holders through taxing the water rather than fixing the pipes with the €500 million the Minister has allocated.

I wish to ask the Minister specifically about BlackRock asset management and Fortress Investment Group, which are huge hedge funds, venture capitalists and vulture capitalists.

10 o'clock

Did the Minister meet any of these players in the financial markets? They were players in the crisis that developed as a result of the considerable speculation carried out by such companies for the ten or 15 years before the crash. They also cleaned up during the crash. If the Minister met them, what was the subject of those meetings?

Deputy Michael Noonan: I get several requests from people for meetings, but I cannot meet everyone. I try to meet those who can make a contribution to the economy. There have been many requests for meetings from people representing various funds that want to buy prop-

erty in Ireland. Normally, they meet representatives of NAMA or the banks and come from abroad. There has been a run of people coming to Dublin, particularly in the past two years, who have been interested in buying property. Sometimes, it is difficult to distinguish between the people who have money and those who have fairy stories. I meet some of them. I met BlackRock on at least one occasion, but I believe it was before 2013. Its lead man in Dublin is an ex-Cork man. That is why I remember when that particular gentleman met me.

The purpose of these meetings on the other people's side of the table is to meet the Minister and ask questions about the availability of assets. I refer them to NAMA because I do not have detailed knowledge of values or quantities. When the Houses of the Oireachtas enacted the NAMA legislation, it vested all of that responsibility in NAMA. The Minister for Finance has no role in any of the commercial decisions taken by NAMA. There is a series of requests for meetings and I try to meet what I consider to be the important ones. Sometimes I get it wrong - I meet people and, after ten minutes, it is obvious that they are not what they purported to be. I meet many people when I am out socially who would have access to billions of euro and would buy half of the town if I would only give them a hearing. I am sure that Deputies Michael McGrath and Pearse Doherty meet them as well.

Small and Medium Enterprises Supports

4. **Deputy Michael McGrath** asked the Minister for Finance when finance from KfW will be available to Irish small and medium-sized enterprises, SMEs; the amount of funding he expects to be available; the type of lending that will be undertaken; if a memorandum of understanding has been drawn up with KfW; and if he will make a statement on the matter. [1768/14]

Deputy Michael McGrath: As the Minister knows, the Taoiseach announced in November a new collaborative initiative with a German development bank, KfW. The purpose of my question is to seek additional information as to how the discussions between the Irish and German authorities have been proceeding. Will the Minister give the House a picture of how the new arrangement will work in practice and how KfW will be able to assist Irish small to medium-sized enterprises, SMEs, and provide funding for the wider Irish economy?

Deputy Michael Noonan: As the Deputy will be aware, the Taoiseach mentioned in this House shortly before the recess that he had held discussions with Chancellor Merkel on finding ways to reinforce Ireland's economic recovery by improving funding mechanisms for the real economy, including access to finance for SMEs. The German Government has asked KfW, the German development bank, to work with the German and Irish authorities swiftly in order to deliver on this initiative at the earliest possible date.

Officials at my Department, with the assistance of staff of the National Pensions Reserve Fund, NPRF, have worked quickly to investigate ways to ensure that the benefit of this cooperation to Irish SMEs can be maximised. A small party of my officials travelled to a meeting with their counterparts in Berlin in early December and a week later a similar meeting was held at KfW's headquarters in Frankfurt. Officials from KfW and the German Ministry also met with the project team from Ireland in Dublin for a further exchange shortly before Christmas. Both sides have been represented at senior management level for each engagement. In addition, there have been regular conference calls between the parties.

As the Deputy may be aware, KfW channels its funding for SMEs in Germany through

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a system of on-lending using commercial banks in Germany as the distribution mechanism. Typically, the SMEs can avail of KfW funding at different terms and conditions applicable to that offered directly by the financial institutions. This model is similar to the on-lending arrangements available to Irish domestic institutions using funds from the European Investment Bank, EIB.

The precise arrangements for the structure, level of funding and distribution options are the subject of the discussions between the relevant officials at present and will have to adhere to EU state aid considerations. Experience in other countries suggests that any lending facilitated by a state-sponsored investment institution like KfW is generally complementary to SME lending already taking place in an economy and can assist in improving both the supply and demand for finance.

The Government recognises that SMEs are the lifeblood of the Irish economy and play a crucial role in employment growth. Since March 2011, Government policy has concentrated on ensuring that viable micro, small and medium-sized enterprises have access to capital, equity and debt funding from a more diverse range of sources. The potential new arrangement with KfW, which my officials are exploring, represents a continuation of the Government's concerted focus on ensuring that viable SMEs have access to finance in a manner that supports economic recovery and employment growth.

Deputy Michael McGrath: I thank the Minister for his reply. Any potential new source of funding for SMEs is to be welcomed. I am seeking new information on the shape of the arrangement. The Minister referred to KfW in Germany extending finance to SMEs through commercial banks. As such, one would assume that a similar arrangement would apply in Ireland. This would necessitate the involvement of the Irish banks. I assume that it is not the intention that KfW would lend directly to Irish SMEs. If the Minister clarified this point, it would be helpful. He might also clarify whether KfW will require a banking licence in Ireland. Presumably it will not if it is lending through Irish banks. Have targets been set for the quantum of funding that might be available for the Irish economy from KfW? The fundamental question is when does the Minister hope that this arrangement will be up and running and available to SMEs in practice.

Deputy Michael Noonan: The very fact that an announcement was made to the effect that Chancellor Merkel and the German Government were instructing KfW to assist in financing SMEs in Ireland was one of the helpful factors in accessing the market at low interest rates last week, as it affected market sentiment at our exit from the bailout. There has already been a benefit.

What the tangible benefits will be is being worked out. Various models are being examined at official level. The matter has not come to the political level yet, but a paper is being prepared that will come to me shortly. Upon consideration, there must be a delivery vehicle in Ireland to get the money to the SMEs. The precedent is how EIB funds are delivered to SMEs. The EIB has lent €250 million to the main banks, AIB and Bank of Ireland, which decide in their normal lending processes who to lend on that money to. Perhaps something similar could be done. We will also introduce the NewERA legislation shortly, in which regard the strategic development fund and the NPRF may have a role. We are exploring different delivery possibilities.

Deputy Michael McGrath: This new initiative, which I welcome, is recognition of the fact that Irish banks are not meeting the lending needs of the economy fully. A new initiative such

as this one is necessary. I acknowledge the Minister's point that the initiative's announcement helped to promote a positive backdrop for Ireland as we exited the programme.

Have the Irish banks been involved in discussions on the arrangement with Irish officials? As they are the most likely delivery mechanism for KfW funding to SMEs, it is important that this matter be clarified. If they have not yet been involved, it could be some considerable time before the arrangement is up and running and available to SMEs, which have been inquiring about this issue. Many SMEs are paying exorbitant interest rates, have onerous conditions attached to their lending arrangements with Irish banks and have been refused new credit applications. They are looking to this initiative with some degree of optimism. It is important that we give them as much information as possible as to its shape, whether it is likely to benefit them and whether it will be administered through Irish banks, which are regulated in Ireland.

Deputy Michael Noonan: The initiative should be seen in the context of the Government's overall policy of identifying and putting in place sources of lending to the Irish economy, other than lending directly from the main banks. There are three funds now operating out of the National Pensions Reserve Fund, Silicon Valley Bank has a \$100 million fund to lend to IT companies, the Department of Jobs, Enterprise and Innovation has a micro investment fund and there are various other sources of lending now available. In fact, we are at a quite advanced stage with one of the Chinese investment funds to put another piece in place. If one sees it as a series of sources of funding to different types of SMEs in Ireland, some for working capital and some for start-ups, there is a range of options and this would be another option. That is the context in which it should be seen.

The banks are in the loop. They are not involved in the discussions, but the Department of Finance is keeping both the Central Bank and the main banks fully informed of what might happen. So far, there does not appear to be any difficulty in using the commercial banks as a vehicle for delivering money to SMEs sourced from KfW. I do not know about quantum; I do not expect it to be massive amounts of money, but it is another significant source of funding to SMEs.

IBRC Account Holders

5. **Deputy Thomas Pringle** asked the Minister for Finance his views on the lists of politically exposed persons under Anglo Irish Bank-Irish Bank Resolution Corporation; the reason lists were deemed necessary; the way they have been used; if he was aware of the lists and the contents of these lists; and if he will make a statement on the matter. [1757/14]

Deputy Thomas Pringle: This question arises from reports in recent weeks that the Irish Bank Resolution Corporation, IBRC, or Anglo Irish Bank, as it was previously known, compiled a list of politically exposed persons and high profile persons who were borrowers from the bank. The question seeks to find out why the bank considered these lists necessary, what knowledge the Department of Finance and the Minister had of them and what use was made of these lists.

Deputy Michael Noonan: I am advised that Anglo Irish Bank, IBRC Limited and now IBRC Limited, in special liquidation, has a legal obligation under the Criminal Justice Act 2010 to determine whether a customer, or a beneficial owner connected with the customer or service concerned, being a customer or beneficial owner residing in a place outside the State, is a po-

politically exposed person or an immediate family member, or a close associate, of a politically exposed person, PEP. According to the Criminal Justice Act 2010, a PEP is defined as:

“an individual who is, or has at any time in the preceding 12 months been, entrusted with a prominent public function, including either of the following individuals (but not including any middle ranking or more junior official):

1. A specified official;
2. A member of the administrative, management or supervisory body of a state-owned enterprise.”

The Criminal Justice Act 2010 requires that institutions take the following steps prior to establishing a business relationship with a customer or carrying out a transaction: have appropriate procedures in place to determine whether a customer or beneficial owner is a PEP - enhanced due diligence procedures are required; obtain senior management approval prior to the establishment of a business relationship with a PEP; and ensure adequate measures are taken to establish the source of wealth and source of funds involved in the business relationship or occasional transaction. In addition to this, in line with good practice and in anticipation of future legal developments and-or media coverage, including recommendations made further to the Mahon tribunal, banks typically maintained a list of domestic and high profile customers and borrowers with significant prominence in the public domain, due to, for example, business, sporting and media interests.

The special liquidators understand that customers and borrowers of IBRC Limited, in special liquidation, were included on such lists in accordance with the provisions outlined above. The inclusion of customers on these lists was standard business practice and in no way indicates that preferential treatment was afforded to these customers.

Addition information not given on the floor of the House

Under the terms of the relationship framework between the Department of Finance and IBRC, the board and management team of the bank retained responsibility and authority for determining the bank’s strategy and commercial policies and conducting its day-to-day operations, including meeting its obligations under the Criminal Justice Acts. While the Department was aware that the bank managed its obligations in this way, neither I nor my officials were provided with the contents of the PEPs lists.

Deputy Thomas Pringle: The Minister says these lists were compiled in response to the 2010 Act. When were the lists compiled in response to it? How do we know, and what assurances can we have, that these politically exposed persons or high profile persons did not receive any preferential treatment when dealing with their accounts in this institution? It is vital that people be reassured that these lists were not compiled in order to identify people who could receive preferential treatment.

Deputy Michael Noonan: The lists were compiled before the liquidation took place, but I do not have the exact date. It was compiled by Anglo Irish Bank and IBRC prior to the liquidation taking place. It is part of the process of the liquidation to ensure that nothing untoward happened and if the liquidator comes across anything that could be deemed a criminal offence, he has an obligation to report that to the Garda Síochána. So far, the special liquidator assures me that he has not encountered anything which would amount to malpractice or the like. His

study of those issues is ongoing, but I am not the person to whom he would report. However, in conversation with him about the process of the liquidation these things arise.

The main point is that this was not an initiative taken by IBRC to list its well known customers for any other purpose than complying with the Criminal Justice Act 2010. It is to do the opposite of what the Deputy suggests, to avoid preferential treatment being given to people because of their place in society, because they were important in a State agency or because they had political power.

Deputy Thomas Pringle: The issue with politically exposed persons is that the political exposure could be used in different ways. Some high profile people who appear to be on the list have received debt write-downs from the IBRC, while other people have been taken through the full remit of the courts and the law and have been bankrupted in the course of that. We must be assured that these lists were only complying with the Criminal Justice Act 2010 and that no preferential treatment was given to anybody on them. It is incumbent on the Minister to ensure that is the case. Perhaps the Minister would also inform me of the date these lists were compiled.

Deputy Michael Noonan: I believe I dealt with the issue. Many members of the public would find it surprising that this provision is in the Criminal Justice Act 2010 but, on reflection, it is quite a good provision. I hope it is being honoured across the banking system. I will get that date for the Deputy and communicate in writing to him.

Other Questions

Real Estate Investment Trusts

6. **Deputy Mick Wallace** asked the Minister for Finance if any impact analysis has been carried out on the effects of real estate investment trusts on rental prices here; and if he will make a statement on the matter. [1512/14]

Deputy Mick Wallace: The Government might view real estate investment trusts, REITs, as a quick fix measure to get rid of properties on the books of the National Asset Management Agency, NAMA, and the banks, but questions must be asked about the increased corporatisation of property, with little financial gain for the State. REITs are not taxed on their rental income as long as they pay 85% of it to their shareholders as a dividend, they are exempt from corporation tax as long as their income relates to rental income and non-resident investors are also exempt from Irish capital gains tax. There must surely be implications for the rental market in the years ahead.

Deputy Michael Noonan: The tax framework for real estate investment trust companies was announced in budget 2013 and introduced into law in March last year in the Finance Act 2013. The first REIT launched in July 2013 made its first property purchases in October 2013, so there has not as yet been sufficient time to determine the impact, if any, REITs have had on rental prices in Ireland.

My officials will be monitoring the uptake of REITs in the Irish property market, but it is not expected that REIT ownership of property will reach the level of concentration at which a distortion of competition in the market may occur. REITs are established in approximately 35

countries worldwide and in general the percentage ownership of property by REITs in those jurisdictions tends to be relatively small, often less than 10% of the total stock. The Deputy will be aware from his own experience in the property market that prospective tenants will shop around all potential landlords for the best deal available, so it is expected that rental values in the Irish market should continue to be determined by normal market forces and not by the presence or absence of REIT landlords.

I also wish to highlight to the Deputy that potential benefits for property tenants were a motivating factor in the introduction of the REIT framework last year. REITs are specifically designed for the long-term holding of income-producing property. They are not designed to hold development activities or to be a vehicle for short-term speculative gains, so they can provide greater scope for stable, long-term tenancies. Globally, REITs are characterised by professional management of the property assets they hold, as the objective for the REIT management is to produce stable, long-term income flows for shareholders. It is hoped that the introduction of this type of professional property management into the Irish market will, in the long term, help to standardise and improve management standards across the rental property sector as a whole, which would be of benefit to both investors and tenants.

Deputy Mick Wallace: The Minister says that the amount of property held by REITs around the world tends to be small. However, given that such a bank of property is going to flood our market from NAMA and the banks in the next few years, that will probably not remain so here. The rationale behind REITs is to allow people to invest in property without having to manage it themselves. It is a stockmarket version of absentee landlordism. The investors do not have to pay a lot of tax but are buying up large sections of property here.

Some of my property has been sold to foreign investors for less than half of what it could be built for today. The Government says there has been a vote of confidence in Ireland Inc., but does the Minister not think it has been completely confined to property and bonds, rather than to real business? Perhaps we are selling ourselves short. I am not sure that we need to subsidise property tax breaks to such a degree in order to get them to invest here.

Deputy Michael Noonan: There is a huge overhang of property, including portfolios held by NAMA and properties being held as collateral for impaired loans across the banking system. The banks have been deleveraging rapidly, especially Ulster Bank. There is potentially an enormous amount of property on the market. Part of the Government's job is to clear the overhang first because there will be no property development in this city or country until that is cleared. It is surprising that the overhang is being cleared so fast.

The advantage of REITs is not only what the Deputy referred to. The big advantage of REITs is twofold. First, the small investor can go in, so one does not need to put up €200,000 or €250,000 to buy an apartment if one wants to invest in property. One can buy REIT shares and put in €1,000, €5,000 or €10,000 as a small investor. One is then in for the dividend.

Second, REITs are not exclusively in apartments but are spread across a range of different properties. If there is a collapse in one area, the REIT is at least protected by values in another area. It is something that is being done in all developed countries now, but it will not dominate the market. It is just another initiative and it is working so far.

Deputy Mick Wallace: I understood that the original plan behind NAMA was that it would hold properties for a while, rather than flooding the market. Building work is starting again

because there is a demand for certain types of property in certain areas where it is not available at the moment. In addition, there is too much property in places where it is not required. However, many large tracts of property that will be sold off will not be bought by Irish people. They will be purchased by foreign investors who will reap benefits at the expense of the Irish people. These people will end up with a lot of rental property, which will give them a monopoly in the game.

The Minister will recall that the really big problem with our building bubble was that a small group of people gained control of most of the land in this city and they land-banked it. They owned over 90% of the land with a potential for development and thus controlled the price of it. Prices went crazy. I ended up paying €5 million for one fifth of an acre because the market was being driven by a small group of people. We now have these people coming in and taking control of the rental market. This is not a normal situation because we have so much property to sell to them.

Deputy Michael Noonan: The Deputy is pointing to possible future fears but I am fully aware that there are risks in everything. Life is risky. If a Minister wants to avoid risk he or she will do nothing. Of course there is risk in REITs but the risk is managed and is minimal as far as I am concerned. Only two REITs have been established so far and both are capitalised at around €400 million. Two REITs with a total investment of €400 million is not going to distort any market or give anybody control.

Deputy Mick Wallace: It is hard to grow.

Deputy Michael Noonan: I hope it grows further. I believe REITs is a very good way, rather than having someone buying a house up the road and renting it and not having the property properly managed.

Deputy Richard Boyd Barrett: It is just speculation.

Deputy Michael Noonan: It is much better if the person who wants to invest in property puts his or her €50,000 or €100,000 into a REIT. It will be properly managed if it follows the pattern of what happened in other countries and the person's risk will be spread. There would then be a proper rental sector. We have a peculiar rental sector in this country. A good bit of it is in the black economy, while more of it concerns people who want it as a supplement for pensions. They are not really people with any expertise in property or the business of renting. The REIT system will raise standards and if something goes wrong I will move to correct it, but so far it is moving in the right direction as intended.

Property Taxation Administration

7. **Deputy Richard Boyd Barrett** asked the Minister for Finance the amount raised from the local property tax for 2013; the amount paid into the local government fund; the amount allocated to Irish Water; if he will provide some estimates for 2014 and the oversight mechanisms that have been put in place to ensure prudent use of these funds; and if he will make a statement on the matter. [1653/14]

Deputy Richard Boyd Barrett: The local property tax is the Minister's tax. When it was first introduced in order to neutralise opposition to it, he said all the money was going to local

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services. Last autumn, we discovered that all the money was going to Irish Water. In recent weeks we have discovered that a huge amount of that money is going to line the pockets of consultants. Can the Minister get his story any straighter than the Minister for the Environment, Community and Local Government, Deputy Hogan, in terms of what he knew about local property tax income going to consultants in Irish Water. Did the Minister for Finance know about this expenditure and, if so, when did he know about it? Did he scrutinise it? Has he assessed whether we were getting value for money for this huge amount of money that has gone into the pockets of Irish Water consultants.

Deputy Michael Noonan: The amount of local property tax received into the Exchequer in 2013 was €318 million. This represents an over-performance relative to the 2013 forecast outturn in budget 2014 which estimated that €300 million would be collected in 2013. This performance is encouraging, both in terms of compliance and revenues raised for the Exchequer, particularly given that this is a new tax.

Receipts from the local property tax received in 2013 will remain in the Exchequer and will be used to meet the many expenditure obligations faced by the State. The allocation to the Local Government Fund for 2013 had already been decided and local property tax receipts were not part of, and were not planned to be a part of, the Local Government Fund receipts and expenditure in 2013.

Section 157 of the Finance (Local Property Tax) Act 2012, as amended, provides that in each financial year commencing with 2014 the Minister shall pay from the Central Fund or the growing produce thereof into the Local Government Fund an amount equivalent to the local property tax, including any interest paid thereon, paid into the central fund during that year.

Budget 2014 forecast that €550 million would be collected in local property tax receipts in 2014. These receipts will be placed in the Local Government Fund which comes under the aegis of the Minister for the Environment, Community and Local Government. Under the Local Government Act 1998 which established the fund, the Minister manages, controls and authorises payments out of the fund. Accordingly, the allocations from the Local Government Fund are a matter for the Minister for the Environment, Community and Local Government.

However, I note that the revised Estimates volume for 2014 published by my colleague the Minister for Public Expenditure and Reform, Deputy Howlin, shows a €490 million subvention from the Local Government Fund to Irish Water. Furthermore, oversight mechanisms for expenditure from the Local Government Fund are also a matter for my colleague, the Minister for the Environment, Community and Local Government. As the Deputy will be aware, these issues have been discussed in great detail at a number of Oireachtas committees in recent days. The money is collected by the Revenue Commissioners, who then transfer it to the Exchequer, which is under my control. Total receipts from the local property tax in 2014 will be transferred to the local government fund. The Minister for the Environment, Community and Local Government has the legal right to disperse that funding. His agreement with the Minister for Public Expenditure and Reform is that €490 million will be transferred from the local government fund to Irish Water.

Deputy Richard Boyd Barrett: What the Minister appears to be saying is that he, as Minister for Finance, has no role in scrutinising the spending of the €490 million that is being handed over via the Minister-----

Deputy Michael Noonan: That is correct. The Minister for Public Expenditure and Reform deals with expenditure budgets.

Deputy Richard Boyd Barrett: I find that pretty extraordinary because the money concerned is tax receipts. The Government in levying this unpopular, regressive austerity tax tried to neutralise opposition to it by saying that all the moneys collected would go back into local areas and services. We then discovered last autumn that not a single cent would go towards local services but would be used to meet the start-up costs of Irish Water. I find it amazing that given the change in regard to how and where this money will be spent the Minister for Finance did not discuss with the Minister for the Environment, Community and Local Government the amount that would be required in respect of the start-up of Irish Water. Does the Minister for Finance have no role in spending of that level of expenditure, which he has just informed us is €490 million, €80 million of which we recently discovered will be spent on lining the pockets of consultants? I still do not believe we have been given an explanation in terms of whether that spend was value for money. Enormous amounts of money has been spent on lining the pockets of consultants and it is difficult to see what precisely we are getting for it.

Deputy Michael Noonan: I know the Deputy would like to have a debate on Irish Water, which is the cause *de jour*.

Deputy Richard Boyd Barrett: I am entitled to raise the issue.

Deputy Michael Noonan: I have answered the Deputy's question. If he wants to have a debate on Irish Water he should submit a question on it to another Minister.

Deputy Richard Boyd Barrett: My question was what oversight mechanisms has the Minister for Finance put in place to ensure the prudent expenditure of the income from the local property tax in relation to Irish Water. That question was submitted prior to the breaking of the scandal in relation to Irish Water. It is a question which the Minister and his Government colleagues have failed to respond to for the past year and a half.

Again, I ask the Minister does he, as Minister for Finance, have any role in ensuring the prudent expenditure of income from the local property tax, which tax this Government forced down the throats of people and promised would fund local services and is now being spent on lining the pockets of consultants.

Deputy Michael Noonan: The Deputy is engaging in a very emotional mode of questioning. I have answered his question fully. I have, of course, a responsibility because the Revenue Commissioners report to me. The Revenue Commissioners collect the tax effectively and efficiently and report to me. In accordance with Government policy I then transfer that income from the Exchequer to the local government fund. What level of oversight and scrutiny then comes into play is vested in the Minister for the Environment, Community and Local Government. He has the legal authority to oversee the dispersal of that fund.

Deputy Richard Boyd Barrett: He does not micro-manage things.

Deputy Michael Noonan: He does it in consultation with the Minister for Public Expenditure and Reform. The Deputy will note from the 2014 Book of Estimates that €490 million will be transferred from the local government fund to Irish Water. The Deputy's question is whether that funding will be used locally. The agencies that provide water supply, domestically and commercially, are the local authorities. That function is being transferred to Irish Water.

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The transfer of €490 million for the provision of water through a new agency is spending the money locally, because that agency will be doing what is currently done by the local authorities.

Deputy Richard Boyd Barrett: Some €80 million of that amount is being spent on consultants.

Banking Sector Issues

8. **Deputy Michael McGrath** asked the Minister for Finance the implications for banks' capital levels and their capacity to increase lending of the bank asset quality review; and if he will make a statement on the matter. [1628/14]

Deputy Michael McGrath: This question relates to the recent asset quality review of the main Irish banks which is a precursor to the European-wide stress tests next year. My concern is the element of uncertainty created following the announcements by the banks of the affect of the outcome of that review on their balance sheets. All of the banks have stated that they are still above the minimum regulatory capital levels, which is accepted. However, there appears to be a variation between the Central Bank's interpretation of Bank of Ireland's balance sheet in terms of its provisioning for loan losses and the bank's own interpretation in this regard. Bank of Ireland has also stated that engagement on that issue is ongoing.

Having the minimum level of capital does not mean that a bank is properly capitalised to meet the lending needs of the economy. It is important that in advance of the full stress tests later this year we have absolute clarity as to the state and health of the balance sheets of the main Irish banks, on which we rely to provide the oil for the engine of the Irish economy.

Deputy Michael Noonan: I thank the Deputy for his question. As he will be aware, in 2013 the Central Bank of Ireland conducted a balance sheet assessment, BSA, of the PCAR banks, namely, the banks that were subject to the prudential capital assessment Rreview, being AIB, Bank of Ireland and Permanent TSB, which assessment incorporated an asset quality review, AQR. The results of the review were shared with the external partners at end-November 2013 as agreed under the programme and with the participating banks to inform their ongoing capital and financial plans. The Central Bank has not commented on the participant banks in relation to their results of the BSA.

I have seen the results of the BSA as this was a commitment under our funding programme. As with all other such commitments, my Department communicated them to the troika by the appointed deadline. The results are very technical in nature and I am under a legal obligation to keep the details confidential. As the AQR is seen as part of the European Central Bank's comprehensive assessment, the findings of the BSA are not being published separately. The interpretation of the results is a matter for the Central Bank. However, I am pleased that the Governor has informed me that there will not be an additional regulatory capital requirement in the banks as a result of this process.

Publication of individual BSA results is a matter for the banks to decide. I refer the Deputy to the statements made by the individual banks. As he will be aware Bank of Ireland has issued a detailed public statement on the outcome of the BSA. I am advised by AIB and Permanent TSB that they will consider the findings of the BSA in the preparation of their year-end December 2013 financial statements.

In relation to the banks' capacity for new lending being impacted by the BSA, I draw the Deputy's attention to the statements made by the President of the European Central Bank, Mario Draghi, at the ECB press conference on 9 January 2014, wherein he specifically addressed this point. Mr. Draghi was asked whether the need to undertake the AQR, being part of the assessment, has delayed the recovery in lending. Mr. Draghi gave a detailed response to this question with reference to eurozone banks. I suggest that the Deputy read Mr. Draghi's response, which for his convenience, I would summarise as follows: There might have been some short-term deleveraging by the banking system in order to prepare for the assessment but this needs to be counterbalanced by two points: the long-term greater health of the banking system on completion of the AQR and the reopening of the capital markets for banks.

Additional information not given on the floor of the House

As the Deputy will be aware the PCAR banks have returned to the capital markets. I welcome that fact and note that the demand has been very strong for each of the capital market transactions recently undertaken by the PCAR banks. As the Deputy will be aware the level of new lending, in particular new mortgage lending, in the Irish economy was depressed during the financial crisis. Clearly the level of new lending that takes place is influenced by the level of supply of and demand for such lending. It has been evident that there has been an increase in the level of new lending in the Irish market in the second half of 2013 and I expect that the flow of credit into the economy is likely to continue to increase in 2014. My officials critically review the level of new lending - mortgages and SME - regularly and I am not aware of lending being negatively impacted by the BSA.

As the Deputy will also be aware this Government has since it took office pursued a number of initiatives to increase the supply of credit to businesses and individuals. A key aspect of the Action Plan for Jobs 2013 was the facilitation of access to finance for SMEs. The Government has taken a number of significant initiatives aimed at providing equity support to SMEs. In this regard the National Pensions Reserve Fund, NPRF, has set up a number of funds, including the SME corporate fund, which is a €450 million fund, the SME equity fund, a €300 million to €350 million fund, and the SME turnaround fund, a €100 million fund. A number of other initiatives including the credit guarantee scheme and the microenterprise loan scheme have also been implemented by Government.

Deputy Michael McGrath: I thank the Minister for his reply. Can the Minister confirm that the European Central Bank has accepted that the bank balance sheet review will form part of the stress tests that will take place later this year? In other words, does it accept that that box has been ticked and the balance sheets do not have to be reviewed again?

I am concerned that the Central Bank did not announce the results of the balance sheet review and that each of the banks made separate statements. As acknowledged by the Minister, varying levels of detail were provided by AIB, Permanent TSB and Bank of Ireland, which also took issue with the findings of the balance sheet review in terms of the amount of loan provisioning provided for on its balance sheet and stated there would be a need for further engagement with the Central Bank on this issue. This results in an element of uncertainty as we enter into a critical period in the context of the full stress tests this year by the European Central Bank. This uncertainty is regrettable and unnecessary. In my view, the Central Bank should have published the outcome of the balance sheet reviews. The bottom line is that in the case of two of the banks, we own them fully and we have recapitalised them. In the case of Bank of Ireland, we are still a significant minority shareholder.

Deputy Michael Noonan: First, one would need to distinguish between capital requirements and provisioning. Provisioning against bad debt was what arose from the asset quality review. It was clearly stated by the bank that arising from the asset quality review, no extra capital was required. Obviously, they are interrelated because to make the extra provisioning, a bank draws down on the store of core tier 1 capital. Therefore, the core tier 1 capital ratios have been reduced in the banks but they are still well above the minimum required.

Second, much of the material we are talking about is confidential and commercially sensitive. The Central Bank is independent and it has a relationship with the banks it regulates. The Central Bank deemed it to be appropriate not to publish the findings. Of course, it is up to the banks to publish what they are doing in respect of the additional provisioning required. The Bank of Ireland did so immediately because it had obligations, as a result of the preference share transaction we were conducting with it, to fully inform potential purchasers of the preference shares and of the new situation. It would comply with normal market guidelines to do so. That is why Bank of Ireland came out in greater detail. The other two were not involved in any similar transaction at the time and they are doing what would be normal. They will put the extra provisioning they may or will make into their annual return and annual report for the end of 2013. They will give a good deal of information as well, but they will do it in accordance with their timetables for announcing information about their balance sheets, that is, in the return for the year.

Deputy McGrath's first question was on the asset quality review and whether it will have to be repeated. I imagine it will have to be updated. The asset quality review was for 1 June 2013. Since the stress tests will be in October and November 2014, the asset quality review will be somewhat dated by then. I would prefer if there was an asset quality review, and it was the intention of the European Central bank to have this throughout Europe for 31 December 2013. They may update the June reviews to see what would happen. Obviously, there are downsides to that but there are certain advantages as well since loans supported by property related collateral would have enhanced in value between June and December.

Deputy Michael McGrath: When Mario Draghi spoke in December, he was questioned about the outcome of the balance sheet reviews. He referred to decisive action being required in respect of the Irish banks. That was seen in the context of the balance sheet reviews which had just been published and interpreted by the banks. Will the Minister give us his interpretation of what Mr. Draghi was referring to when he spoke of decisive action being required by the Irish banks in advance of the stress tests? Does it relate to dealing with the mortgage arrears problem or was it respect of loan provisioning and the balance sheet review?

Deputy Michael Noonan: It was Central Bank speak for "Get your provisioning done". It is self-evident, because of the asset quality review, that extra provisioning is required. The banks are doing that now and that is what they should do. I assume Mr. Draghi had the mortgage issue in mind as well because he has been speaking to that topic for some time. From my conversations with Deputy Doherty, I imagine we are all *ad idem* in the House that the banks need to keep the foot to the floor in solving this particular problem and not resile from the agreed targets.

Mortgage Arrears Proposals

9. **Deputy Michael McGrath** asked the Minister for Finance if he is satisfied with the pace

and manner in which the banks are implementing the mortgage arrears resolution targets; and if he will make a statement on the matter. [1629/14]

Deputy Michael McGrath: This relates to the issue that Deputy Doherty raised in respect of the handling by the banks of the mortgage arrears crisis and, in particular, the mortgage arrears resolution targets programme. Following its audit of the arrears targets programme, the Central Bank confirmed that in the first quarter, 60% of the proposed solutions were in the surrender or repossession category. The figure fell to 55% in the second quarter. The bank did not state that it does not regard the threat of legal repossession as not constituting a sustainable solution. It did not go as far as the Minister in that regard. Is the Minister on the one page with the Central Bank on whether the threat of legal repossession does not constitute a sustainable solution? If we can get clarity on that much at least, it would be a good day's work.

Deputy Michael Noonan: As I have indicated, the Government is aware of the significant difficulties some home owners are facing in meeting their mortgage obligations. A comprehensive strategy to tackle the problem is in place and its implementation throughout Government and by lenders is the priority. In that context, the Central Bank mortgage arrears resolution targets, MART, framework is key. Under this rolling process, quarterly performance targets are set to the end of June 2014 to require the banks to propose and put in place durable long-term solutions to address individual cases of mortgage arrears.

The Central Bank has indicated that all six mortgage lenders covered by the MART process have reported that they met the 20% proposed sustainable solutions target for the second quarter of 2013 and the 30% target for the third quarter in 2013. In particular, with respect to the 2013 third quarter target, which is the latest available data, the lenders have reported to the Central Bank that they have issued proposals to 43% of mortgage accounts in arrears as against the 30% target.

The new monthly mortgage restructures and arrears data published by my Department will also provide an impetus for the MART banks to increase the pace of provision of mortgage restructures. That data show that some progress has been made in putting permanent mortgage restructures in place. For example, the number of permanent restructures of permanent dwelling mortgages more than 90 days in arrears has risen from approximately 41,200 in August to approximately 49,300 in November 2013, an increase of almost 20%. The number of permanent restructures of mortgages more than 90 days in arrears has also increased.

The ongoing roll-out of the MART process, in particular the incremental targets to put in place sustainable mortgage restructures, will be important for this end. Of course, the MART process can only work to the benefit of borrowers in circumstances where the borrower works with the lender and engages with the process. Likewise, lenders should communicate and engage with a borrower in difficulty in line with the requirements of the code of conduct on mortgage arrears. Early and effective engagement with borrowers and lenders is, therefore, key to resolving cases of mortgage difficulty. Where there is effective and meaningful engagement regarding a mortgage difficulty, the data show that an increasing number of durable long-term mortgage restructures is emerging.

It will be necessary to build on this in 2014. The issue of mortgage arrears is a major problem that needs to be resolved not only for individual borrowers and lenders but also for the long-term economic and social health of the country. A comprehensive strategy to do this is in place and the Government will ensure it is fully implemented by all the parties involved in the

process.

Deputy McGrath raised another question in his introductory remarks. From a statistical point of view the data must be recorded or noted somewhere. The Central Bank is bringing out a report on these issues. The Department of Finance is bringing out a separate report. They are somewhat different in their approach. A high percentage of the repossessions are voluntary surrenders and it is legitimate to take note of these. Obviously, if someone goes to Australia and surrenders his house on the way, it is a permanent solution. It may not be the most satisfactory solution but it is a permanent one. I do not want the banks to include these in some kind of hidden fashion in a general set of statistics. I want the banks to show the data separately. Then we can decide whether they are validly included. It needs to be transparent in order that we know what we are dealing with. To purport to substitute repossessions for restructuring offers was never the intention. The work of Deputy McGrath and the committee illustrated that much clearly and I believe the banks have learned their lesson.

Deputy Michael McGrath: It is important the letters threatening repossession and the cases resulting in voluntary surrender are recorded in a separate category. They are not sustainable solutions. They result in the ending of the mortgage. One could regard them as a permanent solution from the point of view of the banks. However, the Department of Finance and the Central Bank should be adopting the same methodology. We can table written questions on the matter but I hope the presentation of the data of the Minister and the Central Bank will be uniform in terms of the bundles into which they are putting the different cases. Perhaps there are presentation issues, but either way it is important.

The Central Bank should not allow any threat of legal repossession to count as an instance of a sustainable solution. That is what happened, however, in its audits of quarters 1 and 2. In fact, in quarter 1, 60% of the sustainable solutions put forward by banks were in the repossession category, some of them being voluntary surrenders, while the figure for the second quarter was 55%. Moves to repossess should be recorded separately so that we have a clearer view of the genuinely sustainable solutions being offered. We are seeing increased activity levels within the banks, including on the split mortgage side and in terms of the economic concession by Ulster Bank, but it is still difficult to get a final decision from the banks when it comes to individual cases.

Deputy Michael Noonan: My officials have noted what the Deputy said. His approach is the correct one and we will make sure the information is conveyed to the six banks involved and to the Central Bank. There should be no misunderstanding of what the House requires.

Written Answers follow Adjournment.

Betting (Amendment) Bill 2013: Second Stage (Resumed)

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

Deputy John Browne: I observed yesterday that the betting industry has changed dramatically in recent years. When I first stepped into a betting office, the choices available were horse racing and dog racing. Now it is possible to place a bet on soccer, Gaelic games and golf, as well as virtual racing involving dogs, cars, cyclists, horses and so on. One can place a bet even where there is no live racing from any of the race meetings in Ireland or Britain. Young people,

in particular, are betting more often on virtual rather than live racing.

We support the extension of betting duty to online bets. The delay in bringing forward these provisions has, according to the experts, cost the State upwards of €40 million in lost revenue in the past three years. It is important to ensure that the licensing regime is robust and equitable in terms of the treatment of domestic and overseas operators. Bookmakers in this country have been arguing for several years for a more level playing pitch, their case being that the online business has put domestic operators at an unfair disadvantage because of the non-taxation issue.

The horse racing industry provides more than 15,000 jobs and must be supported by a secure funding model. The Government has chosen not to support the proposal in the 2012 Indecon report to increase betting duty to 2%, which would have removed the need for a continuing Exchequer contribution to the horse and greyhound racing fund. The Minister might explain why he rejected that recommendation and whether he intends to review the decision in the future.

The Bill replaces the 1931 Act and is urgently needed in order to modernise the betting industry. We have seen a major change in recent years, with a move away from the private operators and family-run businesses that were there in the past. Instead, major companies like Ladbrokes, Paddy Power and Boylesports have cornered the majority of the market and have opened offices even in smaller towns. In my home town of Enniscorthy, for example, with a population of 6,000 or 7,000, one of these bookmakers has three shops in operation. A great deal of money is being expended in the gambling industry. It would have made sense for the gambling control Bill, which is delayed until 2015, to have been introduced in conjunction with this Bill. As it collects the additional revenue accruing to the Exchequer this year and next from these provisions, the Government must heed its duty to those people who are vulnerable to problem gambling. We look forward to the introduction of the gambling control Bill as a means of setting down rules and guidelines for the industry in that area.

The provision in the Bill for extended opening hours, from 7 a.m. to 10 p.m., has been greeted with concern in some quarters. The question does arise as to why a bookmaker's office would have to open so early in the morning and stay open so late. There are legitimate concerns that these extended openings might encourage younger people to go in on their way to college or work. On a recent trip to Britain I visited a small, family-run bookmaking business which despite being able, under the law in that country, to open earlier, had chosen not to open until 9 a.m. or 9.30 a.m. That seems a more reasonable opening time. I hope the Minister will be willing to accept amendments in this regard on Committee Stage.

The extended opening hours are also a matter of concern to staff. In fact, in any bookmaker's office I visit I am asked whether I will oppose the Bill. I realise there are guidelines in regard to working conditions and so on, but many of the staff working in bookmaker's offices are employed on a part-time basis and are on low pay. They are concerned that they will now be asked to work unsociable hours. That issue must be addressed, not necessarily by the Minister but certainly by bookmakers themselves. There must be clarity for staff in terms of how the system will operate in the future.

The extension of betting duty to online and offshore telephone betting is an important step in levelling the playing pitch and allowing smaller operators to compete. It will mean additional revenue for the State, which is also welcome. Based on estimates by the horse-racing industry of Irish betting turnover in 2011, this extra revenue should be in the region of €12.1 million on telephone and online betting and €2 million from betting exchanges, provided that all remote

betting is conducted through licensed remote bookmakers or licensed remote betting intermediaries. I welcome the provisions in this regard and the Minister's undertaking to enforce them stringently.

As it stands, betting revenue, together with an additional subsidy, goes to the horse and greyhound racing fund, with moneys being distributed from the fund to Horse Racing Ireland and Bord na gCon to develop the horse and greyhound industries, including by way of race course developments, distribution of prize money and regulating and promoting the industries. However, in recent years, revenue from betting duty on off-course betting has declined while, at the same time, online betting has increased. In that context, consideration must be given as to how the industry will be funded into the future. The prize money for Irish racing is very good, making it very worthwhile for horse trainers and owners to attend race meetings. That is possibly not so much the case in the United Kingdom. We do not want a situation where prize moneys are reduced, which would have a negative impact on the industry. Any moneys raised in this area must continue to go towards the development of an industry that is of particular importance in rural areas.

11 o'clock

As already stated, small and large farmers in my county are all involved in breeding, rearing or training horses. I am of the view that this industry and the greyhound industry are extremely viable.

I welcome the Bill, which represents a move in the right direction. There are some concerns with regard to the long hours of opening and how these will be policed. Will there be an increase in gambling among younger people as a result of the extension of the opening hours? The Bill has been welcomed by bookmakers, particularly those small private operators who believe it will level the playing field and ensure that major online betting companies will be obliged to pay their fair share of tax. I do not know how the relevant provisions in this regard will be implemented. Ultimately, it will be the responsibility of the Minister and the Revenue Commissioners to ensure that they are implemented. They will certainly have their hands full in the context of trying to obtain the maximum amount of tax from those involved in the betting industry, particularly as the latter know every trick in the book and will be doing their utmost to avoid the payment of as much tax as possible. I hope they will not avoid tax and that they will pay their fair share. I also hope that the moneys raised as a result will continue to be ploughed into the horse and greyhound industries in order that they might remain viable into the future.

An Leas-Cheann Comhairle: I call Deputy Heydon, who is sharing time with Deputies Áine Collins, Connaughton and Lawlor.

Deputy Martin Heydon: I welcome this much-anticipated Bill, which has taken a frustratingly long time to come before the House. The Minister's determination to have the legislation dealt with has ensured that it has finally been introduced, which is great. The Bill, which has been welcomed by the horse and greyhound industries, is also a positive for the betting industry in that it provides a regulatory system for remote bookmakers and intermediaries. It also provides for fair and equal treatment for all bookmakers operating in the State, regardless of their location. The Bill amends the Betting Act 1931 and I am sure everyone agrees that betting patterns have changed considerably in the intervening 83 years.

While the main purpose of the Bill is to extend the licensing and taxation regime to remote

bookmakers and betting exchanges, it also provides for important change to the opening hours of registered bookmakers. I very much welcome the move away from the winter time-summer time scenario. As already stated, the Bill is also designed to provide a level playing field for all operators in the industry. Until now, there has not been a mechanism for taxing remote operators. The old winter-time rules forced bookmakers to close their premises early at certain times of the year. As a result, if an evening greyhound meetings was taking place in, for example, Dundalk, those who wanted to place bets were forced to go online to do so and the State was not able to obtain any taxation revenue as a result. There is a need for a level playing field and for everyone to be treated in the same way. This might have had an impact on larger bookmaking firms with a significant online presence but those who were really being caught out were the small independent operators who employ large numbers of people throughout the country. I welcome the proposed change in this regard.

The Bill is a first step in a process to try to address an imbalance which developed as a result of a policy adopted by previous Governments. I listened with interest to the contributions of Deputies Michael McGrath and Browne, who bemoaned the fact that no attempt is being made to try to increase the tax on betting from 1% to 2%. They must remember that a Fianna Fáil Minister for Finance was responsible for reducing the tax from 2% to 1% in 2006. Colm McCarthy has stated that the decision made in this regard looks increasingly like a mistake and has resulted in inadequate funding for racing and inadequate returns for the Exchequer. In the report he compiled for the then Government, Mr. McCarthy pointed out that even if the betting tax were increased from 1% to 2% - which would generate between €60 million and €70 million in revenue - Ireland would still have one of the lowest rates of betting tax in the world.

Deputy Michael McGrath is correct in stating that the racing industry never wanted to be subvented by the Exchequer. However, it was failed Fianna Fáil policy which has led us to this point. The policy introduced by a previous Administration in 2006 in order to attract new entrants to the market has not worked. Not one new major bookmaker has entered the marketplace. What has happened instead is that betting turnover in Ireland has increased significantly, from €1.3 billion to in the region of €4.5 billion. However, the report compiled by Indecon in 2012 indicates that the tax take for the Exchequer fell from €68 million in 2001 to €27 million in 2011. Those figures are staggering. At a time when we are being obliged to make extremely difficult decisions which have an impact on every sector of society, we cannot justify such a low return in tax revenue. That is why I am of the view that the Bill should be on the first in a series of measures.

I was surprised that very few of the previous contributors touched on the key and inextricable link between the horse racing, horse breeding and greyhound industries and the Bill. The horse racing and horse breeding industry is absolutely vital to rural areas where there are not many jobs available. The industry has a turnover that is in excess of €1 billion and it employs approximately 16,000 people. Most of the jobs in the industry are located in areas in which there are not many other employment options. I know this because approximately 4,000 people in the county in which I live, Kildare, are directly employed in the industry. Ireland is the only country in the world in which the racing industry does not receive an automatic direct payment from the gambling industry. Ultimately, it relies on the product of the racing industry.

This Bill relates to the area of finance and I will not concentrate on the perils or otherwise of excessive gambling. However, in 2011 the gambling industry's turnover was €4.5 billion while it only contributed €27 million in tax revenues. Ireland's horse racing and horse breeding industry is a world leader, albeit on a shoestring budget subvented by the State. The horse and

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greyhound fund is probably the best value-for-money investment made by the Government in any industry. In the long term, however, we want to move to a position where the industry will again be able to stand alone financially and benefit from the funding it raises.

As stated, some 16,000 people are employed in the industry. It is not that long since that figure stood at over 20,000. I am of the view that, with proper support and investment, employment levels within the industry will return to this high. In the process, we will safeguard Ireland's position as a world leader in the horse racing and horse breeding industry. Ireland is there to be shot at and every other country wants to replicate what is done here in order that we might be taken down a peg. The level of investment being made by competitor countries such as France and Australia is both mind-boggling and frightening. We must be aware of the threat in this regard.

Racing revenue is not just for the wealthy. In that context, people have referred to Coolmore Stud and other establishments. It is an easy tag to apply but 90% of those who breed horses have four mares or fewer. Invariably, these people operate in rural agricultural areas and they are involved in real economic activity. The Punchestown racing festival in my constituency and the Galway racing festival are each worth approximately €60 million to their local economies. Ireland is the fourth largest producer of thoroughbreds in the world. It produces 40% of EU output in this regard and some 11% of world output. Irish horses are exported to over 35 countries across the globe and the total value of this activity last year amounted to in excess of €150 million. The industry is an important source of high-value foreign direct investment into Ireland, mostly in rural areas. It is not possible to have a successful breeding industry in the absence of a racing industry and *vice versa*. The two are interlinked. Neither industry will survive if adequate funding is not provided. There has been a massive decrease in the level of funding available to the racing industry in recent years. Obviously, all sectors of the economy have experienced similar drops. However, the low level of funding available cannot be sustained in the long term.

The Government is well on its way to ensuring that the economy recovers. The large multinationals responsible for foreign direct investment in Ireland and the smart economy are important aspects of our recovery. However, I am of the view that there is no need to reinvent the wheel in the context of seeking to get the country back on its feet. We must instead concentrate on what we are good at. In the context of the horse racing and horse breeding industry, we have the necessary expertise and individuals, the relevant soil type and the pertinent structures. In addition, we also have a reputation as being a world leader in the area. I am of the view that the industry must be protected to the very last. The Bill represents the first important step in ensuring that we will return to a position where the industry will be adequately funded and I commend it to the House.

Deputy Áine Collins: I, too, welcome the opportunity to contribute to the debate on the Bill. In recent years the Irish people have borne more than their fair share of cost increases. No government wishes to impose tax burdens on its citizens but the vast majority of the population of this country recognise that what was done had to be done. Even though it has been difficult, we are beginning to see a turnaround. However, we are still spending more than we take in in taxes. In this context, any indirect taxes which can be identified and which will not affect job creation must be considered either for increase or introduction.

The Bill seeks to bring all remote bookmakers and betting intermediaries into the licensing regime. The new licensing system for remote operators will serve as an important public inter-

est mechanism in preventing crime and protecting customers against fraud. It will also ensure that all businesses offering betting services from Ireland or to persons in Ireland will be treated equally and regulated appropriately. The new licensing regime will hopefully create a level playing field between traditional bookmakers and remote bookmakers, who represent the online element of bookmaking. This has been welcomed by many in the bookmaking world. Paddy Power makes a very fair point that the company welcomes paying any tax so long as its competitors pay the same tax at the same rate, an objective of this Bill. Boylesports has welcomed that, under the legislation, bookmakers who fail to pay out on a genuine bet can be docked in their licence. The chief executive of Horse Racing Ireland, Brian Kavanagh, has welcomed the publication of this Bill as he said it was an important mechanism to create funding for racing. He also welcomes the extended opening hours for shops which will be provided for in the new licensing regime.

The horse industry is very important to the country's economy. It is crucial to the tourism industry and it enhances the reputation of the Irish horse breeding sector. The more tax that can be obtained from the betting industry, the better the opportunity for supporting this industry. Bookmakers' representatives point out that this legislation has the potential to attract foreign investors, thereby creating more jobs and encouraging Irish bookmakers to expand their workforce. The Paddy Power company has created 2,000 jobs in Ireland and it continues to expand. While all reputable bookmakers have rigorous systems in place to verify that account holders are over 18 years of age, there is a general welcome for provisions in the Bill to protect further the young and the vulnerable.

The Bill provides for a new and improved licensing regime. It does not deal with the rate of duty on betting services as this will be dealt with in future finance Bills. The funding of the horse and greyhound industry will continue to be a matter for the Minister for Agriculture, Food and the Marine. I commend the Bill to the House.

Deputy Paul J. Connaughton: This legislation represents the enactment of a provision of the Finance Bill 2011 to extend betting duty to remote betting and online betting. It establishes the necessary infrastructure or regime for collection of this tax. It will be an offence to take a bet from an Irish person by remote means unless the betting facility has a bookmaker's licence or remote betting intermediary's licence. A person with an ordinary bookmaker's licence will also be permitted to take bets by remote means up to a certain value of betting turnover and prosecutions under this legislation can be taken in the District Court in the first instance.

A number of national conversations are taking place about our drinking culture, the obesity epidemic and future health implications. It may be high time that we had a national conversation about the devastating effect of gambling on many families. I refer to the innumerable television advertisements for online poker and online casinos and the number of betting applications available for use on smart phones as evidence that it is time the Government took firm action to regulate this industry.

The boom saw an increase in the prevalence of betting shops on our high streets, but these have become a casualty of the downturn and the move to online betting. Horse Racing Ireland has estimated that bookmaker betting expenditure fell from €5.4 billion in 2006 to €3.7 billion in 2008 and €2.7 billion in 2011. These are staggering figures. Horse Racing Ireland estimates that the online betting industry takes €1.6 billion from Irish residents although it is difficult to estimate how much revenue is leaving the country by way of online betting. I note that tax experts believe that the enactment of this legislation should raise €14 million a year. A portion of

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this expected €14 million revenue, if it materialises, should be ring-fenced to provide funding for addiction centres dealing with gambling.

Like many other Deputies I have heard harrowing accounts of families trying to pick up the pieces when a loved one has become addicted to gambling. The move to online gambling has made the problem more difficult to manage as smart phone applications mean that gambling is available at all times.

I acknowledge the great work of addiction centres but these centres need further support in their work and the funding that should accrue from online betting sources should go some way to help to pick up the pieces when the relationship with gambling gets out of hand. If €1.66 billion is being spent by Irish residents in online betting and a percentage of those people encounter problems with gambling, then it is only right and proper that the tax duty accruing should be used in part to support those providing services to people with gambling problems instead of promoting the gambling industry.

I note the Department of Justice and Equality is preparing the gambling control Bill which will update the legislation on gambling and regulate Internet gambling. One aspect of gambling I hope to see addressed is the matter of the regulation of casino opening hours to ensure all-night gambling sessions in casinos do not become a regular feature of Irish life. Many other issues relating to the supervision of casinos are being addressed in the forthcoming legislation.

This Bill reflects the Government's determination to change and adapt in the face of changing economic circumstances. The move to online gambling is one facet of life that will take many years to address properly. However, I welcome this legislation which aims to license those involved in online betting in Ireland and which will institute a tax collection regime for these bets in order that the revenue will accrue to the State. The Government will need to provide services to those for whom gambling has become a problem.

I acknowledge the need to protect and enhance the Irish horse and greyhound industries. The Irish thoroughbred horse industry was estimated to be worth €900 million to the economy in 2010. It provides employment for more than 15,000 people. This legislation is timely and welcome but I urge that moneys should be set aside to address gambling problems.

Deputy Anthony Lawlor: This Bill has been in the offing since the Finance Bill 2011 and it is a redrafting of the original 2012 Bill. I appreciate the work undertaken by the Minister in this regard.

I come from an area which has two of the biggest race tracks in the country. There are two training establishments up the road and a stud farm across the road from my home. People regularly walking their greyhounds is a common sight. I am immersed in the horse and dog industries. I support the views of my colleague, Deputy Connaughton, with regard to gambling addiction, which I acknowledge is a serious issue and must be dealt with. I agree with his point that a portion of the revenue generated through the increase in the betting levy should be applied to help those with a gambling addiction.

In my view there needs to be a level playing field for everyone in the betting industry. Many small bookmakers are not fighting the same fight as the large bookmakers who have offshore and online betting facilities. Bookmakers who provide a service in small towns in rural areas are not playing on the same pitch as many of their competitors. This Bill attempts to level the playing field as much as possible by the use of enforcement.

I refer to the portion of the betting levy given to the horse and greyhound industries. Currently the portion is split 80% and 20% between the two sectors. The horse industry was worth €900 million in 2009 while the greyhound industry is worth €500 million but it only receives 20% of the levy. I ask the Minister to consider a fairer distribution to reflect the number of people employed and the revenue generated for the economy by both industries.

For the first time a number of race meetings will be held on Good Friday, including Lingfield Park in the UK. I can foresee that race meetings will be held on Good Friday in this country because it is a public holiday when families want to participate in activities. I ask the Minister to consider including Good Friday as a day on which bookmakers are permitted to do business.

It has been argued that the 15% levy suits the bigger bookmakers. In my view, a bookmaking firm of any size which offers an online service and is working hard to generate income is being penalised by the 15% levy. I have always looked on this as a transaction with a client or a customer, whether in a bookmaker's shop or online. I would much prefer to see an exchange tax but that is for another day.

I am very encouraged by racetracks which are actively pursuing customers, whether they allow them in for nothing or charge them a small fee, which I have seen in the US and in France. They do not get the same return from bookmaking. The main beneficiary of this is Tote Ireland, which should make a greater contribution to the racetracks because they actually pull in the customers to the benefit of Tote Ireland which will have more punters coming up to their stands. However, Tote Ireland is not making a significant contribution to the racetracks which are actively trying to encourage more people into the industry.

I welcome the Bill and am just throwing out a few ideas to the Minister. I would like to see a level playing field going forward but the key aspect is that we have proper enforcement so that all bookmakers pay the same.

Deputy Maureen O'Sullivan: I read a report done by one of our betting companies on its contribution to the economy. Points made in the summary were that it contributed more than €70 million to the economy, it supported 900 jobs, it sponsored a number of sporting events and it paid commercial rates and water charges to local authorities. One could certainly say it made a positive contribution.

The Betting (Amendment) Bill 2013 is mainly about licensing and it takes into account the new development of online gambling. It is also about the conduct of bookmaking and bookmaking related operations. I suppose it is very much in keeping with the times in which we live because of social media and the increase of betting and gambling online. The positive parts are about compliance and non-compliance and those who may act as bookmakers and those who are not licensed to do so. Significant fines are outlined but time will tell whether they will be enough of a deterrent. There is a comprehensive section about applying for the licence, in particular for these new remote licences. There is much in the Bill which is positive and with which I could not disagree.

I note the prohibition on online betting for those under 18 years of age, which is much more of a grey area. I am not too sure that the way to prohibit and monitor it is strong enough in this Bill, although I know another Bill is being prepared. If all remote betting companies comply with the terms, there will be additional revenue raised but where will it go?

We know betting revenue goes to Horseracing Ireland and Bord na gCon to develop the

horseracing and the greyhound industries. I have had quite a number of debates with the Minister for Agriculture, Food and the Marine and the Minister for Arts, Heritage and the Gaeltacht about the greyhound industry, in particular in regard to coursing. I do not want to take from people who have greyhounds and treat them in a very fair way but we know there are abuses within the greyhound industry and yet the Government continues to fund it. We know a significant number of greyhounds are put down and are abused because they do not make the cut on the race track. We also know the Irish Coursing Club is not active enough in trying to prevent coursing meetings taking place in really adverse weather conditions and there are appalling injuries to greyhounds and, in particular, to hares at those events.

I agree with the level playing field for bookmakers because some have been at a disadvantage. I was a bit bemused by section 12(h)(ii) which states: “conducted the business of bookmaking in a disorderly manner or in such a manner as to cause or encourage persons to congregate and loiter in or outside the premises where the business was conducted or had permitted persons to loiter in those premises,”. That is a bit unrealistic when it comes to the betting industry and bookies’ shops because the whole nature of what happens in them is that there will be a certain amount of loitering.

The explanatory memorandum seems very comprehensive. It claims the aim of the Bill is fair and equal treatment. It is good that it notes there is a role to prevent crime and protect consumers against fraud and that this regulation could lead to that. I listened to a number of contributions and quite a number of them referred to gambling addiction. It is interesting, and probably ironic, that at this point in time, the Minister of State at the Department of Health with responsibility for addiction and the drugs issue is hosting a seminar in Dublin Castle at which there will be a number of speakers and inputs on the whole area of drug and alcohol addiction. The alcohol issue is being brought into the drugs strategy and the various drugs task forces will include alcohol.

Those who work in addiction and those affected by addiction, whether they are addicted or their loved ones are addicted, will all testify to the increase in the number of those presenting with a gambling addiction. It is really important when we discuss this Bill that we do not minimise the very serious and often tragic consequences for those with a gambling addiction. We can generally identify 95% of those with drug and alcohol addictions because there are visible signs of that addiction but we do not see that with gambling. We will see the physical signs on the person who abuses drugs or alcohol at some point. The body will not have any more veins for those injecting and the physical effects of alcohol abuse will be manifest and we will see an increase with those presenting with liver illness and in the development of cirrhosis. There is a physical limit when it comes to those addictions but there is no physical limits on the gambler who can go on and on because his or her body can take all of the gambling abuse in a way which those who are drug or alcohol addicted cannot.

There is an online gambling company in another jurisdiction, and I hope it does not set up here. It keeps an eye on those who are gambling online. When they reach a debt of approximately €1,000 or £1,000 sterling, it then makes an offer immediately of €100 or £100 sterling of free bets to increase the addiction and the amount owed.

I tabled a number of parliamentary questions to the Minister for Justice and Equality on the whole area of gambling addiction. I asked if he would support a national impact study. The answer was a bit strange because he said he did not have access to information to support suggestions of an increase in the number of person addicted to gambling. That indicates the need

for an impact study to gauge the exact numbers involved. If one talks to people in any of the rehabilitation centres or in any of the counselling centres, they will tell one, as they have told me, that there is an increase in the number of those with gambling addictions appealing to them for rehabilitation and counselling. People are losing their homes due to mortgage arrears but people are also losing their homes due to the gambling addiction of a person in the family. This Bill, however, is not doing anything in that regard.

I acknowledge the ordinary gambler who knows his or her limit and who places a few bets daily or weekly. I know how enjoyable a day at the races can be and the excitement around the time of the grand national. I fully accept the role of personal responsibility but there are aspects to the gambling industry which are unsavoury such as the one I mentioned earlier.

I refer to fixed odds betting terminals, FOBTs. We do not have them here yet but it is worth flagging them as something of which to be aware. They are gambling machines and are like slot machines but they do not have a limit on what somebody can bet. They are not legal here, although they are in other jurisdictions. The statistic is that €100 or £100 sterling can be lost in the space of less than 20 seconds. If one multiples that by the number of seconds in one minute, one will see how much somebody can lose.

The Bill provides for the closure of premises on Christmas Day and Good Friday. I cannot agree with Deputy Lawlor who would like to see horseracing and bookies open on Good Friday. I wonder about the times from 7 a.m. to 10 p.m. There are issues for the staff who work very anti-social hours, including Saturdays, Sundays, late nights and bank holidays. To my knowledge, in some companies, there is no increase in the rate of pay for those anti-social hours as they are included generally in people's hours.

There is another move in England, which I want to highlight so that we do not go down that road, where English betting establishments can apply to the local authority to extend opening hours to midnight at weekends. That is a very cynical abuse of people who are having a drink and are much more vulnerable and much more likely to do something stupid in regard to gambling, whether online or in the bookies shop, if it is open and accessible.

I agree there should be a level playing field for bookmakers who have been at a disadvantage due to the competition from online bookmakers. However, enforcement is critical. The Department of Justice and Equality is preparing a gambling control Bill, which will ensure fairness in the conduct of gambling but I do not know if the words "fairness" and "gambling" go together as it sounds like a bit of a contradiction. There is a need to protect vulnerable people, such as those who are under age and those who have an addiction. There is something odd about asking an industry - the gambling industry or the drinks industry - to fund efforts to deal with the difficulties and problems that arise from the activities of that industry. I agree with it, but I think it is something of a contradiction. We know that gambling can attract illegal criminal activity. I hope the next Bill will tackle that in a comprehensive way.

We have seen an increase in the number of casinos. It is frightening to listen to people in their late teens or early 20s speaking about going out for a few drinks to a pub or a club. It seems that they often go to casinos as part of their night out. I do not think we are looking at the accessibility and availability of such facilities. In itself, the Bill can be accepted. It has been welcomed by the bookmaking industry. I am waiting to see the next Bill because I think it needs to go much further.

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Deputy Arthur Spring: I would like to share time with Deputies Seán Kenny and Aodhán Ó Ríordáin.

Acting Chairman (Deputy John Lyons): Is that agreed? Agreed.

Deputy Arthur Spring: I would like to make some comments on the Betting (Amendment) Bill 2013 that are informed by a different school of thought. I would like my suggestions to be considered. I have listened to many of the contributions that have been made this morning. Deputy Maureen O'Sullivan spoke about the gambler, as opposed to the industry. Deputies Connaughton and Heydon spoke about the industry and the individuals.

I would like to highlight a couple of problems that relate to online gambling, as opposed to the form of gambling that takes place when those who have the funds to do so walk into a shop and place bets using cash from their pockets. Most of those who use the Internet to try to make a profit from gambling use credit cards. I believe the online gambling business will be forever a cash cow for those involved in it, especially in light of the levels of advertising and engagement associated with it. The number of people employed in this sector of the industry is minimal, when considered in the overall context, because it is not as labour-intensive as running a bookie's shop.

I welcome the efforts to gather taxation from anybody who is betting in this country. This was a big problem in the US, where some forms of gambling are prohibited in certain states but were being facilitated internationally through online services. It is fundamentally wrong that somebody can go online and begin a process of gambling using several accounts with various credit card companies. I have met people who have lost houses, businesses and farms as a result of gambling. I have met people from the Money Advice and Budgeting Service who have told me about the collapse of people's lives and families, largely due to gambling addiction. They were not betting what was in their pockets - they were gambling with money they did not have.

I ask the Minister and the Department to consider whether it would be appropriate to restrict online gambling to those using debit and laser cards, rather than merchant cards such as MasterCard and Visa. One should not be allowed to gamble online unless the money is in one's bank account to begin with. People should not be permitted to go into credit for the purposes of following this habit, which is particularly addictive during times of economic hardship. I would agree that the last thing the betting industry, which has many aspects, needs is a Minister for Finance who is a gambler, is completely addicted to gambling or is involved in gambling. People need to be able to do a risk assessment or adjustment.

I am prone to the odd bet. I like the idea of going into a betting shop, meeting people, watching television and placing the odd bet, probably along the lines of the teams I support. I come from a sporting family that follows football, hurling, golf, rugby and everything else that is going on. I have an interest in betting small amounts of money in an accumulator fashion, which means there can be high returns if it kicks off. Irish people enjoy betting and gambling as a means of having fun. I am vehemently opposed to the idea of people sitting at home at 2 a.m., 3 a.m. or 4 a.m. watching a race in the US - one can watch imaginary or electronically manufactured races on certain channels - and going online to use credit cards for the purposes of fulfilling their needs. It does not serve society well.

I agree with the Deputies who have argued that there are too many betting shops on certain streets. There is an adequate number that we should try to attain. I prefer to see small shops

where the person who is running the floor and managing the place has an intimate relationship with the individual who goes in to place a bet. A person who is excessive in his or her gambling should be pulled aside in a socially conscious manner and told to deal with that problem.

Much of what other Deputies have said is accurate. One of my bigger problems with the online industry is that it closes the accounts of winning gamblers. The watchdogs need to be on top of this. I have been made aware that it is imperative for people to hedge their smaller shops if they become exposed. They sometimes use the online industry for these purposes. They close winning accounts as part of that process. Where is the fairness? Where is the ability of betting shops to compete with industries that close accounts? One cannot say to someone who walks into a betting shop to place a bet on a horse using a betting slip that his or her money is no good in the shop. By contrast, online bookmakers are watching people's accounts and closing them down.

Our approach to gambling should be socially conscious rather than taxation-orientated. I like the idea of more taxation being generated for the horse and greyhound racing industry. This will also affect football, hurling and everything else.

There is an imbalance in how jobs are created in this sector. On-street bookmakers' shops in small rural towns are losing out to the online industry. As we know, companies that have an online presence, such as Paddy Power, Betfair and Betdaq, are recruiting people in Dublin. The number of jobs in these online companies is far greater than the number of jobs in the on-street network, which is preferable from a societal perspective. I have a problem with the fact that this is another example of jobs being relocated to Dublin.

Acting Chairman (Deputy John Lyons): In the betting world, the races mentioned by the Deputy are referred to as “virtual” races rather than “imaginary” races.

Deputy Seán Kenny: This Bill is designed to provide a regulatory system for remote bookmakers and betting exchanges that offer betting services in Ireland, regardless of location. It provides for the fair and equal treatment of all bookmakers and betting exchanges, including corporate bodies, that offer services in Ireland. It will bring all remote bookmakers and betting exchanges into the licensing and taxation regime. This is to be welcomed.

Betting needs to be regulated extensively. If it is abused, it can be dangerous. Betting can lead to gambling, which can be very addictive. It can destroy families and lives. This development needs to be observed carefully. Steps should be taken to try and guard against gambling addictions being formed. We must also guard against existing gambling addicts being enabled to continue to feed their habit, which is immensely self-destructive.

I recall the misery caused in Dublin by the scourge of the slot machines and one-armed bandits, which were mentioned by a previous speaker. The decision of councillors on Dublin Corporation in the late 1980s to rescind the adoption of the Gaming and Lotteries Act 1956 in the Dublin city area was widely welcomed at the time. In addition to the problem of gambling in the physical world, the digital world is increasingly capable of facilitating betting and gambling. The effects of this form of gambling are less visible because it can be done in private.

The new licensing system for remote operators will serve an important public interest. It will prevent crime and protect consumers against fraud. It will ensure all businesses that offer betting services from Ireland, or to persons in Ireland, are regulated appropriately and fully. Section 2 of the Bill makes a number of amendments to various definitions of the Betting Act

1931 and inserts new definitions to allow for the regulation of remote operations.

Section 9, which inserts a new section 5A into the principal Act, provides details of the process of applying to the Minister for Justice and Equality for a certificate of personal fitness to hold a remote bookmaker licence or a remote betting intermediary licence. This section also sets out a timeline for the issuing of such certificates, clarifies the basis for refusing a certificate and details the penalties for making or providing false or misleading statements in the course of an application for a certificate.

Section 29 inserts a new section 32A into the principal Act and provides for the Minister for Justice and Equality to apply to the District Court to make orders where sections 2, 2A and 23 have been breached. This is designed to offer a means of enforcing compliance with a licence requirement and includes an order that credit institutions do not transact business regarding certain accounts used in the conduct of bookmaking and remote bookmaking, a prohibition of advertising and sponsorship, and a requirement for telecommunications service providers to block access to certain Internet sites.

I support the Bill.

Deputy Aodhán Ó Riordáin: I appreciate the opportunity to speak on this issue. I wish to address two main issues. Many Members have already discussed the dangers of online gambling and that the social interaction in the bookie's shop in the main street would be replaced by a more private engagement online which, as Deputies Spring, Seán Kenny and others have already said, is particularly dangerous and worrisome.

However, I wish to concentrate on where the money raised through levies on betting ends up. Anybody who takes a cursory glance at the horse and greyhound racing fund and the Horse and Greyhound Racing Act that underpins that fund will probably be surprised at the mechanisms behind it. Most people would be unaware that the levy from every bet laid on anything, including soccer, rugby and the GAA, goes directly into the horse and greyhound racing fund even though only 10% of bets placed in Ireland are on horse or greyhound racing, which is remarkable. When I discovered this a number of years ago, it struck me that this must be the most cosseted industry in the State in terms of public funding. No other sporting organisation gets this type of support; it is unbelievable. If the majority of people began to realise this they might believe we should re-evaluate this funding mechanism. Can it be justified in the new age? Can it be justified when we have such social unease, social problems such as childhood obesity, problems such as hunger among schoolchildren, anti-social behaviour and children being dragged into various different courses in their lives that are destructive?

The 2001 Act introduced by the former Minister, Mr. Charlie McCreevy, still rules the roost in this House and levies from all bets placed in the country go to that fund. Two years ago the fund was worth €57 million and on average the Irish Sports Council gets about half that from the State each year. I would be horrified if this new online betting levy were to go anywhere near the fund. I understand that many Deputies across the House will fundamentally disagree with me on this point. Many Deputies, including some from my party, feel very strongly about the horse racing industry and what it adds to the economy. I have heard figures of €900 million mentioned for the horse racing industry and €500 million for the greyhound racing industry. I am willing to accept those figures, and the employment and tourism that come therefrom. However, we cannot let this lie without re-evaluating it.

On drilling deeper into the figures we discover that approximately 80% of the money from the horse and greyhound racing fund goes to the horse racing industry. The vast bulk of that is spent on prize money, which is much more lucrative in Ireland than elsewhere in Europe. I am led to believe - I am open to contradiction on this - that five named individuals are the main beneficiaries of that prize money and their tax status is open to plenty of controversy every year.

I strongly welcome that we are regulating the industry, placing a levy on it and bring it out from the darkened bedrooms of people and into the light by focusing attention on it. If the State is to benefit from a levy on it, we need to be open and transparent as to where that money will be spent. In view of all the social ills that are caused by gambling and other excessive behaviour in society, if we are to continue to funnel such a level of levy receipts from the existing betting arrangements to the horse and greyhound racing fund, we need to have a more honest and open debate on it. We need to have an honest and open debate on sports funding and what it is for. Is it for participation of children? Is it for the betterment of society? Is it for connectivity? Is it for health and exercise? Alternatively is it for this industry? Perhaps we have not had a sufficiently open discussion on that.

I welcome the Bill which is justified in its purpose. However, I would have a deep distrust of the types of individuals and companies behind this. There is a difference between a person having to go into a bookie's shop where one must engage socially and doing it in one's own bedroom. Doing it behind a computer screen using credit cards and not engaging with anyone is very dangerous and worrying, as Deputy Spring has already said.

The connectivity between the levy we will receive from this and the expenditure on the other side is key to this. Like everything in Irish society and public policy, people have more belief in the taxation system and the society in which they live if they can see the connectivity between the charges they pay, including the levies placed on things and the services they get as a result. We need to be much more open and honest about the horse and greyhound racing fund, the Horse and Greyhound Racing Act that underpins it and the type of sports funding that is available. We need to have discussions with every other sporting organisation in the country as to what they need. We should not be afraid of talking honestly and truthfully to those powerful individuals in the horse and greyhound industry who may have a different point of view.

I welcome the Bill, but it needs to represent the beginning of a discussion as to where our levies go, how we support sport and leisure, and with whom we are willing to talk tough.

Deputy Éamon Ó Cuív: I am pleased to speak on the Bill. I have got a flavour of what previous speakers said. I start by saying I do not believe I ever placed a bet in my life in a bookie's shop or anywhere else.

Deputy Tom Hayes: That is why the Deputy has all the money.

Deputy Éamon Ó Cuív: I wish I had. I gave it all away.

I have never had any involvement with horse racing or horses in general. I do not believe I was ever on a horse's back. I believe I have been to the races twice in my life. I am not into horse racing.

Deputy Brian Hayes: The Deputy should go more often.

Deputy Éamon Ó Cuív: When talking about an industry it is easy to cast aspersions and

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refer to someone having a personal interest. Deputy Maureen O'Sullivan made a very balanced and reasonable contribution when she spoke about the challenges of gambling addiction. I have met people addicted to everything from bingo to scratch cards and whatever. The problem with addictive gamblers is that they will find a way of gambling. It is a major challenge and some of the money collected from this levy should be used to help those who are working with people who suffer from this addiction. As has been pointed out it is a very silent problem and is not very visible. Often the first symptoms are people showing up with incredible debts that are unexplainable based on the rest of their lifestyle and income. Therefore I am disappointed that the control of gambling Bill is not before us in parallel with this Bill. It is very important to keep this issue in mind in the debate.

I have a friend who puts on a bet in a bookie's shop the odd time. He used to say to me that I should look at the floor of a bookie's shop before placing a bet. I asked him why I should do so and he responded by saying I would see all the tickets thrown on the floor from the gamblers who have lost.

The Act we are amending dates from 1931. When one thinks of the technology we have today compared with that available in 1931 it is time to address this issue. It is time to bring the online betting into the mainframe. We will not stop gambling and we will not stop people in the modern world placing bets online. Just as people drink on their own, people can do things in the privacy of their own home that would have been undreamt of many years ago because of the dramatically changing nature of society. Online betting will continue to be a feature of society. In that situation it is much better to deal with it as a mainstream activity rather than deny that it is happening.

I am disappointed that it has taken so long for this Bill to come before the House. We in the previous Government had approved the heads of a Bill. When this Taoiseach took office he said that the Bill would be before the House much sooner than now. Why has it taken 1,000 days to get it this far? This legislation has two purposes, one, to control, license and regulate which is very important. We need to regulate the way that online betting companies operate. The second purpose is that it gives us the chance to raise revenue and the question has been asked what would happen this revenue. Deputy Ó Ríordáin was right that this is unusual. It is a hypothecated revenue, in other words, it effectively goes to one industry although the Department of Finance prefers that money goes into a general pot and it then distributes the money. I am very much in favour not only of introducing the Bill but also of increasing the rate of betting tax, which I believe is very low. It is 5% in Germany, 2.8% in the UK, 3.8% in Italy, 15.5% in France, 7% in Spain, 15% in Bulgaria and 17.5% in Japan. I am not proposing any of those higher rates. We could set a rate of 2.5% or 3%. The online betting companies, the bookmakers, will say that they will fly the country if the Government does that but where will they go? Only tax havens have a lower rate than ours. Every industry, whether the cigarette or drinks industry, will say whenever the Government proposes a tax that it will destroy it and that it will move away but that rarely happens.

Should the money be used for the development of horse and greyhound racing? Should we continue effectively with hypothecation or should it just go into general taxation? Before the money is divided it must be collected. I believe we should raise the tax. We should invest more in horse racing and the sport horse industry, down to dealing with horse issues in urban Ireland. It would be great if we could do that in a way that will not only be self-funding but that the money comes from the Exchequer because the betting tax is not adequate to fund the horse and greyhound racing industry. It would be very sensible to use this extra finance to develop

these industries.

The horse industry, from the high end all the way down, is very important to Ireland. We should develop this industry because we have many natural advantages in it. We should never be complacent that our place within the industry will be maintained unless we are willing to invest. Our natural advantages are tradition, technical knowledge, the rain, the grass and many other factors which have given us an incredibly good horse industry. We should do this across the board. Our thoroughbred industry is important worldwide. We are disproportionately large players traditionally in that industry but there is continuing competition from various parts of the world and if we want to retain our place and all the jobs in the industry we must continue to invest in it, including in facilities and services. Many thousands of people are involved with the thoroughbred industry in Ireland. Most of the breeders are not big operators and it is important to support an industry which provides so much employment in rural Ireland.

The sport horse is also very important. To judge by the reports we have received on sport horses they are major contributors to the economy but they are crying out for further investment. That includes the native breeds such as draught horses and Connemara ponies and so on which are associated with this island and have made such a contribution to it. The Connemara pony is indigenous to the region in which I live. Many very ordinary farmers have been engaged in that industry over many years although it faces huge challenges. Many people are attracted to the region because that horse is indigenous. While we are talking about the common agricultural policy programme and the billions of euro to be invested there we need to recognise that it pays equally to invest in horses.

The Minister of State at the Department of Finance, Deputy Brian Hayes, is familiar with the problem of horses in urban areas. That is a major challenge where people have horses in inappropriate settings. There are many things we can do to give people in urban areas who are interested in horses a legitimate and well-managed outlet for getting involved with them, such as the horse projects in Fettercairn and elsewhere. Money from the betting tax could be invested in the horse industry down to that level and the urban horse problem could be resolved by getting funding from the betting tax such as I have proposed.

12 o'clock

I understand the ratio is about 90:100 so one could pick the rate to get the extra-----

Acting Chairman (Deputy John Lyons): I am sorry to interrupt but, as it is 12 noon and we must move on to Leaders' Questions, I must ask the Deputy to move the adjournment of the debate.

Deputy Éamon Ó Cuív: I will do so, but I will not be resuming.

Debate adjourned.

Leaders' Questions

Deputy Micheál Martin: The ongoing revelations concerning the establishment of Irish Water are making many people angry out in the community. People have been extremely surprised by the drip-feed of revelations over recent days. It is fair to say that, since the Government set up Irish Water, it has until recent days been run like a secret service, with very little

information being given to anybody, particularly to Members of Dáil Éireann and the public. If one is to judge by the ministerial reaction of colleagues of the Minister, Deputy Hogan, they seem to be as surprised as everybody else about some of the revelations. While we do not know if that is fair, the Tánaiste said last week that with regard to the €50 million that was spent on consultants, value for money would have to be shown.

Despite the past two days, we still do not have full details in terms of all of the spend in regard to Irish Water. The Minister, Deputy Hogan's arrogant attitude of "It's none of my business" has annoyed people and made them especially angry. I also put it to the Tánaiste that people are particularly worried that families with young children could be facing a second tier of charges, given the proposals the regulator may have, and they will be particularly vulnerable to excessive water charges.

The way it was established as a subsidiary of Bord Gáis has led to a convoluted quagmire. That is why, for example, it was revealed yesterday that bonuses will be paid to the staff of Irish Water, despite the Minister, Deputy Joan Burton, saying that would be astonishing, and despite the Minister of State, Deputy Brian Hayes, saying two days ago that it was a public relations disaster and yesterday that paying bonuses would not be justified. The Taoiseach's spokesman said the same yesterday, namely, that no bonuses would be paid. We learned last evening that bonuses will be paid, that the Government approved the payment of bonuses, and that the Economic Management Council approved the structure of the establishment of Irish Water as a subsidiary of Bord Gáis, resulting in the reality of bonuses being paid.

I accept, in fairness to the Tánaiste, that the establishment of Irish Water was a Fine Gael policy, with its origins in the NewERA document. However, that does not explain everything. I ask the Tánaiste to explain to me why the Government agreed to pay bonuses to the staff of Irish Water, and agreed this would be part of the regime in Irish Water, despite everything we have heard from Ministers.

An Ceann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: Second, will the Tánaiste indicate how the Government is going to intervene to protect families with young children from excessive charges of €400 plus, given the role of the regulator and also given his own stated position that he was against water charges? He said: "I'm against water charging. ... [They are] essential services [that] should be delivered as a public service." That was the Tánaiste's statement on this issue. I ask him to answer those two questions.

The Tánaiste: There are quite a number of things I have to correct in Deputy Martin's statement. First, Irish Water is being established to modernise the way in which the water services of this country are delivered into the future. I said, and the Labour Party has said for quite some time, that the delivery of water in this country needed to be done on a national basis. Nobody, for example, would now consider it desirable to deliver electricity on a county-by-county basis, and it is not sustainable that water services are delivered on a county-by-county basis.

Deputy Mattie McGrath: EirGrid will do it.

The Tánaiste: It needs to be done on a national basis, which is why Irish Water was established. There are establishment costs associated with Irish Water, and they run to about 1% of the total cost of water service delivery over the next decade. The amounts of money are very large - of course they are. That is why it is essential there is value for money for any money

that is spent in the establishment of Irish Water, as there would be in the establishment of any company.

It is essential there is transparency for that, which is why the chief executive and the management of Irish Water were before two Dáil committees this week to provide the information about how that money is spent. It is also why the Government is applying the Freedom of Information Act to Irish Water in order that the public can have full information about what is spent.

Deputy Dara Calleary: When?

The Tánaiste: It is also important there is accountability in Irish Water, as in any public body, for the way in which it does its business. The chief executive of Irish Water was before two committees this week. If any issues arise, it is the job of Members who are elected to this House and who are members of the relevant committees, in this case, Deputy McCarthy's committee and the Committee of Public Accounts, to establish the facts and ask for any information they want. If any issues surface in that process, the Government will certainly be very happy to address them.

Deputy Finian McGrath: Deputy McCarthy is not happy about it.

The Tánaiste: The story this morning that there is some kind of a second tier of charging for families with children has no basis. No decision has been made in regard to the levels of charges that will be applied and how they are going to be applied, other than the policy the Government has taken, which is that the charging for water will be on the basis of a metered regime and there will be a free allowance for households, with charging to be above and beyond that. The process which has to be followed for that to be established is that the regulator must set out what kind of charging on an economic basis is to be pursued, and then, based on what the regulator has said, the Government will make a decision as to what the level of the free water allowance will be and what the charging above and beyond that will be. That is the approach we are going to take.

Deputy Billy Kelleher: Has the Tánaiste a view on that?

Deputy Barry Cowen: Will he micro-manage it?

Deputy Micheál Martin: The Tánaiste deliberately avoided answering the question about the bonuses.

A Deputy: He did not.

Deputy Micheál Martin: I asked him why the Government approved the bonuses. The Minister for Communications, Energy and Natural Resources, Deputy Rabbitte, approved it and the Minister for Public Expenditure and Reform, Deputy Howlin, approved it, as did the Minister for the Environment, Community and Local Government, Deputy Hogan, although he is now passing the buck to the Minister, Deputy Howlin, as per his comments yesterday.

Will the Tánaiste please answer the question? Why did the Government approve the payment of bonuses and why do we have to listen to all the hypocritical rhetoric from the Minister, Deputy Burton, who said she was going to take it up with the Tánaiste and the rest of the Cabinet?

(Interruptions).

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Deputy Micheál Martin: Was she kept in the dark? That is the problem. Nobody knows what to believe. It is incredible. It is insulting to people to say that all of this information is available. The only reason Irish Water is before committees this week is because Seán O'Rourke asked that question.

Deputy Finian McGrath: That is right.

Deputy Micheál Martin: Dáil Éireann was kept in the dark for 12 months. Freedom of information explicitly excluded Irish Water. It was not included.

An Ceann Comhairle: A question, please.

Deputy Micheál Martin: Prior to Christmas, Dáil debate was shut down.

Deputy Mattie McGrath: The tap was turned off.

Deputy Micheál Martin: I think I know the reason for that. The reason was to keep this thing under the radar until after the local elections in May. That is why people are sceptical and angry. The first charge would happen in the last quarter of 2014.

An Ceann Comhairle: A question, please. You are over time.

Deputy Micheál Martin: The regulator will be a powerful force in terms of levying those charges. I do not accept-----

An Ceann Comhairle: This is supplementary questions.

Deputy Micheál Martin: We need far greater clarity and certainty for families with younger children in particular. Will the Tánaiste answer the question on the bonuses in the first instance? There are many more questions we can ask but, given the time limits we have, we will have to wait. None the less, we would like to have straight answers. Why were bonuses approved and what will the power of the regulator be *vis-à-vis* the Government in terms of levying charges?

The Tánaiste: First, Deputy Martin knows very well that pay in the commercial semi-State sector is a matter for the companies themselves. There is-----

Deputy Micheál Martin: That is not what the Minister of State, Deputy Brian Hayes, said.

An Ceann Comhairle: Hold on a minute. If the Deputy asks a question, he should listen to the answer. He might not like it but he should listen to it.

Deputy Micheál Martin: We got the answer yesterday from the Minister of State.

The Tánaiste: There is a clear Government decision that reduced the pay of chief executives of commercial semi-State companies and ensured that no bonuses would be paid to them.

Deputy Martin spoke about hypocrisy. He of all people is in no position to come in here and talk about spending in any State agencies. He commissioned 145 consultancy reports when he was Minister for Health at a cost of €30 million and spent €220 million on the PPARS project which never saw the light of day.

(Interruptions).

Eamon Gilmore: Meanwhile, his Government presided over a neglect of water services

in this country to the point where people in Galway could not drink the water because it was contaminated. It brushed it under the carpet. For the money it wasted on consultants' reports, it would have established Irish Water three times over.

(Interruptions).

An Ceann Comhairle: Would Members please allow Deputy Mac Lochlainn to speak? The rules of this House apply to everybody on all sides and I will apply them as long as I am in this Chair. I call Deputy Mac Lochlainn and I expect Members to have the courtesy to allow him to speak.

Deputy Pádraig Mac Lochlainn: As the Tánaiste knows, Letterkenny General Hospital was devastated by a flood last July. A total of 40% of the floor space of the hospital was contaminated by flood water. The response from the staff and management as those flood waters were coming into the accident and emergency department and the rest of the hospital was nothing short of heroic. The heroism shown by the staff and management has continued since then with the extra hours they have had to work and the establishment of temporary departments.

Prior to the flood, Deputy Pearse Doherty and I revealed that, based on the number of inpatients going through the hospital per year, Letterkenny General Hospital had the lowest hospital budget in the State and the lowest number of allocations of medical staff. Again and again, patients had suffered in Donegal because of this injustice. As I speak, there is once again a crisis at the hospital's accident and emergency department. Such is the extent of that crisis that the Irish Nurses and Midwives Organisation has said they are the worst conditions it has seen in 15 years. Patients across the county are being diverted to Sligo Regional Hospital.

I ask the Tánaiste to state whether the Government will remove the moratorium and allow the management of Letterkenny General Hospital to allocate the necessary nurses and medical staff to run the hospital effectively. Will it meet the heroism of the staff who have worked unbelievable hours in unbelievable conditions to keep that hospital going halfway and give them an additional allocation of staff to help them to do their jobs?

The Tánaiste: I recall the flooding that happened at Letterkenny General Hospital. First of all, I agree with Deputy Mac Lochlainn about the heroic work by the staff at the hospital. They have worked in very difficult circumstances and deliver a very fine service to the people of the catchment area. I had the privilege of visiting Letterkenny General Hospital some time ago and seeing that work for myself.

The funding for and staffing of the hospital are matters to be pursued with the HSE. The Government is committed to maintaining the maximum amount of health funding possible in profoundly difficult economic circumstances, as we all know. This year, the HSE will have over €13 billion available to spend. The amount that is available to the health service this year is greater than that budgeted at the start of last year. The Government has met supplementary requests from the HSE to meet its requirements each year so far in the context of the overall management of the public finances. The Revised Estimates have now been published and it is the responsibility of every Department and agency to live within the allocation. In the context of the Revised Estimates, we were able to find an extra €47 million to give the health service - extra money to manage the delivery of health services.

The issue raised by Deputy Mac Lochlainn relating to staffing must be dealt with in the context of the Haddington Road agreement. There are procedures provided for in the agreement

that address the issue of staffing and the requirements of individual hospitals. That is something that must be worked out between the hospital and the HSE within the framework that was agreed in the Haddington Road agreement.

Deputy Pádraig Mac Lochlainn: Yesterday, the daughter of Máire Uí Dhomhnaill, an elderly cancer patient, told her mother's story. She was brought to that hospital at 5 p.m. last Monday evening and waited in the accident and emergency department for 14 hours in unbelievable conditions until 7 a.m. the following morning. Another woman who attended the accident and emergency department with her husband said:

The whole unit was swarming and heaving with people, patients, bodies and staff. Our hospital was completely overwhelmed. There were no beds available in the hospital, the emergency unit was stacked to bursting.

They are just two stories. Both families praised the nurses and doctors to the nth degree. They were certainly not the ones who failed those families and so many others. The Government's cutbacks and moratorium have led to this debacle. The Tánaiste knows that, I know that and every Deputy in this House knows that. When is the Government going to remove the moratorium on vital front-line staff to prevent scenarios like those described by these families? The dignity of their loved ones was taken away. That is no way to deliver a health service. The Tánaiste knows the reasons so I implore him to act. Everybody who knows about that hospital knows that the heroism was remarkable in keeping the hospital going. A total of 40% of its floor space was contaminated, which is an unprecedented crisis for a hospital. In light of the hours they worked and the fact that they did what they could, they cannot continue to be failed. They are literally at breaking point not just in terms of the accident and emergency department, but other departments. Will the Tánaiste stand up now, remove the moratorium and stand by the staff and management of that hospital?

The Tánaiste: Obviously, I do not know the particular circumstances of the case raised by the Deputy but I will make inquiries about that because everybody in the country is entitled to good quality attention and service when they attend a hospital. I know that hospital staff in Letterkenny and other hospitals are extremely attentive to patients when they present and do an outstanding job. The public rightly is in their debt for that.

The staffing arrangements in hospitals were addressed in the Haddington Road agreement which provided for changes to be made in rostering, overtime and staffing arrangements. Some of that has to be worked through at individual hospital level and with the HSE. There is something in the order of about five million hours overall nationally that must be worked through in discussions at hospital level and with the HSE. These arrangements have been agreed by all of the unions. It is now a matter of working those through, ensuring that members of the public gets the attention they deserve when they attend hospitals and ensuring that hospital staff get the support they need and deserve.

Deputy Joan Collins: I wish to raise the issue of the latest cut to affect people with disabilities. Without any prior warning, a circular issued on New Year's Eve from a Labour Party Minister of State at the Department of the Environment, Community and Local Government announced cuts in the housing adaptation and mobility aid grants with immediate effect for all new applicants. These changes in the income bands will have a serious impact. For example, if a household's income is €41,000, which is not a significant amount for two or three people working, it will now need to pay 50% of the adaptation costs. Previously, it only needed to pay

30%. This is a decrease in the grant from €21,000 to €15,000. The further decision to include the entire household will also impede people's ability to apply.

These grants cover a range of adaptations, including stair lifts, wheelchair ramps, bathrooms for persons with disabilities, ground floor toilets, etc. These can make the difference between living at home in the community and being put into institutional care. The claim that the Government has increased the amount available is a joke. While it increased from €35 million to €38 million this year, the reality is a €56 million cut since 2010, some two thirds overall. This has led to significant waiting lists for the grants.

Since 2008, people with disabilities have suffered a cut of more than 8% to means-tested welfare payments, a cut to respite care supports and a 14% cut to essential health services. Does the Tánaiste agree that these cuts amount to an all-out assault on the hard fought for rights of people with disabilities to independent living? Does he agree that this matter is a further onslaught on their fundamental human rights?

The Tánaiste: The allocation for these grant schemes in 2014 has been increased. The allocation in 2013 was €34.2 million. The allocation for 2014 is €38.4 million, which has been reflected in the allocations made to individual local authorities in recent days. The Deputy is right in that, in many cases, applications for these grants took a long time to process. For this reason, when making allocations last February, the Minister of State, Deputy Jan O'Sullivan, announced her intention to review the operation of these schemes so as to ensure that they were targeted at those most in need. The Department of the Environment, Community and Local Government requested the Housing Agency to establish a review group of local authority officials to review the grant schemes. The terms of reference were to examine the current housing grants and to make recommendations as to how the grants could become more focused and targeted at those most in need. Members of the review group included representatives from the County and City Managers Association, CCMA, and the National Housing Practitioner Network, departmental officials and Housing Agency representatives. Consultations took place with organisations representing older people and people with disabilities.

This year's allocation has been increased. Savings in the housing capital budget identified mid-year enabled the Minister of State to make additional funding of €2.2 million available in 2013. It is her intention to apply the same rigour to her budget in 2014 and to use savings in other areas to make additional allocations later this year.

Deputy Ann Phelan: Hear, hear.

The Tánaiste: Every local authority will receive additional funding this year. Expenditure will be closely monitored. Any saving arising will be re-allocated to areas where the need is greatest.

There have been no changes to the mobility aids grant in terms of its maximum amount, which is €6,000, or the means testing for same. The maximum grant to cover 100% of the cost of works will be available to those with gross annual household incomes of up to €30,000. There has been no change to the maximum grant available for the housing adaptation grant for people with a disability, that being, €30,000.

In the case of housing aid for older people, the maximum grant has been reduced from €10,500 to €8,000. It should be noted, however, that the average grant payment in the past three years has been approximately €4,000, well below the maximum available.

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Deputy Patrick Nulty: Why did the Government cut it then?

The Tánaiste: In terms of the housing adaptation grant for people with disabilities and the housing aid for older people, the amount of income over which these are payable has been reduced from €65,000 to €60,000. While the age limit for eligibility for housing aid for older people has increased from 60 years to 66 years in line with the majority of supports for older people, a lower age limit can apply in certain circumstances at the discretion of the local authority. This may happen in certain hardship cases or where guidance is provided by medical professionals.

Deputy Joan Collins: That was a classic case of talking down the clock.

Deputy Finian McGrath: Spin.

Deputy Joan Collins: Since 2010, the €100 million in grant allocations for people with disabilities was reduced to €35 million last year. There are big waiting lists. This is a cut. The criteria being tightened represents a further cut. No one applies for a disability grant if he or she does not need it. Everything is assessed through the HSE. Amnesty International has stated that any cut in disability supports is an attack on the human rights of the disabled person. The Tánaiste is standing over that attack with his answer.

Following this cut, the Disability Federation of Ireland stated:

A whole series of public policy documents and statements promise that people with disabilities would be supported to live in their own homes in the community. The draconian cuts in the funds for housing adaptations and the further restrictions issued in the Department of the Environments circular on New Year's Eve belie that promise; by these measures, the Department is failing to deliver on the Government policies of mainstreaming and community living. We strongly urge Government to immediately prioritise the adequate funding of adaptation grants...

The Tánaiste has stood over this position for the past three years. Before the election and in his party's general election manifesto, he and the Taoiseach stated that they would make this a priority. However, the Government is continuing to cut supports for the most vulnerable in society, people who need this care. It is attacking their human rights. No amount of waffle will cover it.

Deputy Finian McGrath: Or the medical cards.

The Tánaiste: There is no cut to the maximum amount that is paid for people with disabilities or mobility-----

Deputy Joan Collins: Some €10,000 to €8,000.

Deputy Phil Hogan: That is for older people.

The Tánaiste: The amount of money that is being provided this year for these grants is an increase - it is not a reduction - on what was provided last year.

Deputy Joan Collins: It was €100 million in 2010.

The Tánaiste: The Minister of State, Deputy Jan O'Sullivan, has made it clear that in addition to the money provided for last year, she was able to find savings in grants that were not

paid, which she then invested in these schemes last year. She has made it clear that if she is able to find additional savings this year, she will provide further money later in the year.

Let us be clear about this. As we start 2014, we can say with confidence that more people who are applying for these grants will get them than got them in 2013.

Deputy Phil Hogan: Hear, hear.

The Tánaiste: No matter how one twists and spins the story-----

(Interruptions).

The Tánaiste: -----more money represents an increase and more grants represents more people with these issues being addressed. The Minister of State was right to introduce changes to the operation of these schemes so that, first, they could be targeted at those most in need of them and, second, the inordinately long waiting times for these grants that many applicants needed to endure because of the complexity of the schemes will be reduced due to her streamlining of criteria. We are looking at additional money for these schemes, more people qualifying for them and a shorter length of time waiting to have applications processed.

Deputy Joan Collins: That is a disgraceful response.

Order of Business

The Tánaiste: It is proposed to take No. 22a, statements re the recent severe storm damage; and No. 5, Betting (Amendment) Bill 2013 - Second Stage (resumed).

It is proposed, notwithstanding anything in Standing Orders, that the proceedings on No. 22a shall, if not previously concluded, be brought to a conclusion at 4.42 p.m. and the following arrangements shall apply: the statement of a Minister or Minister of State and of the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, shall not exceed 15 minutes in each case and such Members may share their time, the statement of each other Member called upon shall not exceed ten minutes in each case and such Members may share their time, and a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed ten minutes. Private Members' business, which shall be No. 132, motion re Irish Water (resumed), shall, in accordance with the order of the Dáil of yesterday, take place on the conclusion of Order of Business and shall, if not previously concluded, be brought to a conclusion after 90 minutes.

An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with No. 22a, statements on the recent severe storm damage, agreed to? Agreed.

On that issue, yesterday I received 15 requests for a Topical Issue debate on this matter. Due to the time constraints on the Topical Issue debate, I requested the Government Whip's office to provide a special debate and I very much appreciate that the request was granted. I ask that those who submitted the Topical Issue matters be given priority when allocating the time. It is only fair that I should say that as this arose from the Topical Issue requests of 15 Members. They are from all parties.

Deputy Maureen O'Sullivan: And non-party.

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An Ceann Comhairle: Yes. I could never forget the Deputy. I ask Members to give consideration to that in allocating the time and to take account of the Members who submitted formal requests for a Topical Issue debate on this matter.

Deputy Mattie McGrath: Well done, a Cheann Comhairle.

An Ceann Comhairle: I am not looking for any praise for doing it, but it is only fair-----

Deputy Dara Calleary: Take it when you are getting it from that quarter, a Cheann Comhairle.

An Ceann Comhairle: I call Deputy Ó Feargháil on the Order of Business.

Deputy Seán Ó Feargháil: We should commend you on your initiative, a Cheann Comhairle, and we will take on board the advice you have given us.

My first question is on the health care initiatives Bill, which proposes to allow the HSE to establish a number of companies and subsidiaries. At the same time as that Bill is on the legislative programme, there is also a Bill proposing the disestablishment of the HSE. Will the Tánaiste outline the position regarding those two proposed legislative measures? It is particularly important, not least in the context of Bord Gáis and its establishment of Uisce Éireann. The Oireachtas must be in a position to ask the right questions in order that we can, we hope, get the right answers in this area.

When can we expect the proposed Seanad electoral (university members) (amendment) Bill? The Tánaiste will be aware that the Taoiseach, in the aftermath of the unsuccessful referendum, indicated that the Government had got a wallop for its proposal. Is this legislation the totality of what is proposed by the Government at this stage in terms of reform of the Seanad?

I refer to matters in the defence area. Three legislative measures are promised in the A, B and C lists. The defence (amendment) (discipline) Bill is on the B list, but no date has been given for its publication. There are two Bills on the C list, the defence (amendment) Bill, which proposes to amend the 2006 Act, and the Red Cross (amendment) Bill. It is proposed to publish both of those sometime in 2015. My concern is that one legislative measure emanating from the Department of Defence has no date for publication while it appears that the other two are deferred until 2015. The Minister for Justice and Equality, who is also the Minister for Defence, appears to be inordinately busy in the justice area and appears, perhaps, not to have the time that is necessary to devote to the Department of Defence. Would the Tánaiste share my concern about that?

The Tánaiste: That is a long list of questions but if I forget any of them, I am sure the Deputy will remind me. It is not possible to indicate a date for the health care initiatives Bill. It is No. 95 in section C.

The Bill relating to the university constituency for the Seanad is expected later in the year. The Deputy asked if it was the only reform being contemplated by the Government. The Taoiseach and I met the leaders of the political parties and groupings in the Seanad some time ago and we discussed some proposals in that area. That discussion is continuing. All of us have interpreted the outcome of the referendum as a desire for reform of the Seanad rather than continue to apply the *status quo*.

As regards legislation in the defence area, the Minister, Deputy Shatter, is probably the most

active Minister for Defence we have had for a very long time.

Deputy Seán Ó Fearghail: He might be active in justice, but not in defence.

Deputy Mattie McGrath: He closed the barracks in Clonmel.

The Tánaiste: His record compares very favourably with some of his predecessors who had that portfolio as a sole responsibility, with the exception, of course, of the Ceann Comhairle who had an outstanding record as Minister for Defence, which I recall very well. As the Deputy said, the proposed legislative measures in the defence area are mainly due in 2015.

Deputy Seán Ó Fearghail: They are long fingered.

The Tánaiste: There is no long fingering. A date is indicated for them and the Deputy knows quite well that the progressing of legislation is done over a period of time. I am sure the Minister will be happy to answer any specific questions about his plans for those legislative measures.

Deputy Pádraig Mac Lochlainn: The Tánaiste will be aware that representatives of the Central Remedial Clinic are appearing before the Committee of Public Accounts today to deal with the scandal that emerged before Christmas. This has thrown into sharp focus the Charities Act 2009 which has not been enacted and the need for a charities regulator. When will the Government enact the Charities Act?

My second question refers to the mediation Bill. We are dealing with the Legal Services Regulation Bill. The reason the latter Bill was pushed so hard by the IMF and others was due to the cost of legal services for people in this State. However, the mediation Bill would have a much bigger impact in reducing costs by encouraging and enabling people in the context of family law and civil law to engage at an early stage before going the route of huge costs. The mediation Bill is on the B list, but that is not good enough. It might be available at the end of this year, but it is likely that it will be next year. Will the Tánaiste try to push that Bill forward?

The Tánaiste: With regard to the commencement of the Charities Act, the Minister, Deputy Shatter, on 19 December last, wrote to Deputies who have been raising this issue and set out his intentions in that regard. The Legal Services Regulation Bill was before the committee yesterday and I understand it is scheduled to be discussed again in a couple of weeks. The mediation Bill will be published later this year.

Deputy Pádraig Mac Lochlainn: I know that, but will the Tánaiste push it forward? It could run into next year. I am asking the Government to prioritise it.

The Tánaiste: That is something to pursue with the Minister.

Deputy Tom Fleming: With regard to the legislation to amend the Irish Horseracing Industry Act 1994 and deal with related matters, will the Tánaiste ensure the Minister for Agriculture, Food and the Marine introduces a proper culling scheme for the horses in the country at present? Thousands of owners cannot dispose of them because of very strong restrictions. This is an emergency matter and I hope it will be addressed in the forthcoming legislation. Also, it is costing local authorities hundreds of thousands of euro to dispose of the horses within their remit. It is only fair we introduce a proper system-----

An Ceann Comhairle: The Deputy cannot debate the issue. He can only ask the question.

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Deputy Tom Fleming: -----and appropriate compensation for the owners of these horses.

The Tánaiste: A horseracing Bill is due to be published later in the session, but obviously that issue does not come under that Bill. The Animal Health and Welfare Act was enacted earlier this year, so it is probably a case of the application of the law by the relevant authorities.

Deputy Mattie McGrath: I wish to raise two matters with the Tánaiste. One is the road transport Bill, which will deal with the height of loads. The legislation will have a huge impact by restricting high loads, especially in the case of fodder delivery. It will be a problem for Food Harvest 2020. I understand the problem is being examined, so I hope something can be done about it.

My second question concerns 7,500 apprentices who are now being levied with a bill of between €833 and €1,433 for attending colleges, including institutes of technology, while awaiting apprenticeships. The Minister for Jobs, Enterprise and Innovation, Deputy Bruton, might be interested in this. I salute the companies who hire them and we are encouraging the creation of jobs all the time. However, these young apprentices are faced with paying an additional fee of between €800 and €1,400 when they are doing modules in institutes of technology through FÁS.

An Ceann Comhairle: The Deputy knows we cannot debate the issue now.

Deputy Mattie McGrath: It is a retrograde step and I am asking for it to be examined.

An Ceann Comhairle: What is the legislation?

Deputy Mattie McGrath: It is the protection of employees (temporary agency work) Bill. They need protection. They are young people who want to get trained to return to the workplace.

The Tánaiste: The road transport Bill is scheduled for next year.

Deputy Mattie McGrath: The fodder crisis could happen again.

An Ceann Comhairle: The Bill is in place.

The Tánaiste: The Bill to protect temporary agency workers was enacted in 2012.

Deputy Mattie McGrath: Who is going to protect them?

An Ceann Comhairle: That is a separate issue for another occasion.

Deputy Mattie McGrath: When?

An Ceann Comhairle: I call Deputy Healy-Rae.

Deputy Michael Healy-Rae: As regards the Finance (Local Property Tax) (Amendment) Act, when did the Government decide to change from giving 100% of the money back to local authorities to giving them only 20%?

An Ceann Comhairle: I do not know about that.

Deputy Michael Healy-Rae: The people were conned with the property tax.

An Ceann Comhairle: The Deputy should table a parliamentary question about that matter.

Deputy Michael Healy-Rae: Will the Tánaiste give any answers?

An Ceann Comhairle: I am sure he will but he cannot do it on the Order of Business.

Deputy Michael Healy-Rae: He conned the people.

Deputy Mattie McGrath: It might be a freedom of information request.

Deputy Thomas P. Broughan: Will the proposed foreshore management legislation go through the Oireachtas before any permission is given to the Dublin Array? As the Tánaiste knows, permissions for inshore windmills were given by the former Ministers, Noel Dempsey and Frank Fahey. The Dublin Array profoundly affects the constituency of the Ceann Comhairle and the Tánaiste, as well as my own constituency, due to the impact it will have on our environment and landscape. Will that legislation come before the House before any permission is given to the Dublin Array?

The Tánaiste: This is important legislation to modernise the foreshore planning regime in the maritime area. It is to streamline the development of the consent process for the foreshore. The heads of the Bill were approved by the Government at the end of July 2013 and we expect it to be published in this session.

Deputy Bernard J. Durkan: I am glad to see that we have a lovely new list of proposed legislative measures.

An Ceann Comhairle: We cannot deal with the whole list today because we have only six minutes left.

Deputy Bernard J. Durkan: Some of them go back to the time of the previous Government. I compliment the Government on the number of Bills it has passed in the past two and a half years, but the list remains. What is the status of the national paediatric hospital development board (amendment) Bill and when can we expect it to come before the House? Has it been approved by Cabinet and, if so, have the heads of the Bill been signed off?

Similarly, what is the time schedule for the passage of the education (admission to schools) Bill? Has it been cleared by Cabinet? In the interim, will the proposals therein impact on admission policies?

As regards the housing (miscellaneous provisions) Bill, I compliment the Minister of State with responsibility for housing, Deputy Jan O'Sullivan, on the tremendous work she has done. She inherited a huge problem. In view of the serious housing emergency that is emerging, which was inherited from the previous Administration, can that Bill be implemented as a matter of urgency with a view to identifying the full extent of the problem unfolding?

The Tánaiste: I do not have a date for publication of the national paediatric hospital development board (amendment) Bill but, as the Deputy is aware, the Government has decided to proceed with building the national children's hospital and has provided funding for that. After decades of talk about it, we are getting on with it.

It is intended that the education (admission to schools) Bill will be introduced in this session. I understand the Minister for Education and Skills will be talking about that to the Com-

mittee on Education and Social Protection.

The housing (miscellaneous provisions) Bill was approved by the Government before Christmas. It is intended to publish it in this session. In the October budget, for the first time in many years, the Government provided funding for a public housing programme.

Deputy Pearse Doherty: I wish to ask a question about the Government's political reform agenda. It was stated that during future recess periods, Deputies should be able to access the facility of parliamentary questions, but will that happen at the end of this term?

Through statutory instruments, Governments in the past have been able to provide top-ups to certain Ministers of State who have a special role at Cabinet. Is secondary legislation expected in this session as the result of a Cabinet reshuffle?

The Tánaiste: The Government took the lead in initiating a range of reforms of the way in which the House does its business, including some changes to the way in which parliamentary questions are asked and to the Topical Issue debate. We are absolutely open to having an engagement with the Opposition about any further ways in which we can improve the operation of the House. It is important that the Dáil functions as effectively as possible.

I have no idea what the Deputy's second question is about.

An Ceann Comhairle: It is not really suitable for the Order of Business.

Deputy Pearse Doherty: Will I explain?

An Ceann Comhairle: No thanks. The Deputy is entitled to raise matters regarding secondary legislation, but Cabinet changes are out of bounds. It is a matter for the Taoiseach.

Deputy Pearse Doherty: There is another Minister who refuses to speak about a reshuffle.

The Tánaiste: There is too much fiction.

Finance (Local Property Tax) (Amendment) Bill 2014: First Stage

Deputy Michael McGrath: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Finance (Local Property Tax) Act 2012 and the Finance (Local Property Tax) (Amendment) Act 2013 in order to ensure that no payments are deducted by the Revenue Commissioners until the calendar year to which the local property tax liability relates.

This is simple legislation which is designed to deal with an issue which came to the fore late last year when we discovered that many people who wished to pay their local property tax liability by way of a debit card or credit card transaction had the money deducted from their cards immediately. This legislation provides that no payment can be deducted from a person in respect of their local property tax liability until the calendar year to which the liability relates. It is obviously too late for people who paid in late 2013, but the issue will arise again later this year when some people will be paying in advance for their 2015 liability. Despite some of the commentary at the time that this was about poor communications by Revenue, the Tánaiste asked Revenue to reconsider the deadlines.

It comes down to an issue of legislation. The initial legislation in 2012 was rushed. There was an amendment Bill some months later in 2013 but a simple measure, such as the Bill before us, would address the situation that has arisen. No person would therefore be required to pay the local property tax charge until the calendar year to which the liability relates. I hope we will have a debate on this proposed change shortly.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): The Bill is not being opposed.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

Deputy Michael McGrath: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Charities (Amendment) Bill 2014: First Stage

Deputy Pádraig Mac Lochlainn: I move:

That leave be granted to introduce a Bill entitled an Act to provide for the full implementation of the unenacted provisions of the Charities Act 2009; to include the advancement of human rights as a charitable purpose and to provide for related matters.

The Bill aims to enact provisions of the Charities Act 2009. The Act was passed to reform the law on charities and ensure they were regulated. It was also to instil public confidence in that system and assist with the urgent and vital fund-raising activities of charities. We saw a run of stories before Christmas that impacted on confidence in the charity sector. Unfortunately, it had a negative impact on charities that had done nothing wrong. As a result, many of them have reported a loss of income.

The Government has not implemented the legislation but has talked about the cost of establishing a regulatory office. It has engaged in a consultation process on how some of the law could be enacted without having to establish a regulatory authority. That is not acceptable, particularly in the context of recent revelations in relation to the Central Remedial Clinic, representatives of which are appearing before the Committee of Public Accounts today.

This Bill seeks to set the date of 31 May 2014 in respect of full enactment of the Charities Act 2009 and to include therein advancement of human rights as a charitable purpose. Many of the existing organisations involved in human rights advocacy are charities that rely on fund-raising and defend human rights not only in Ireland but overseas. We are very proud of the work done by these organisations, which is part of our infrastructure as a people in terms of our outreach to the outside world. Their omission from the Charities Act 2009 was unfortunate.

As I said, the objectives of the Charities (Amendment) Bill 2014 are, first, to set a date for full enactment of that Act in order to restore public confidence and regulation of the charities sector. The charities sector desperately wants this to happen. The second objective is to extend

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the scope of that legislation to include advancement of human rights.

An Ceann Comhairle: Is the Bill opposed?

Minister of State at the Department of the Environment, Community and Local Government (Deputy Fergus O'Dowd): No.

Question put and agreed to.

An Ceann Comhairle: Since this is a Private Members' Bill, Second Stage must, under Standing Orders, be taken in Private Members' time.

Deputy Pádraig Mac Lochlainn: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

Topic 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 Willie Penrose - that appropriate steps be taken to secure alternative court facilities to enable the District Court to continue sitting in Mullingar, County Westmeath; (2) Deputy Charles Flanagan - the need to ensure that every effort is made to advance the Garryhinch water project; (3) Deputy Brendan Griffin - the need to guarantee the progression of the Shannon LNG project; (4) Deputy Luke 'Ming' Flanagan - national heritage areas and the lifting of the turf-cutting ban; (5) Deputy Patrick Nulty - the changes to eligibility for new applications for housing adaptation grants and housing aid supports; (6) Deputy Michael McNamara - the need to address flood defences in the Shannon Estuary; (7) Deputy Finian McGrath - the need to provide medical cards to children with Down's syndrome; (8) Deputy Thomas P. Broughan - the position regarding the offshore renewable energy development plan; (9) Deputy Pádraig Mac Lochlainn - the need to address the emerging crisis at the accident and emergency ward of Letterkenny General Hospital; (10) Deputy Pearse Doherty - the need to address the emerging crisis at the accident and emergency ward of Letterkenny General Hospital; (11) Deputy Brendan Smith - the policy regarding raising human rights concerns while engaging in trade missions abroad; (12) Deputy Michael Moynihan - the need for the Government to protect public health in the locating of power lines; (13) Deputy Mick Wallace - to discuss the arrest of 79 year old peace activist Margaretta D'Arcy; (14) Deputy Seamus Kirk - the need to examine the application of the fair deal scheme in respect of farms and farming families; (15) Deputy Charlie McConalogue - the need for the Minister for Education and Skills to make a statement on the concerns surrounding the implementation of junior certificate reform; (16) Deputy Anthony Lawlor - the need to establish two separate schools on the one campus in Maynooth, County Kildare; (17) Deputy Clare Daly - to discuss the sending to prison for three months of 80 year old peace activist Margaretta D'Arcy while no proper investigation has taken place of US military planes passing through Shannon Airport.

The matters raised by Deputies Willie Penrose, Anthony Lawlor, Seamus Kirk and Finian McGrath have been selected for discussion.

Irish Water: Motion (Resumed) [Private Members]

The following motion was moved by Deputy Barry Cowen on Wednesday, 15 January 2014:

That Dáil Éireann:

notes:

— the critical role water plays in our social and economic infrastructure and the right of all citizens to access a safe, clean and sustainable water supply;

— the need for a comprehensive national water investment programme to improve, protect and maintain supplies to homes and industry throughout the country;

— that investment should specifically target ongoing leakage issues and the quality of water supplied to homes; and

— the vital part that a strong water infrastructure plays in attracting investment and promoting economic growth;

condemns:

— the scandalous overspend in the €100 million it has cost for the creation of Irish Water to date, in particular the €50 million going to consultancy fees;

— the complete lack of transparency in the establishment of Irish Water, as it does not currently fall under freedom of information legislation;

— the fact that Irish Water places a new layer of bureaucracy on top of the existing water services system with excessive spending on recruitment and consultancy fees which duplicate existing expertise;

— the financial pressures that democratically accountable local authorities face in being stripped of their water assets while being burdened with pension bills;

— the fact that home owners will face water charges from January 2015 despite the lack of a national audit of the water infrastructure and investment programme to ensure people are paying for a service that delivers; and

— the Government's decision to rush Irish Water legislation through the Houses of the Oireachtas without proper oversight or scrutiny;

rejects any moves towards the privatisation of Irish Water;

calls on the Government:

— to conduct an immediate value for money review to clarify the spending levels of Irish Water on consultancy fees; and

— to end the duplication of resources between Irish Water and local authority staff; and

calls:

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— for the immediate extension of freedom of information legislation to cover Irish Water including its establishment period; and

— for a complete national audit of the water system and the roll out of a comprehensive water investment program to bring the service up to standard.

Debate resumed on amendment No. 1:

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

- notes the critical importance of water services to the social and economic well-being of the State and its citizens, and the vital part that a strong water services system plays in attracting investment and promoting economic growth;

- welcomes the establishment of Irish Water as one of the largest elements of public sector reform under way in the State and acknowledges the fact that the creation of the utility will bring:

- more investment in the water infrastructure, to address leakages, improve resilience and water quality and expand to meet economic need - doubling the present level of investment within a number of years; and

- a more efficient operation, through use of consolidated asset management systems, IT systems, standard operating practices and availing of economies of scale;

- welcomes the provisions of the Water Services (No. 2) Act 2013 which precludes the privatisation of Irish Water and will ensure that water services infrastructure remains in public ownership;

- notes that the creation of the national water utility company has many benefits and welcomes the fact that this new approach will facilitate the doubling of capital investment, resulting in better quality water services and more jobs;

- recognises that a key underpinning of the major programme of water sector reform is the utilisation of expertise within the State sector to the maximum degree possible through leveraging Bord Gáis skills and systems and seconding staff from local authorities and the Department;

- acknowledges that the benefits accruing from the initial set-up costs will far outweigh the costs and provide long-term value for money for customers - the Minister has sought the advice of the Commission for Energy Regulation on this matter to validate the position;

- notes the commission's initial view that many of the costs presented to it are likely to be legitimate and will ultimately yield benefits and lower costs for consumers but that the commission is examining this matter further in the context of a fuller review of all of Irish Water's costs over the coming months - in accordance with best regulatory practice, the commission has indicated that it will consult fully on these issues and consider all responses before coming to a conclusion;

- welcomes the extensive efforts made by all stakeholders to ensure that Irish Water was operational from 1 January 2014 and notes in this context:

- the progress on the roll-out of the domestic metering programme being delivered by Irish Water, with some 85,000 meters installed to date;
- the provisions in the Water Services (No. 2) Act 2013, which provide a mechanism for funding the past pension service of local authority employees recruited or transferred to Irish Water; and
- the ongoing commitment of local authorities and their employees to ensuring the delivery of quality water services following the making of service level agreements with Irish Water, and notes that these agreements underpin a collaborative arrangement between Irish Water and the local government sector to transform water services in Ireland;
- recognises the need for transparency and accountability from Irish Water in respect of governance and budgets and welcomes the commitment by the Minister for Public Expenditure and Reform to provide that Irish Water will be subject to freedom of information legislation as soon as is practicable.”
- (Minister of State at the Department of the Environment, Community and Local Government, Deputy Fergus O’Dowd)

An Ceann Comhairle: Deputy Joe Higgins is sharing time with Deputies Maureen O’Sullivan, Finian McGrath, John Halligan and Joan Collins. The Deputies have two minutes each.

Deputy Joe Higgins: The Irish people are being taken for a nation of idiots. This Fine Gael-Labour Government and its predecessor piled tens of billions of euro onto their shoulders. The private property speculation debts of bankers and bondholders is to be paid for by savage austerity, cuts in public services and a gouging from working people of new taxes on their homes and on water. Irish Water-Uisce Éireann has been established on the diktat of the troika, representing the sharks in the financial markets in Europe for the purpose of extorting another bondholder’s tax from the working class and to make water a market commodity in preparation for privatisation and future sale to European multinational water companies.

We recently learned that consultants have already made a massive killing on the privatisation programme, with €50 million being funnelled into their insatiable bellies from the home taxes on ordinary taxpayers and for what purpose but to advise on how these same taxpayers can be extorted for even more austerity. This is, in my view, the economic equivalent of the Chinese barbarity that forces a condemned man to pay for the bullet that blows his brains out. Who purports to be outraged at all of this? Fianna Fáil, the political party that first capitulated to the troika and set this fiasco in train. The media then cheerleads for austerity. These people really do take our people for fools.

When attempts were made in the 1990s to introduce water charges in Dublin a massive boycott by ordinary people, mobilisation and political pressure forced their abandonment. People should repeat that campaign when charges are introduced in 2015, thereby bringing down this tax, austerity and, hopefully, the Government and parties responsible for it.

Deputy Maureen O’Sullivan: When debating this topic before Christmas I made the point that water is a right. While Ireland supports the right of people in the developing world to access to clean water a different attitude is being taken to the right of Irish people in this regard,

with it simply being viewed as a commodity from which profit can be made. The legislation rushed through this House prior to Christmas was all about profit rather than service provision.

I welcome this opportunity for further discussion on this issue, as sufficient time for discussion on it was not provided prior to Christmas. In my view, the motion should have included an acknowledgement of the work of Sean O'Rourke. We might not have had as much information as we now have but for the role of the media in this matter. This situation is akin to the line from a Laurel and Hardy film of "Well, here's another fine mess you've gotten us into." The common denominator between all of the big developments in this country, including the DART, Luas, the hospitals, the motorways and the Poolbeg incinerator, is the massive overspend and waste of public money in each case. Had any of these developments taken place in another country they would not have cost as much as they did here.

We have all heard of the amount of overspend to date. It appears that Irish Water has organised the bonuses for people working in Irish Water before any of the service it is supposed to provide has been put in place. Issues also arise in regard to its employees in terms of the manner in which they are employed, whether they are subject to the same conditions and pension levies, etc., as are other people in the public service and what people will be paying for. Our current system is ancient and leaking and produces poor quality water. There was a great deal of flooding again last year in Dublin Central and other parts of the country. This was caused by our antiquated water infrastructure, which dates back to Victorian times. One can only imagine what could have been done with the already massive overspend in respect of Irish Water. The insurance issue has still not been resolved and money continues to be spent on fluoridation of our water although there is no evidence to support that that is absolutely necessary.

The two key words continually mentioned are "accountability" and "transparency" but these are still not in action.

Deputy Finian McGrath: I welcome the opportunity to contribute to the debate on this important motion on water services and the right of all Irish citizens to access to a safe, clean and sustainable water supply.

We have learned in recent days of the €80 million consultancy controversy and the lack of vigilance by two Government Ministers in relation to water services. I do not agree with the cosy consensus among all the political parties, in particular the major political parties, on the need for people in this State to pay for water. I reject this notion because as citizens of this State we are already paying for this service through our high taxation system. For example, I purchased a packet of 20 cigarettes in my local shop this morning for which I paid €9.50, 76% of which goes to the Government by way of tax. Like many other people, I pay my taxes. It is the taxes we are already paying that should be used to pay for the provision of water services.

Many of us are let down by the quality of our water service, in particular the people of Roscommon who are being supplied with dirty water and the people in and around Dublin city in terms of the 40% of leaking pipes in that area. Last week, there was chaos in my neighbouring estate of Charlemont on Griffith Avenue in respect of the installation of water meters. Some 64 meters in my estate had to be removed and reinstalled. This Government has a brass neck trying to charge people for water. The current service is appalling. The Government needs to get its act together and to ensure the 40% of pipes that are leaking are repaired and there is sensible use of public money in relation to the infrastructure and development of our water services.

I call on the Government to put in place a national water investment programme to improve, protect and maintain supplies to homes and industry throughout this country.

Deputy John Halligan: The vast majority of the opposition over the past few months to the introduction of water charges is based on the fact that it is a new tax that is unfair and regressive. In my view, it will impose a greater burden on the poor than on the wealthy.

I o'clock

The fact that Irish Water will be allowed to increase prices every year - the company has not said it will not do it - not to mention the fact that householders will pay the price for the extravagant spending on consultants by Irish Water makes it all the more unfair.

Ideologically, I do not have a problem with Fine Gael because privatisation is part of the essence of what that party is about. However, I am deeply disappointed in the Labour Party. I have always believed that an essential part of socialist or left-wing ideology is to oppose privatisation. There is no question in my mind that the objective of the new means of supplying and charging for water will inevitably lead to privatisation. As we all know, privatisation is almost always about profit and often about greed. It is not about providing a service. If people want to see how privatisation has worked, they should simply look at the British system of providing water and travel and so on and the associated costs to individuals there. This is what is scaring people in Ireland.

I do not have as much time as I would have liked to speak on this matter. Anyway, we are repeatedly told that this will drive efficiency. Surely, reorganising what we already have, given that 60% of water is being lost in some areas, would be preferable. We are spending €500 million per year anyway on fixing what is broken.

I would not like to be from the Government parties when it comes to going around during the local elections and talking to people who have had their water cut off for weeks on end, or talking to people who get a bad service with poor quality water. I would not like to have to explain to them that they must pay for it in the coming months without any accountability or an explanation of why we are paying for it, how we are going to pay or the actual costs per year.

Deputy Joan Collins: I support the motion put down by Fianna Fáil on Irish Water but I wish to clarify that I do not support the cynical nature of Fianna Fáil tabling the motion. The party has fully supported the idea in the past. It maintains now that it supports charges for water but not at this time. It echoes the cynicism we have heard in the past.

Deputy Barry Cowen: I did not say that.

Deputy Joan Collins: I wish to deal with two areas quickly, because I realise I have only a minute and a half remaining. I want to concentrate on the idea of conservation. I cannot use the word "lie" in the Dáil----

An Leas-Cheann Comhairle: No.

Deputy Joan Collins: ----but certainly what has been said is not a truth in respect of conservation. If there was a real approach to conservation of water we would not have the energy regulator referring to how, if the revenue achieved through collection of water charges does not meet the cost, it will have to increase the cost of water charged to people. Water is a human right. A conservation programme should have been put in place long before this. This was a

major opportunity for the so-called Labour Party Government to bring in such a measure. There should have been a major drive to bring in rainwater harvesting grants throughout the country and for people in homes and businesses to put in rain harvesting and dual access mechanisms in premises. Truly expensive water is being flushed down our toilets every day of the week. It is an absolute outrage that the Government will charge people for what is a human right, that is, to access toilet facilities. This should have been about water conservation. Expensive water is simply going through the taps of the people. This is drinking water for our needs. These measures should have been carried out before this was brought in. If they had, we would not be discussing the big idea of trying to get water from the Shannon to Dublin because we would be dealing with far less water and smaller volumes would be needed to run the country and the city. It is outrageous.

This entity will be privatised irrespective of what the Minister of State says.

Deputy Paul J. Connaughton: I thank the Leas-Cheann Comhairle for the opportunity to speak on this important issue. The establishment of Irish Water aims to modernise the way water services are delivered throughout the country. Water is a most valuable natural resource and must be protected because it is critical to the health and well-being of our citizens and the environment. I welcome the Government commitment to place Irish Water under the provisions of the Freedom of Information Act, a welcome and important step to ensure that the new system is as transparent as possible. This is important because the company is spending money that has been hard-earned by taxpayers.

Setting up a new State utility company was never going to be a simple process, especially given the time constraints involved in this case. The move was an essential provision of the deal agreed upon with the troika. However, leaving aside the arrival of the troika to Ireland and the subsequent deal reached, if we are serious about delivering a clean and safe water supply to households throughout Ireland, then we should recognise that the current model is outdated and, in many cases, has failed to provide a continuous supply of water fit for human consumption, especially to households in rural areas.

Much of the commentary on Irish Water in recent days has referred to the cost of consultants, which has become something of a dirty word at the moment. When people think of consultants, they think of advisers and the compilation of reports that gather dust on shelves. During the economic boom we had nothing but reports by expert groups which cost the Irish taxpayer vast sums of money. It is easy to see why people were outraged when they heard about the figures being spent on consultants in respect of the establishment of Irish Water. However, the money was not only spent on advice. It was spent on the logistics necessary to set up the utility company, the business, the necessary networks and the systems, all of which must be in place. We are setting up a new State utility company and there will be significant new costs, but they will be one-off costs. Anyway, it is imperative that there is proper oversight of the money spent and proper accountability of the actions of Irish Water.

The energy regulator is to conduct an analysis of the spending and set-up costs of Irish Water. This analysis will be crucial in terms of the financial oversight and in terms of communicating with the public on the value-for-money aspect of the spend. A far smaller report was undertaken at the end of last year. It revealed no major issues with the costs involved. It is important that the energy regulator's examination is detailed and that the regulator's assessment of whether this represented the cheapest way possible of procuring these services is widely communicated to the public.

When all is said and done, the aim of the entity is to save taxpayers' money by providing an efficient and centralised service. Irish Water came into being on 1 January. It is now crucial that the company sets out its role in terms of how it will interact with local authorities from now on, including in respect of group water schemes and authorities which have commitments to new sewerage schemes. Communities where schemes are planned are at a loss to know who they should deal with in respect of planned new schemes. These communities must have an avenue to communicate with Irish Water.

The issue of group water schemes is crucial to many rural households. We have heard a good deal of talk about the "polluter pays" principle but it is crucial that members of these schemes, who had the initiative to set up the schemes when the State failed to provide the water supply, are rewarded rather than punished for their initiative. If payment is based on the consumption of water, then it is imperative that the system is fair and that those on group schemes do not pay twice for their water.

In recent months Irish Water has run a significant campaign in an effort to inform the public of how and why water meters are being installed. To boost public confidence in the company, which, we should remember, is less than three weeks old, far greater efforts must be made to explain how and why such significant sums of money were spent on consultancy fees and on the process undertaken to ensure those services were procured at the best price available.

The key issues in respect of this new State utility company include value for money, accountability, transparency and communication. Householders, who are ultimately the people who will pay for the costs incurred, need to be reassured that value for money is a top consideration at all levels throughout the business. The public also need reassurance that there is proper accountability and transparency within the structures. The company should communicate with the public to ensure this work is properly represented.

I believe that bringing the company within the remit of the freedom of information legislation is an important step in achieving greater transparency, accountability and better communication and I look forward to the ongoing oversight of the company's work in the months and years to come.

Deputy Paudie Coffey: I welcome the opportunity to contribute to this debate. I believe that the debate in recent days, despite the controversy involved, has been helpful to a degree in informing the public and raising awareness about the Irish utility, Uisce Éireann, otherwise known as Irish Water. I attended the environment committee meeting at which, I believe, the executives from Irish Water put on the record - it is there for all to see - their response in detail regarding the recent controversy.

Rather than the hysteria and populist soundbites that have emerged - I would expect these in the initial days from politicians and some in the media - we need to look in detail at the responses that are now on the public record. People can see for themselves the facts as they are in the proper context and why Irish Water as a national utility is needed. Furthermore, people can see the facts on where the money has been spent on introducing new customer billing and support systems and, more important, on the national asset management system for every piece of water infrastructure that exists in the country.

I note with interest that the Fianna Fáil motion criticises the lack of a national audit of water infrastructure. I agree that such an audit is required. As a member of a local authority for

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seven years, I represented a town that had a boil notice served on it for almost three months during the Celtic tiger years. That happened, in my area and elsewhere, because there was insufficient investment in water infrastructure. Cryptosporidium was detected in the town in which I lived and in Galway city. It almost shut down the tourism industry in that city. Just before Christmas we saw the shortages in capacity in Dublin. These developments occurred after a period in which Fianna Fáil in government assured us there had been huge investment in infrastructure. The reality is that our legacy from the previous Government was major neglect of the water supply system. We had 34 local authorities doing their best during that period, with very limited funding, to maintain a water infrastructure. They were obliged to do so on an *ad hoc* basis, with no critical mass efficiency, no interconnectivity across the local authority areas, no consistent maintenance plans and no modern asset management system.

With the introduction of the new national utility, Irish Water, we will, at long last, have the audit Fianna Fáil is seeking and which it failed to undertake in government. It is badly needed. We have been investing more than €1.2 billion per annum in a water infrastructure that is leaking 40% of supply into the ground. How is that sustainable? Listening to Opposition spokespeople, however, it seems they want that situation to continue. They have offered no answers as to where the investment will come from to fix leakages and ensure we have the quality water supply and sustainable networks we are all agreed are necessary. They should stop speaking out of both sides of their mouth. I understand why Members opposite would choose to engage in political point-scoring instead of considering the facts and seeking to move beyond the substandard legacy of national infrastructure this Government inherited. In the context of the criticisms to which we have been subjected in recent days, it is important to keep certain facts in mind in terms of the record of Fianna Fáil in government. More than €220 million was spent on PPARS, the inefficient IT system for the health service. Some €55 million was spent on electronic voting machines that never saw the light of day. In fact, it was this Government which acted to remove those devices from storage sheds throughout the country. That is the legacy of Fianna Fáil in government.

I have no problem with constructive criticism when it is due and fair. I accept there were questions to be addressed in terms of the establishment of Irish Water. In that context, I welcome the commitment by the Taoiseach and the executives of the new utility that there will be full transparency in respect of its operations. Its credibility will stack up as we see how it proceeds to serve taxpayers with efficiency. More than €85 million has already been saved for the taxpayer by the use of the infrastructure and expertise of Bord Gáis. That has not been acknowledged to the degree it should be. There has been a great deal of comment by Deputy Cowen and others regarding the PricewaterhouseCoopers' submission that was redacted. I would have no problem with that report being published. The reality, however, is that the Minister's decision not to go with its recommendation has saved taxpayers €85 million.

I am interested in solutions, not hysteria. Irish Water, like the ESB - whose establishment in 1926 was also opposed by Fianna Fáil - can become a great national utility that will serve the people of this country well into the future.

Deputy Kevin Humphreys: Dublin people do not have to be reminded of the need for a national utility to oversee the supply of water. Dubliners have had to endure lengthy interruptions in supply on no less than three occasions in recent times, including in the run-up to Christmas. The establishment of Irish Water is about ensuring security and safety of supply in a context where we have seen a chronic lack of investment in the past 20 years. Deputy Coffey referred to the expenditure associated with PPARS and electronic voting. He forgot to mention the so-

called Bertie Bowl, the vanity project of the former Taoiseach, Bertie Ahern. Deputy Finian McGrath spoke critically of the lack of investment in water infrastructure. I wonder whether the issue of investment in water for the Dublin area arose when he was doing the grubby little deal with Mr. Ahern which helped to keep the latter in power.

It is completely unacceptable that the Fianna Fáil motion should criticise what its Members have described as an overspend by Irish Water. No facts have been established to back up that claim. In fact, all of the information provided to the Oireachtas Joint Committee on Environment, Culture and the Gaeltacht on Tuesday indicates that the set-up costs were benchmarked below the international norm. There has been a great deal of heat and noise generated on this issue, much of it stemming from Fianna Fáil. It is largely a case of fake outrage. We must keep in mind certain key points. When representatives of Bord Gáis briefed the environment committee in November 2012 on the establishment of Irish Water, not one question was put to them by Fianna Fáil, Sinn Féin or the Independents on the issue of establishment costs. I checked the Official Report this morning to confirm that. The Minister of State, Deputy Fergus O'Dowd, who is in the Chamber today, attended a meeting of the Select Sub-Committee on the Environment, Community and Local Government in July 2013 to discuss the forthcoming legislation. Again, the Opposition failed to raise the issue of the establishment costs of Irish Water.

Members opposite are full of concern now, but they had two clear opportunities to raise these matters and failed to do so. The first time the issue of the asset management register was raised was when my colleague, Deputy Coffey, referred to it at the meeting in July. We learned on Tuesday that the major part of the spend by IBM relates to the establishment of that register, which will be a critical tool in directing further investment. What we are seeing here is a failure by the Opposition to use the opportunities available to it to raise questions about Irish Water. As the record of the Dáil shows, I was the first Deputy to raise, by way of parliamentary question, the issue of consultancy costs relating to the establishment of the new utility. I am glad Members opposite read my questions and build on my work.

The Fianna Fáil motion concludes with a call for Irish Water to be subject to the freedom of information regime. The Minister for Public Expenditure and Reform, Deputy Brendan Howlin, made clear last November that this would be done. As Members opposite are aware, the legislation amending the freedom of information provisions is still going through the Houses. As part of its reform of the parliamentary process, this Government introduced a system of pre-legislative scrutiny, to which the freedom of information proposals were subjected at the finance committee. Colleagues and I repeatedly raised the need for Irish Water to be subject to the freedom of information regime. I am glad the Minister has given a strong commitment in this regard, having taken on board the views of backbenchers, and I am sure the provisions will apply retrospectively.

The Opposition seems to be more interested in stunts than it is in the hard work of legislative scrutiny and parliamentary inquiry through the committee system. Fianna Fáil Members have called for a national audit of the water system and a comprehensive investment programme. It seems to have escaped their notice that this is exactly what Irish Water is doing. An asset management system is crucial to identifying the right places to invest and the cost of that investment. I have been in politics since 1999, during which time we have seen continual cuts in the water supply in the Dublin area and the issuing of numerous boil notices throughout the country. In this motion, we see a failed Opposition criticising a Government that wants to do something about these problems. The Fianna Fáil Party should take its failure home and withdraw the pointless motion it has put forward.

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Deputy Dara Murphy: I agree with previous speakers that we must go back to the fundamental question of why we are here and what we are trying to achieve. The establishment of a national utility is a massive undertaking.

Reference was made to difficulties resulting from water shortages in Dublin and we are all aware of the position in the west, particularly Galway. On two occasions in the past four to five years, huge and densely populated areas of Cork were left without water for well over a week. On both occasions we learned a couple of very important lessons. First, the Department of the Environment, Community and Local Government and the then Government were ill-equipped to deal with the problems that arose. I am not trying to make a party political point in this regard because the Department remains ill-equipped to respond quickly to crises. As is currently the case, at that time water was delivered by local authorities. While the people on the ground did an excellent job, we learned that the water supply system in our country has been extremely under-funded for a long period and that it needed a dramatic overhaul. That overhaul is now being facilitated by the current Government. The second lesson we learned is that there is a significant cost to providing water. Those who are watching this debate must realise that, as taxpayers, they are already funding the cost of a very leaky, inefficient and expensive water system. The money to fund that cost is paid out of their taxes. I am strongly of the view that as a result of the introduction of water metering, families are going to use water more efficiently and that the net saving to them will be significant.

If one were to compile a spreadsheet analysis of all the semi-State organisations in this country, Bord Gáis would be at the very top in terms of efficiency and the personnel who work for it. The company has transformed the utility for which it has responsibility. Indeed, its business in this regard is very efficiently run. Bord Gáis is based in Cork. I have met many of its senior officials over the years and I have been very impressed by the professionalism with which the entire group, but in particular Bord Gáis Networks, is run. We must have faith in the company under whose umbrella Irish Water will operate because, after all, it has the relevant expertise. The staff of the company know what they are doing and they have proven this to us by means of the way in which they have run their utility business in the past.

The issue of the leaky, creaking infrastructure Irish Water will inherit is relevant in the context of many other areas. Before one can invest in repair, one must first bring in revenue. This is not a chicken-and-egg situation, rather it is clearly one where we must not put the horse before the cart. The new utility has been put in place within a very narrow timeframe. One of the great criticisms of how politics in Ireland functions relates to the slow pace of how we do things. That criticism is fairly accurate. In fairness and for a variety of reasons, the current Government has been forced to do things much more quickly. In this instance and in a very short period, we will be putting in place a new national utility that will provide a secure and safe water supply. When problems arose in Cork in 2009, the Mercy Hospital and Cork University Hospital were obliged to bring in tankers of water. Other Deputies outlined what happened in Dublin and Galway when similar problems arose. There is nothing more fundamental to life than water. I am not just referring to the necessity to drink it. Water is also necessary in order that medical professionals can perform surgery in hospital operating theatres and so that those in the fire services can do their job.

What is being done with regard to Irish Water and the water supply system must be done quickly and efficiently. I am not sufficiently knowledgeable to state whether the money expended to date has been well spent. However, I know enough about Bord Gáis to state that its record to date is exceptionally good. It will probably be a number of years before we will be in

a position to look back on this period and state whether the costs involved were justified. My suspicion is that we will look back and state that what was done was a remarkable achievement on the part of Irish Water and Bord Gáis and that the Minister for the Environment, Community and Local Government showed great foresight and determination in having confidence in Bord Gáis in the context of its proven track record.

Deputy Arthur Spring: If one were to run the political and media activity and the hysteria surrounding this matter in recent weeks through the filter at the end of a pipeline, I am not sure that one would find anything of great substance when the filtration process was complete. The one word which has continually arisen during the debate on this subject is “consultant”. The entire country became upset at the idea of €50 million being spent on consultants. People, including politicians, reacted and envisaged something from an era that is long gone, namely, €50 million worth of reports being left to sit on a shelf somewhere. The latter is not the case. Deputy Coffey made an outstanding contribution in which he highlighted the nub of the matter. As he pointed out, systems rather than reports are going to be put in place. The largest provider in this regard will be IBM, which will put in place a network which will provide information on the quality of water and which will allow us to identify the location of leaks and how to repair them. In addition, we are going to have a semi-State company that will raise funds on the private markets - these will not appear on the State’s balance sheet - for the purposes of employing people to repair the leaks that exist at present.

There will be many benefits to Uisce Éireann. I do not wish to be ultra-partisan in respect of this matter. We all agree that what is being done is good from a national perspective. Unfortunately, it took the arrival of the troika and the inclusion of this matter in the memorandum of understanding in order for action to be taken on this issue. There will be benefits from what is being done but there will also an element of hardship. Deputy Dara Murphy correctly highlighted the fact that the net effect of the process will be that savings will be made. Those savings will be both environmental and economic in nature. I am of the view that we are doing the right thing in the context of the modern world in which we live.

For me, the crux of the matter lies in the fact that already hard-pressed families do not need another excessive bill being delivered to their homes. I refer, in particular, to those with large families, those whose homes are in negative equity and those households with two incomes coming in but with constant outgoings. I would impress upon the Minister of State, Deputy O’Dowd, the fact that the quota of water that will be allocated to people must be more than adequate. If one compares the average use of potable water in countries across Europe with that which obtains in Ireland, one will see that, unfortunately, we are abusing the system at present, whether it is by leaving the tap running while brushing one’s teeth, taking long showers or whatever.

It must be acknowledged that mistakes have been made. I am not very happy with the level of openness and transparency relating to the entire process. However, I am very pleased that the Minister for Public Expenditure and Reform, Deputy Howlin, has stated that the freedom of information legislation will form part of the mechanism by means of which the activities of Irish Water will be scrutinised. I compliment Deputies Kevin Humphreys and McCarthy and others on the Government benches who raised this issue and highlighted the fact that openness and transparency are required in respect of it. I am fully aware of the fact that Bord Gáis Networks, with which I have had many dealings in recent years - particularly in the context of the Shannon LNG project at Ballylongford in north Kerry - has the interests of the Irish people at heart. It has been stated that Government Ministers supposedly were not aware that €50 million was

spent on consultants and there is a perception that this money may have gone out the back door and that people were paid money they did not really deserve. The culture which previously obtained in this regard no longer exists. The money in question was spent for the benefit of Irish Water, the Department of the Environment, Community and Local Government and the State.

We have undergone a process whereby the noise and the nonsense have been filtered out and we have now reached the crux of the matter. If there are questions to be asked in the context of the county managers' allocation of €5.5 million to €5.7 million, then I would like to hear the answers to them. Deputy Cowen pointed out that Fianna Fáil is in favour of the concept of Uisce Éireann. In that context, there must be transparency regarding how and why the company was established and, ultimately, how much its operations are going to cost the people of the country.

Everything that has been done conforms to EU tendering guidelines. Nothing underhanded has occurred but I recommend that, from now on, those appointed to State boards, agencies or whatever should possess the relevant expertise. If such individuals are affiliated to political parties, we must ensure that they bring something of substance to the table with them. A charge has been made against the Government on this front. I would like to see that which is the subject of the charge being completely eradicated from Irish politics.

The final point I wish to raise relates to the bonus culture, which has again reared its head. I understand that the troika insisted on a tight timeframe and that an incentive was put in place in respect of certain people as a result. The troika implemented a tight timeframe but no one should benefit from a bonus. Do a job and get paid for it is how the country should work.

An Leas-Cheann Comhairle: Deputy Sean Fleming is sharing time with Deputies Timmy Dooley, Charlie McConalogue, John Browne and Michael Moynihan.

Deputy Sean Fleming: I welcome this opportunity to speak on the Fianna Fáil Private Members' motion on Irish Water. I thank my colleague, Deputy Barry Cowen, for tabling the motion.

The motion notes the critical role water plays in our social and economic infrastructure and the right of all citizens to access a safe, clean and sustainable water supply and the need for a comprehensive national water investment programme to improve, protect and maintain supplies to homes and industry throughout the country. A total of €6 billion has been invested in improvements to water services in recent years and further funds will be required. I have no doubt we could be here in ten years' time debating the need for further investment to improve the quality of the services. The motion also calls for the immediate extension of freedom of information legislation to cover Irish Water, including its establishment period. I am pleased the Minister, Deputy Phil Hogan, is in the Chamber to hear this part of the debate.

Many on this side of the House as well as in the public sphere would accept that this new super-quango, Irish Water, was not the way to go about implementing the investment programme and the process was flawed from the beginning. Bord Gáis was chosen because it has a customer base of 600,000 and was therefore deemed the most suitable organisation to implement a new State monopoly with a customer base of 1.8 million. It must be noted that Bord Gáis will produce the billings and enrol customers but the Government plans to privatise that arm of Bord Gáis which has the specific expertise for dealing with the customer base. The expertise that will be required will be privatised once Irish Water is up and running. If the Fine Gael Party is in government after the next election, it will be privatised. The commitment in the legislation that

Irish Water will not be privatised is only a commitment for today and does not prevent it being privatised at some future time-----

Deputy Phil Hogan: That is what Fianna Fáil did with Telecom Éireann.

Deputy Sean Fleming: Water services have been privatised in England where people pay charges of €600 a year.

I contributed to Second Stage and Committee Stage of the Freedom of Information Bill. The Minister for Public Expenditure and Reform, Deputy Howlin, agreed that there was a case to include Irish Water and Iarnród Éireann under freedom of information legislation even though I accept that commercial semi-State bodies are not normally included because they are in competition with other organisations. However, the difference with Irish Water and Iarnród Éireann is that they are State monopolies which are not in competition with other providers. On that basis, the Minister, Deputy Howlin, last year agreed to include Irish Water under freedom of information but he back-tracked on that decision. I tabled an amendment on Committee Stage which he refused to accept but I will table a Report Stage amendment.

Fianna Fáil has called for Irish Water to be included in the remit of freedom of information legislation. The Minister, Deputy Howlin, has stated in recent days that he will include Irish Water under freedom of information for a limited period. I argue there is only one reason it is being included for a limited period, which is to enable the body to be established, but he does not wish it to be constrained by freedom of information regulation in advance of a future privatisation. He has signalled that freedom of information will be removed. The Comptroller and Auditor General is not empowered to audit Irish Water. The Minister has not adequately responded to parliamentary questions nor has he dealt with the issue of the bonuses which are rife in this organisation. I ask the Minister for Public Expenditure and Reform to comment on this bonus culture which most people presumed had been done away with.

I refer to the cost of €180 million in set-up expenditure and €85 million on consultancy fees. It is not credible that the Minister, Deputy Hogan, did not know about these costs. He is a capable, intelligent man. I do not believe for one moment that he did not know that consultants were involved. I would not insult him by saying I do not believe he did not know. Of course he knew because I believe he knows how to do his job. It is not credible to use Manuel's excuse, "I know nothing". He will try to get away with that excuse for the weekend but I give him more credit than that. The Minister's line of defence is that he did not know. I would not insult him by saying he is not competent to do his job because I believe he knew. I think he sat on the information in the belief that it would be hidden by Bord Gáis and no one would know about it.

Deputy Phil Hogan: I do not hide things.

Deputy Sean Fleming: The costs associated with the establishment of Irish Water are being transferred to the balance sheet of the new entity and will form part of its asset and capital base.

I refer to the evidence given yesterday by the Secretary General of the Department to the Committee of Public Accounts:

Irish Water is a commercial semi-State body within the Bord Gáis group and, as such, requirements for a ministerial consent to enter into capital commitments are required.

That consent would be required from the Minister for Communications, Energy and Natural

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Resource, Deputy Pat Rabbitte. Perhaps he has been hiding away this week and allowing the Minister, Deputy Hogan, to take the flak about a semi-State organisation - Bord Gáis - which is under the Minister, Deputy Rabbitte's remit. He will have to answer the question as to whether he gave ministerial consent to Bord Gáis to enter into these capital commitments which form part of the capital base of Irish Water. This saga is not over yet and we need to get to the bottom of it.

I note that the Minister, Deputy Hogan, has in recent days been hiding behind the regulator. He has asked the regulator to verify his version of events. This information was made public at the meeting of the Committee of Public Accounts yesterday. The Commissioner for Energy Regulation, Mr. McGowan, stated in his presentation to the committee that the Commission for Energy Regulation expects to be formally appointed as Ireland's water regulator in the coming weeks. He is not the regulator because the Minister has not signed the order. As we speak there is no regulator. The Minister has been hiding behind the regulator that does not exist----

Deputy Phil Hogan: The Deputy is wrong again.

Deputy Sean Fleming: I asked Mr. McGowan why he was attending the meeting last night if he had not been appointed as regulator. He replied that the Minister had asked him to take a preliminary look at the figures. He is still not the regulator. Will the Minister confirm that he will appoint the regulator, even though he has been hiding behind a so-called regulator for the past week? Mr. McGowan does not have the statutory authority to act as regulator.

I refer to the Government amendment to the motion which refers to a regulator which does not exist, has no statutory basis and has not been appointed. When the Minister signs the statutory instrument to appoint the regulator, there is a period of 21 Dáil sitting days - seven or eight weeks - so the regulator will not be in place before next May. The Minister has been hiding behind a body which has no legal standing. The regulator does not exist and it has no role in this matter whatsoever. It is extraordinary that the Minister has not signed the statutory instrument.

Mr. Tierney confirmed that Irish Water has 200,000 commercial customers as of 1 January 2014. Every school, sports club, hospital, shop and bar in the country is paying its money to Irish Water amounting to €190 million. Each local authority has a different water rate. Irish Water is a single entity but it is charging different rates to commercial customers in each local authority area. The figures are different for the water going in and going out. I asked the regulator yet to be appointed if there will be one national rate of a separate rate for each county as is currently the case. He replied that he could not answer that question because he had not received the submission from Irish Water because he has not been appointed as regulator. I asked if the Minister could answer that question but he said "No" because it would be his role to do that job. The Minister cannot even tell the people whether there will be one basic rate for water - a universal charge from Dublin to Cork to Galway. If he does so, he will be straying beyond his legal remit and into the role of the regulator who has yet to be appointed. If the Minister tries to give a rate, he will be interfering with the independence of that regulator. Neither the regulator nor the Minister can give an answer. We are spending €190 million of taxpayers' money but the Minister cannot even tell us on what the rate for water for those who will get their bills for €400 next January will be based.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this debate. There is one central question, namely, how did the water consumers in this country get stuck for €85 million in consultancy charges? It is as simple as that. An effort has been made by backbench-

ers, in particular in the Labour Party, to make the Minister the scapegoat. He has big and broad shoulders, is well used to that and is able to take it on the chin. However, this was a Government decision which predated the Minister's appointment as Minister for the Environment, Community and Local Government. It goes back to what Fine Gael did in opposition when it sought to create the whole concept of NewERA. The Minister will be familiar with who the author of the NewEra document was. It was a former chief executive of Bord Gáis.

Questions are rightly being asked as to why Bord Gáis was given this onerous task. At the time, the Minister and his Government colleagues said the reason Bord Gáis was involved in all of this was that it had expertise. The Minister said yesterday, and Deputy Coffey said earlier, that it saved the State €85 million. I would like to get some of the details on how it saved €85 million. Did it deploy staff to the operation of Irish Water and if so, what are those staff doing now? How was it that Bord Gáis was in a position to have all these staff available to do that charitable deed?

The expectation and belief was that it had systems, expertise and the model to set up Irish Water-Uisce Éireann without replicating or reinventing the wheel. However, the Government set aside a budget of €180 million and it handed it to Bord Gáis to establish Irish Water. There were no economies of scale or savings and it is reprehensible that Member after Member has trooped in here to say what a great job Bord Gáis has done. I do not believe it has done a good job. It has robbed the consumers of this country and it is now clear that it did not have the expertise.

I cannot understand why the ESB was not considered. It has a much wider network, has a bill going to every house in the State and has asset management systems. There is no big difference. We have still not found out what the real cost is from Bord Gáis, whatever it presented to the Minister. Deputy Cowen will have a thing or two to say about what Bord Gáis presented to the Minister at a later stage.

Deputy Phil Hogan: The ESB did not apply.

Deputy Timmy Dooley: Why did it not apply? The answer is that Fine Gael had a cosy deal with Bord Gáis through its connections and links with the person who was the author of the NewEra document. It was handed on a plate to a company which clearly did not have the expertise. If it had the expertise, it would not have had to buy in all these extra consultancy services.

Take what the State has in the ESB. There is no difference between pipes and wires when it comes to asset management or between manholes and pylons or poles in terms of the management of an asset and how one details, contains and manages that. It is very clear that we have not heard about what went on between Fine Gael and Bord Gáis. We have not been given the answers. The Minister and Mr. John Tierney are being scapegoated by Fine Gael and Labour Party backbenchers. Mr. John Tierney was brought in during the final days of all of this. The budget was already agreed between Bord Gáis and the Government, or Fine Gael.

The Minister of State, Deputy O'Dowd, has made some incredible statements over the past couple of days. He was not aware of what was going on but who was? Who handed this lucrative contract to Bord Gáis, for what and what is behind it?

We now have this outrageous situation where there is an agreement to provide bonuses to the staff of Irish Water when there were hard working people in local authorities delivering the water services within the constraints imposed on them. They never got bonuses. Their pay was

cut, they had to pay the universal social charge and had all the other cuts imposed on them while the Government is supposedly saving money in Irish Water.

It is establishing another quango, despite the fact its stated intention was to rid the country of quangos. It has created a super quango and has given it a phenomenal amount of money. It has set it up in an obscure way where the funds have been taken from the National Pensions Reserve Fund and, therefore, the Minister or the company is not answerable to this Parliament or society. It is reprehensible and something clearly needs to change.

Others spoke about what IBM will do and what all these consultancies will bring to the table while, at the same time, not recognising the inherent system which already exists within State control. One only has to look to the ESB and other utility companies owned by the State that have all the systems on which the Government has spent €180 million.

Deputy Charlie McConalogue: I support the motion tabled by my colleague, Deputy Cowen, that Irish Water be brought under freedom of information legislation about which the Minister and Government are reluctant. The one question which is central to how this issue has been mishandled by the Minister and the Government is about where the public stands in this whole issue. How is the public being considered in terms of what is being delivered to them? Deputy Cowen rightly described Irish Water as a runaway train on which the Minister has sanctioned expenditure of €188 million. However, he refused to give any information to the Parliament of this country on how it would be spent. What is more, the Minister made every possible effort to try to ensure the detail of that information would not come out by excluding the body from freedom of information legislation. Belatedly, the Taoiseach indicated yesterday that there was no problem bringing it under freedom of information legislation. When asked how that might happen, he indicated an amendment could be tabled to the Bill which is on Report Stage. That highlights the fact that there was a deliberate effort to prevent that information from coming into the public domain.

There has been a total lack of information for the public and the local authorities from whom this service is being taken. There are still major questions which remain unanswered in terms of how our water services will be delivered and the impact on the public. For example, where will group water schemes stand under the new regime? The Minister has not been able to indicate exactly what will happen and who will be responsible. There has been much comment that it may be the responsibility of the promoter of each group water scheme to administer the billing on behalf of Irish Water. There has been no effort by the Minister to address that question. Many people in our communities, who have made a huge effort to deliver water to more remote parts and to take on responsibility, remain in the dark as to how it will work when Irish Water takes over.

I refer to the takeover of unfinished housing estates. Irish Water will now have a very significant role in regard to water and sewerage services in those estates. How will that happen? Can the Minister give an assurance Irish Water will take on that responsibility and liaise with people living in those estates who have been left in the lurch because their estates have not been completed and, in many cases, faulty systems were put in place which no longer work?

I refer to planning permissions which are still the responsibility of each local authority, although I wonder for how long under this Government. A key condition of someone getting planning permission is sanction for access to water services and sewerage services. Until recently, such services were under the remit of the same local authorities that were responsible for

awarding planning permission. Planning officials who are responsible for awarding planning permission for housing and business developments will no longer be able to receive assessments of the impact of such developments on water services from their own local authorities. They will have to seek permission from Irish Water for water services to be delivered. If there are weaknesses in a particular area, such as an inadequate water supply or an inadequate sewerage system, the local authority will be helpless to address it, and it will instead fall under the remit of Irish Water. All of these questions remain unanswered.

Absolutely no effort has been made by the Minister or the Government to give people an assurance about what might happen. Similarly, people have been given no information about what level of water charges will be levied on them and no assurance about the accompanying level of service. Indeed, it has been made clear that those who have inadequate and poor water supplies - those who have dirty water, for example - will still be expected to pay water charges. I urge the Minister to accept this motion. As he has accepted that Irish Water should be opened to the freedom of information regime, I presume he will support the motion before the House.

Deputy John Browne: I am glad to have an opportunity to support Deputy Cowen's motion. Fianna Fáil has consistently opposed the Government's Irish Water model. As we all know, the legislation was rammed through the Dáil before Christmas without any real scrutiny. The Minister seemed to be happy to go along with that. These functions have been taken from democratically elected local authorities and placed with Irish Water, which is a new super-quango that has been set up by the Government. I read with interest yesterday that the Minister, Deputy Howlin, has said he intends to abolish a huge number of quangos. The Minister, Deputy Hogan, seems to be hell-bent on setting up a new quango.

The Government decided to give responsibility for Uisce Éireann to Bord Gáis. The process involved in this decision was never made public. We do not know why others were ruled out. Who else was interviewed for this position? The Minister said it was given to Bord Gáis because it had the expertise and the operational capacity to deliver Uisce Éireann. It turns out that Bord Gáis did not have that capacity or expertise after all. Advisers and consultants have had to be employed to advise Bord Gáis at a cost of more than €100 million. Either the Minister was misled by Bord Gáis, or he clouded himself to the reality of what was going to happen. The Secretary General said yesterday that the Department was aware of the costs involved since March 2013. It is quite amazing that neither the Minister, Deputy Hogan, nor the Minister of State, Deputy O'Dowd, were informed of this. It is hard to believe. When I served as Minister of State in the Department of Agriculture, Food and the Marine, representatives of a number of boards, including Bord Iascaigh Mhara, Bord Bia and Coillte, came in on a regular basis to brief the Minister on the costs involved in running the service for the year. It is hard to believe that the Minister and the Minister of State were unaware of what was happening in this case.

My personal opinion is that the decision to take powers from our democratically accountable local authorities as part of the establishment of Irish Water was wrong. The local authorities had the engineering expertise and the staff on the ground. They have the facilities in place to collect charges. They have the experience of collecting water rates, rents, business rates and property charges. If they had been asked to provide this service on a county-by-county basis, they would have had the wherewithal to do so. Obviously, the Minister thought differently. There is no doubt that the quango which has been established will be in Government ownership for a small period of time. I suggest that this is the first step on the road to privatisation. Perhaps the Minister will clarify this aspect of the matter in his reply. Will Irish Water be sold off in the same way that it is proposed to sell the national lottery and Bord Gáis? Coillte would

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have been sold as well if it had not been for the interference of the Minister for Agriculture, Food and the Marine. It is obvious that this Government is more interested in privatising than in providing services to the people.

Deputy Phil Hogan: What about Telecom Éireann?

Deputy Patrick O'Donovan: What about Aer Lingus? Deputy Browne and his colleagues made a bags of that.

Deputy Phil Hogan: We remember the morning Mary O'Rourke spoke on the radio.

Deputy Patrick O'Donovan: She had been in the bath.

Deputy Robert Troy: Did Fine Gael not say it intended to bring about change?

Deputy John Browne: Contracts were handed out to companies to install the meters in the absence of a proper tendering system. Many qualified local contractors were excluded. I can give the Minister the names of people in Wexford who asked to be included in the tendering system, but that opportunity was denied to them.

The Minister might also clarify the current position with regard to subcontractors. I have been informed by some subcontractors in Wexford that they are not getting paid by Uisce Éireann. I ask the Minister to investigate that and see if it is the truth. That situation should not be allowed to continue. It is certainly not in the best interests of subcontractors. We have had cases in the past of subcontractors being left high and dry. Contractors are not being paid by this body at an early stage in its existence.

I listened to what the representatives of Uisce Éireann had to say at the committee meetings that took place over the past two days. They made a great play about the service that will be provided to customers. As I understand it, customers in Wexford who are affected by a fault will have to ring an office in Kilkenny. The officials in Kilkenny will notify their counterparts in Dublin, who will notify the people on the ground. If this roundabout system of getting word to the relevant people that there is a leak or a fault is to be put in place, God help the person who has the leak or fault because he or she have to wait quite a long time to get a solution to the problem.

People want to know how much they will have to pay for their houses' water supplies. This seems to be a mystery. It was said on radio this morning that a tariff may be imposed on large families. It seems that the more children one has, the higher the water rate one will pay. Perhaps the Minister is moving into the family planning area as well. Has he decided that one will have to pay a smaller water charge if one has a small number of children, and that one will have to pay a higher water charge if one has more children?

Deputy Patrick O'Donovan: The Deputy was going grand until that point.

Deputy John Browne: He might clarify that as well when he is replying.

Deputy Phil Hogan: We are bad enough - do not go there.

Deputy Dara Calleary: The Deputy should put something into the water in Wexford to get a few hurlers.

Deputy Patrick O'Donovan: That would be an ecumenical matter.

Deputy Michael Moynihan: I compliment Deputy Cowen on the tabling of this fundamental motion, which relates to an issue about which there is widespread concern among the public. We might have a debate in here, but there is a great deal of anger outside the House regarding many issues which have been raised forcibly. In recent months, as progress was made with the establishment of Irish water, those involved with group water schemes were constantly looking for information and documentation on what will happen. Major issues arose in this regard before Christmas when the rush to set up Irish Water was intensifying. The trustees of group water schemes have received no clarification - good, bad or indifferent - about where they fit in. If they did not give their time voluntarily, funding would not be drawn down and, because of State issues, water would not be brought to their communities as currently happens. There has been uproar among such people over the last week or ten days, as their trust in the new body has evaporated completely. There is no need for me to elaborate on this complete loss of trust because the Minister knows about it.

Over the last week or ten days, people from many communities have been contacting me constantly to express concern about the continuing leaks from the old lead pipes on which the system relies. As soon as a leak is fixed, another leak is found somewhere else. This results in lower water pressure in housing estates and farming communities, particularly at times of high consumption. The manner in which leaks continued to spring was a major issue in one part of my constituency last summer. When those affected contacted the local authority, they were told that no funding was available to deal with the matter. They were looking for €5,000, €10,000 or €15,000 to repair a stretch of water piping. Now they have learned that a vast amount of State money - €180 million or €185 million - is being spent on consultants. They are still affected by the leaking pipes and the inadequate structure that is there.

2 o'clock

How can we convince those people that setting up Irish Water, Uisce Éireann, was the right thing to do? The local authorities have been grappling with this and trying to deal with it over the years. Now a whole new body is being established which will take away from the concept of people being able to get on to their local representatives and get some kind of satisfaction on their water bills, the structure, the leaks or the inadequate supplies. There is a raft of these things.

We have created a very large national organisation or quango that will be removed from what is happening on the ground. I cannot see any justification for the amount of money used to set up Irish Water. If the €100 million that has been invested to date and the other moneys committed were given as a block grant to local authorities, significant extensions and repairs could be made to the group water schemes. All the public sees is that it has been given in consultancy fees and talks about talks, for want of a better term.

Certainly there are issues with Bord Gáis Energy taking it over. Many other utility companies were vastly experienced in how we could proceed and had better local knowledge. The fundamental issue is that it has not been justified and we have not established that there is value for money. Who knew what money was being spent and when it was being spent? Why was this shrouded in so much secrecy? Why was the Government so adamant that the Freedom of Information Act should not apply to this body? We need answers because there is major concern among the ordinary punters, including people who have had difficulty with their water supply. The people want to know what the future holds for us for the cost of water. A meeting last night in County Meath discussed the quality of water and the damage that is doing to

utilities and so forth in their houses. There is a whole raft of issues, but fundamentally we have questions over the value for the money spent. There were far greater needs for the money that was spent on consultants and as far as I am concerned it has been squandered.

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): The programme for Government made a commitment to establish Irish Water, a new State company to take over the responsibility for the delivery of water services. As the Minister of State, Deputy O'Dowd, outlined in his speech yesterday, the Government has delivered on this commitment. Within a relatively short space of time, we have moved from a fragmented system of service delivery to a unified delivery structure by a single utility, Irish Water. This has been made possible by the Government's decision to establish Irish Water within the Bord Gáis Energy group and to leverage the experience and skills of the management and staff in Bord Gáis Energy while retaining the knowledge and the expertise that exists within the local government sector.

On 1 January 2014, Irish Water assumed responsibility for the delivery of water services in Ireland from the 34 county and city councils, following the commencement of the Water Services (No. 2) Act 2013. This is a very significant milestone in the water services reform programme. The establishment of Irish Water will deliver significant benefits to the people in the years ahead. If we are to attract industry to provide jobs, we need to increase the investment in water services infrastructure. The new sustainable funding model will secure the level of investment that is needed to upgrade, repair and expand our public water and wastewater infrastructure.

The economic situation for all Irish people has been difficult in recent years and we need to create more jobs and to do so we need to make Ireland an attractive place in which to do business. Providing a world-class standard of water services is a critical component of that task and will help make the economy more competitive and will assist in promoting industrial development and investment. A greater security of supply will assist in making this country a more attractive place for water-intensive industries including pharma-chem, ICT and agrifood. The Government simply cannot continue with the current situation with over €1 billion of taxpayers' money being spent annually on water services, but with 40% leaking into the ground. Furthermore, there are significant additional requirements for capital investment in water to meet our EU water quality requirements.

Costs have, of course, been incurred in the establishment of Irish Water. However, these costs are an investment in a modern fit-for-purpose water utility which can provide a better service to the citizens of this country. The establishment of the company will deliver major savings of approximately €2 billion over the next eight years. The benefits to the people will also include the introduction of a lower operating cost model; the elimination of wastage through leaking pipes; increased investment in essential infrastructure; sustained investment in wastewater treatment to improve our water resources; and continued improvement in drinking water supplies. All of the costs will be subject to the detailed scrutiny of the Commission for Energy Regulation, which is being given responsibility for the regulation of water services.

There has been much comment on the level of expenditure to date on the development of systems by Irish Water. I accept that the sums of money involved are substantial, but they must be viewed in the context of both the overall scale of the water sector reform programme and relative investment required for systems within the regulated utility sector. Investment in ICT systems is critical for all high-performing utility companies. The level of investment incurred

in establishing Irish Water to date compares favourably with investments made by similar utilities both here and in the UK.

Deputy Dooley might not realise that the ESB made an investment of almost €100 million on a new customer billing system, which was launched in January 2005, while the Single Electricity Market cost €256 million to establish in 2007. I am glad to be able to put those facts on the record for the benefit of Deputy Dooley.

Irish Water also outlined to the Oireachtas Joint Committee on Environment, Culture and the Gaeltacht this week that at least three water utility companies in the UK are each planning to spend in excess of £100 million equivalent to approximately €120 million on upgrading their IT systems for customer billing and asset management.

One of the central elements of the Private Members' motion is the call for the Freedom of Information Act to include Irish Water. The Minister for Public Expenditure and Reform gave a commitment last November that he intended including Irish Water within the remit of the Freedom of Information Act. The Private Members' motion also seems to imply that the establishment of Irish Water is a prelude to privatisation - this is simply not the case. The Government has consistently stated that the supply of water and wastewater services will remain in public ownership. The Water Services (No. 2) Act 2013 specifically provides that Irish Water cannot be privatised and will remain in public ownership.

I am not surprised by the ill-informed comment regarding the establishment costs of Irish Water to deliver a top-class water service for the Irish people in the years ahead. After all Fianna Fáil and Sinn Féin have opposed this policy from the beginning, but have failed to put forward proposals regarding the cuts in public expenditure from other programmes or the increases in taxation that would be required to increase spending on water services in order to meet future needs.

We cannot continue with the existing fragmented approach. After nine hours of committee hearings we now know that there is transparency and accountability in Irish Water at all levels and that there is a strong relationship between Irish Water and local authorities in delivering a top-class water product in the years ahead. I am particularly pleased to confirm to Deputy Gerry Adams, the leader of Sinn Féin, that there is no smoking gun arising from the recent committee hearings. Equally, I am glad to tell my colleagues in Fianna Fáil that Irish Water has learned from some of the mistakes of that party's leader when he was Minister for Health and Children regarding the ill-fated PPARS project which resulted in €131 million, including €57 million in consultancy fees, being wasted and squandered.

I assure Deputy Sean Fleming that I will not sign any blank cheque for anyone, not even the water regulator. Fianna Fáil smearing the good name of people in Bord Gáis Energy is disappointing but not surprising. I commend all the staff in Irish Water and the local authorities who are embracing change to ensure we deliver a top-class water product for people in the years ahead in the interests of public health and of jobs. The Government has nothing to hide.

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

Deputy Dara Calleary: I welcome the Minister's statement of confidence in the existing staff of various water services bodies across the country. Many of his ministerial colleagues speaking in recent days have given the impression that we have a water service similar to Cal-

cutta, which is not the truth. Water services staff in local authorities across the country, many of whom have migrated over to Irish Water, have delivered excellent service in very difficult conditions, particularly in recent weeks.

The notion of a single unitary authority is dependent on 34 service-level agreements with all the local authorities that some of the Minister's colleagues are keen to distance themselves from. Those agreements will continue for 12 years. There is nothing unified about a structure that is utterly dependent on service-level agreements for 12 years even though the Minister claims he has brought it all together so quickly.

The Minister has chosen not to answer many questions. Irish Water was established as a subsidiary of Bord Gáis Energy because Bord Gáis Energy could bring existing resources to the party. Nobody criticised any individuals in Bord Gáis Energy; that was the offer that we were made.

Deputy Phil Hogan: Deputy Dooley did.

Deputy Dara Calleary: When we submitted a freedom of information request to get the document in which the Minister confirmed that Bord Gáis Energy would be the parent company of Irish Water, it was completely redacted. We still have no knowledge of how the Minister made that decision. The Minister has criticised our party leader for ignoring a consultancy report without making any reference to why he ignored the PricewaterhouseCoopers report he commissioned to determine what structure Irish Water should have.

On the last Thursday on which this Dáil sat the Minister and the Minister of State rammed this legislation through in three hours. Had this not happened we would not be here this Thursday getting answers to these questions. We would not have been here last night or on Tuesday night were it not for Sean O'Rourke having asked a question and for the work that Deputies Cowen and Collins, and other parties have done over the past two years. The Minister chose last night to apologise to one Deputy, his Government colleague, the Minister of State at the Department of Communications, Energy and Natural Resources, Deputy O'Dowd because he did not get back to him. What about all the other Deputies whose questions were ignored?

Deputy Fergus O'Dowd: That is not true. The Department did not get back to me. The Deputy should be factual.

Deputy Dara Calleary: Their questions were not answered. In his remarks last night, the Minister of State, Deputy O'Dowd, made the point that the budget for Irish Water was presented to the four horsemen of the Apocalypse, the Economic Management Council. Who presented the budget? That is important. If the detail of the budget was presented to the Cabinet whoever presented it obviously knew its detail. That would contradict what the Secretary General of the Department said last night. We have to drive this on.

Deputy Phil Hogan: We are expanding.

Deputy Dara Calleary: We all need water. We have a very strong pharma-chemical sector, we have a very strong agrifood sector. The Minister has only to look up his own road to see that. We had that long before Irish Water arrived. We have to drive it on but we have to take away the secrecy. We have to start sharing information. Most of all, the people who use the service must have confidence in it.

Deputy Robert Troy: I am sharing my time with Deputy Cowen. I will speak for only a couple of minutes.

At the last general election Fine Gael and the Labour Party came into government promising greater accountability, transparency and efficiency within the public service. The information that has leaked from Irish Water in the past few weeks shows that this like many other promises was flushed down the drain. The Minister arrogantly claimed that he does not micromanage his Department and that he was unaware of the breakdown of the €180 million made available to Irish Water. That is a grave insult to the people who elected him, who gave him the honour and privilege to serve in government. The Minister is the democratically elected person and he must take responsibility and be accountable for the money that his Department spends. No one believes that he was not aware of the €180 million expenditure and its break down. When the Minister says that he does not micromanage people he should not forget how he tried to micromanage a situation in Kilkenny, when he tried to prevent a family of an ethnic minority group from being afforded the opportunity to live in a local authority house.

This is the Minister who led us to believe that he has a hands-on approach. It is insulting to the people of Ireland for him to come in here and say that he was unaware. I reiterate, no one believes him. He talks about the great savings that will be achieved by this venture. The Taoiseach quotes savings of €1.2 billion, the Minister quotes savings of €2 billion. Can he outline and substantiate exactly what savings will be achieved? There are 4,300 staff working within the water services. How many of these local authority staff will be retained, or let go? How many will be retained to provide the service level agreements?

The Government agreed to pay bonuses to people who are already paid well to do their job, at a time when it was renegotiating the Haddington Road agreement which saw a reduction in the pay and conditions for people in front-line services, ambulance drivers, firefighters, nurses and teachers. That is what this Government sanctioned.

Deputy Barry Cowen: I thank my colleagues and all Members who have contributed to this debate. It has been very informative and has established the point we have reached in the past two or three years and in the past week, since this issue came to prominence further to “Today with Sean O’Rourke” when a question was put to the CEO of Irish Water. Deputy Coffey made the point that it is important to consider the responses on the public record by the various players ever since. It is right and proper to do that. I accept that point.

In the first instance the Minister for the Environment, Community and Local Government, Deputy Hogan, said on the “Prime Time” programme that the Cabinet and he had approved €180 million for the establishment of a public utility. That is what they did in 2012 and at the meeting of the Oireachtas Joint Committee on the Environment, Culture and the Gaeltacht, in November 2012, all Deputies would have had an opportunity to elicit how this utility was going to be established. I thought about that comment on the way home and since then and checked the record because I could not remember that specifically being spoken about. I will return to that point.

Yesterday, in response to Deputy Martin’s queries about freedom of information, the basis of this motion, and further to the lack of information, accountability, openness and transparency in this process, the Taoiseach said, “This [Irish Water] is a public utility in public ownership. Therefore, there is nothing that should be secret about it and there is nothing that will be secret about it – the Deputy may smile”. Some of us on this side of the House could not contain our-

selves when we thought about what had preceded this response. The Taoiseach went on to say, “Of course this will be subject to the full rigours of freedom of information, as it should be, because it involves the Irish taxpayer and the Irish people”. I agree with him but he does not agree with our motion. He does not agree with the Bill that is referred to in the motion and he does not agree with the other Bill that we published this week on the Comptroller and Auditor General because, as the Minister for Public Expenditure and Reform, Deputy Howlin says, it is not yet practicable. It will not be practicable in his words until the commercial entity, the monopoly, the company with no competitors, is up and running because sensitive information might emanate.

I accept the point that the Minister of State at the Department of Communications, Energy and Natural Resources, Deputy O’Dowd, made last night in response to Deputy Calleary, that he was speaking on his own behalf when he said that the Department had not given him an answer and that it was unfortunate that Deputy Kevin Humphreys did not get the information he sought. I would have expected some member of the Government during the course of this debate to offer a similar apology to the rest of us who found no solace or information on behalf of those we represent, the taxpayers, in this process since it emerged, as we now know, in September 2012. The Minister of State said:

The budget is being funded by a commercial loan which Irish Water has arranged with the National Pensions Reserve Fund, NPRF. There has been a suggestion that the Minister for the Environment, Community and Local Government, Deputy Hogan, deliberately withheld details of the establishment costs of Irish Water from Deputies. This is simply not the case. The total budget for the establishment of Uisce Éireann is €180 million, which includes the contingency of €30 million to which I refer. While the overall budget was outlined to the Economic Management Council and the water reform sub-committee of the Cabinet committee on economic infrastructure, no Exchequer funds have been provided to date to Bord Gáis or Irish Water in respect of these establishment costs.

That begins to contradict what the Minister said on “Prime Time”, that the funds were raised in the normal fashion, by going to Cabinet, getting approval, then informing us on the Oireachtas Joint Committee on the Environment, Culture and the Gaeltacht of his Vote for the following year and so forth.

Deputy Phil Hogan: It was non-voted.

Deputy Barry Cowen: The Minister of State, Deputy O’Dowd, continued by saying, “However, the establishment costs are not voted Department expenditure”. That contradicts what the Minister said on “Prime Time”. He went on to say, “Rather, they are being funded by means of a commercial loan from the NPRF”. This is the kernel of the response: “It is not appropriate, therefore, to include details of those costs in replies to parliamentary questions”. What is it all about? Was the Minister of State talking to the Taoiseach? Did he not insist? He did not. We have been trying to cover our tracks all week. We have been tripping one another up.

At the committee meeting to which the Minister referred when David McCullagh asked him the question about the funding of Irish Water, Deputy Kevin Humphreys made a point - like his Labour Party colleagues he is not here and they have not been here except when they contributed to this debate. He tried to intimate that at that meeting I and other Opposition Members did not query the process that had begun shortly before the meeting on 13 November 2012.

At that meeting, I said the following to the Minister:

How much must the Minister commit towards Irish Water next year? There has not yet been confirmation as to the cost, for example, of metering [let alone set-up costs]. When the committee met Bord Gáis [the previous] week ... the cost from its perspective was estimated to be €450 million whereas Deputy Stanley mentioned that a report of which he had sight [stated that] it could cost [up to] €1.2 billion.

Deputy Stanley will remember that.

Deputy Brian Stanley: Yes.

Deputy Barry Cowen: I continued:

The existing cost of local authorities for maintenance of water services, based on the research that [we] have done, appears to be approximately €600 million per annum. [This is incorrect, as it is actually €1.2 billion.] There is that figure, the figure for metering which I ask the Minister to clarify and the charge to be imposed, and then one must measure that against the Minister's statement that he will have to supplement Irish Water in the coming years before it becomes self-sufficient. At what level will the Minister supplement Irish Water?

The crunch question was how much the Minister must commit towards Irish Water next year. The answer from the Minister was as follows:

A provision of €10 million is provided to set up the structure for the establishment of Irish Water in 2013. Legislation to set up Irish Water on an interim basis will be brought forward pending the full implementation in 2013. The cost of metering will be paid out of a loan from the National Pensions Reserve Fund. It will not be included in the Department's Estimates as metering will be rolled out over a number of years.

We are no further on today than we were a week yesterday. We have had people put in front of the media, and we have heard from the CEO of Irish Water, the Department and the Comptroller and Auditor General. We have had them all in, yet nobody referenced that meeting or those questions. The point I am making is that the Minister gave the impression that it was approved by Cabinet and that it was to follow the normal course after that. It did not do so, however, as it went to the Economic Management Council, which is made up of two Fine Gael and two Labour Party members, and we know who they are. The Taoiseach was aware of this too, as he said yesterday, because he is on it. However, the Taoiseach was not aware that the configuration and the costs associated with the set-up were done in such a way that we will never get answers, according to the Minister's statement last night.

I say this in the interests of openness and transparency, which is sought by many others on this side of the House and, I am sure, many on the other side of the House, especially in the Labour Party, if I was to listen to its members. Deputy Michael McCarthy, the Chairman of the Committee on the Environment, Culture and the Gaeltacht, said on Sunday that freedom of information should apply to Irish Water forthwith. Another Labour Party member, Deputy Michael McNamara, said something similar, and Deputy Charlie Flanagan said there were questions to be answered, as did many members of the Cabinet. I ask all of them now, if they really mean what they have been saying for the past week, despite the charade we have had with committees and everything else, to support this motion and support the intent behind it. If they

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really mean what they say, they should vote for the motion, take the bold step, let us put this sorry saga behind us and try to allow the public to give the sort of respect that a company such as Irish Water deserves or should deserve.

Amendment put:

<i>The Dáil divided: Tá, 71; Níl, 51.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Bruton, Richard.</i>	<i>Browne, John.</i>
<i>Burton, Joan.</i>	<i>Calleary, Dara.</i>
<i>Butler, Ray.</i>	<i>Collins, Joan.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Niall.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</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>Donnelly, Stephen S.</i>
<i>Connaughton, Paul J.</i>	<i>Dooley, Timmy.</i>
<i>Conway, Ciara.</i>	<i>Ellis, Dessie.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Ferris, Martin.</i>
<i>Creed, Michael.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Daly, Jim.</i>	<i>Fleming, Sean.</i>
<i>Deasy, John.</i>	<i>Halligan, John.</i>
<i>Deenihan, Jimmy.</i>	<i>Healy, Seamus.</i>
<i>Deering, Pat.</i>	<i>Healy-Rae, Michael.</i>
<i>Doherty, Regina.</i>	<i>Higgins, Joe.</i>
<i>Dowds, Robert.</i>	<i>Keaveney, Colm.</i>
<i>Durkan, Bernard J.</i>	<i>Kelleher, Billy.</i>
<i>English, Damien.</i>	<i>Kirk, Seamus.</i>
<i>Farrell, Alan.</i>	<i>Kitt, Michael P.</i>
<i>Feighan, Frank.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Fitzpatrick, Peter.</i>	<i>McConalogue, Charlie.</i>
<i>Flanagan, Charles.</i>	<i>McDonald, Mary Lou.</i>
<i>Griffin, Brendan.</i>	<i>McGrath, Finian.</i>
<i>Harrington, Noel.</i>	<i>McGrath, Mattie.</i>
<i>Harris, Simon.</i>	<i>McGrath, Michael.</i>
<i>Hayes, Brian.</i>	<i>McGuinness, John.</i>
<i>Hayes, Tom.</i>	<i>McLellan, Sandra.</i>
<i>Heydon, Martin.</i>	<i>Moynihan, Michael.</i>
<i>Hogan, Phil.</i>	<i>Murphy, Catherine.</i>

Dáil Éireann

<i>Howlin, Brendan.</i>	<i>Nulty, Patrick.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Keating, Derek.</i>	<i>Ó Cuív, Éamon.</i>
<i>Kehoe, Paul.</i>	<i>Ó Fearghail, Seán.</i>
<i>Kenny, Seán.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Kyne, Seán.</i>	<i>O'Brien, Jonathan.</i>
<i>Lawlor, Anthony.</i>	<i>O'Sullivan, Maureen.</i>
<i>Lynch, Ciarán.</i>	<i>Pringle, Thomas.</i>
<i>McCarthy, Michael.</i>	<i>Ross, Shane.</i>
<i>McEntee, Helen.</i>	<i>Shortall, Róisín.</i>
<i>McGinley, Dinny.</i>	<i>Smith, Brendan.</i>
<i>McHugh, Joe.</i>	<i>Stanley, Brian.</i>
<i>McLoughlin, Tony.</i>	<i>Tóibín, Peadar.</i>
<i>Murphy, Dara.</i>	<i>Troy, Robert.</i>
<i>Murphy, Eoghan.</i>	<i>Wallace, Mick.</i>
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>Penrose, Willie.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>White, Alex.</i>	

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

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

<i>The Dáil divided: Tá, 71; Níl, 51.</i>	
<i>Tá</i>	<i>Níl</i>

<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Bruton, Richard.</i>	<i>Browne, John.</i>
<i>Burton, Joan.</i>	<i>Calleary, Dara.</i>
<i>Butler, Ray.</i>	<i>Collins, Joan.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Niall.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Cowen, Barry.</i>
<i>Carey, Joe.</i>	<i>Crowe, Seán.</i>
<i>Collins, Áine.</i>	<i>Daly, Clare.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Connaughton, Paul J.</i>	<i>Donnelly, Stephen S.</i>
<i>Conway, Ciara.</i>	<i>Dooley, Timmy.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Ellis, Dessie.</i>
<i>Creed, Michael.</i>	<i>Ferris, Martin.</i>
<i>Daly, Jim.</i>	<i>Flanagan, Luke 'Ming'.</i>
<i>Deasy, John.</i>	<i>Fleming, Sean.</i>
<i>Deenihan, Jimmy.</i>	<i>Fleming, Tom.</i>
<i>Deering, Pat.</i>	<i>Halligan, John.</i>
<i>Doherty, Regina.</i>	<i>Healy, Seamus.</i>
<i>Dowds, Robert.</i>	<i>Healy-Rae, Michael.</i>
<i>Durkan, Bernard J.</i>	<i>Higgins, Joe.</i>
<i>English, Damien.</i>	<i>Keaveney, Colm.</i>
<i>Farrell, Alan.</i>	<i>Kelleher, Billy.</i>
<i>Feighan, Frank.</i>	<i>Kirk, Seamus.</i>
<i>Fitzpatrick, Peter.</i>	<i>Kitt, Michael P.</i>
<i>Flanagan, Charles.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Griffin, Brendan.</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>Hayes, Tom.</i>	<i>McGuinness, John.</i>
<i>Heydon, Martin.</i>	<i>McLellan, Sandra.</i>
<i>Hogan, Phil.</i>	<i>Moynihan, Michael.</i>
<i>Howlin, Brendan.</i>	<i>Murphy, Catherine.</i>
<i>Humphreys, Kevin.</i>	<i>Nulty, Patrick.</i>
<i>Keating, Derek.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Kehoe, Paul.</i>	<i>Ó Cuív, Éamon.</i>
<i>Kenny, Seán.</i>	<i>Ó Fearghail, Seán.</i>
<i>Kyne, Seán.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Lawlor, Anthony.</i>	<i>O'Brien, Jonathan.</i>
<i>Lynch, Ciarán.</i>	<i>O'Sullivan, Maureen.</i>

<i>McCarthy, Michael.</i>	<i>Pringle, Thomas.</i>
<i>McEntee, Helen.</i>	<i>Ross, Shane.</i>
<i>McGinley, Dinny.</i>	<i>Shortall, Róisín.</i>
<i>McHugh, Joe.</i>	<i>Smith, Brendan.</i>
<i>McLoughlin, Tony.</i>	<i>Stanley, Brian.</i>
<i>Mitchell O'Connor, Mary.</i>	<i>Tóibín, Peadar.</i>
<i>Murphy, Dara.</i>	<i>Troy, Robert.</i>
<i>Murphy, Eoghan.</i>	<i>Wallace, Mick.</i>
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>Penrose, Willie.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Tuffy, Joanna.</i>	
<i>Varadkar, Leo.</i>	
<i>Wall, Jack.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

Recent Severe Storm Damage: Statements

Minister for the Environment, Community and Local Government (Deputy Phil Hogan): During the period from 13 December 2013 to 6 January 2014, Ireland was subjected to a series of severe storms that affected the country approximately every three days. In addition to the strong winds, there were periods of extremely heavy rain and a great deal of thunderstorm activity. These storms coincided with high spring tides and created severe and damaging conditions in a number of coastal areas.

Last Tuesday, I brought to the Cabinet an interim report on the storms that was compiled by my Department in its capacity as lead Department for the response to severe weather. All areas

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of the country were affected by the storms, with damage to buildings, fallen trees and outages of the electricity and communications networks. In the week from 30 December to 6 January, high tides coincided with the storms and, consequently, the west coast was severely impacted, especially counties Clare, Galway, Mayo and Kerry, with coastal damage and damage to the roads infrastructure.

Met Éireann issued level red severe weather warnings for four days during the 24-day period from 13 December 2013 to 6 January 2014, warning of severe winds and high seas. A further 11 days during that period were covered by orange level warnings. As well as featuring in broadcasts to the public, Met Éireann issued these warnings to all local authorities, transport agencies and other relevant Departments and Government agencies. Met Éireann, which is under the aegis of my Department, provides strong support for the utilities and emergency response community. Its new colour-coded severe weather alert-warning system for the public proved appropriate and effective in raising awareness of the weather conditions for the duration of these weather events.

Responses to emergencies, including severe weather events such as storms, are managed at local level by the principal response agencies, namely, the local authorities, An Garda Síochána and the HSE, and co-ordinated in the case of severe weather by the local authorities. These arrangements operate in accordance with the framework for major emergency management, which was adopted by the Government in 2006 and are well embedded in the relevant organisations. The Government appreciates the co-ordinated response of local authority, utility and emergency services personnel who worked, frequently in difficult circumstances, to maintain the safety of those threatened and to restore services to those affected by the severe forces of nature during the holiday period.

During the storms, disruption was experienced across the full range of transport services, including road, rail, ferries and air transport. The safety of road users was of primary concern and the Road Safety Authority, RSA, was active in issuing advice and warnings to the public through the media. While normal traffic patterns were disrupted, with major routes affected by fallen trees, debris and flooding at different times, the impacts were not as severe as were felt with previous severe weather events.

Rail services were disrupted due to a number of incidents, including the collapse of the roof at Kent Station in Cork. At other times, services were delayed due to fallen trees and debris blown onto the lines. In every case, Irish Rail put alternative travel arrangements in place to minimise the disruption.

In air transport, flights needed to be cancelled or diverted or were delayed across all three State airports due to the strength, direction and gusting of the wind. Ferry services were severely curtailed, particularly the Swift ferry services. All disruptions over the period were managed effectively by the relevant transport authorities. The Coast Guard was active in engaging in the safety information campaigns to both the maritime industry and the general public about the risks associated with the storms. As a result of increased awareness, incident levels within the recreational sector remained approximately normal compared with other years, notwithstanding the severe weather conditions.

Damage was caused to public infrastructure, including roads, bridges, culverts, piers and harbours, coastal tourism infrastructure and coastal protection facilities. Initial estimates of the cost of the clean-up and the repair and restoration of public infrastructure were provided to

the Government in the interim report and are of the order of €65 million. The cost of repairing roads infrastructure is estimated at some €20 million, €35 million is estimated under the general heading of coastal works and €10 million is estimated for a range of other costs, such as tourism infrastructure at beaches. Some €41 million, almost two thirds of the total estimate of €65 million, arises from two counties, those being, Clare and Galway, reflecting the severe impact of the storms along the west coast.

Local co-ordination and delivery of clean-up and restoration works will be led by the local authorities. Clean-up works and immediately necessary repairs are under way in many areas. At the request of the Government, my Department is contacting local authorities to seek more detailed reports by 14 February on the envisaged repair works, including related costs. This will enable the Government, through the specific areas of responsibility of relevant Departments and agencies, to support the local authorities on recovery measures.

In the meantime, the Government is exploring all possible sources of funding to meet the costs which have arisen from the storm damage, including contact with the EU about a possible application under the solidarity funds programme. The EU Solidarity Fund was established by the European Union to respond to major natural disasters and to express European solidarity with disaster-stricken regions within Europe. The fund was created as a reaction to the severe floods in central Europe in the summer of 2002. A major disaster is defined as damage estimated at more than €3 billion or 0.6% of GNI. In Ireland's case, this would amount to €770 million. The fund provides aid for public emergency operations such as the immediate restoration of infrastructure and plant, the provision of temporary accommodation, the funding of rescue services, the immediate securing of preventative infrastructure and the immediate clean-up of disaster-stricken areas.

In exceptional circumstances, however, when the damage is below this threshold, an application may be made, but only where a region has suffered an extraordinary natural disaster affecting the major part of its population and with serious and lasting repercussions on the living conditions and the economic viability of the region. Assistance in such exceptional cases is at the rate of 2.5%. Moreover, while two thirds of applications are made on the basis of exceptional circumstances, most fail. An additional factor is that, for the budgetary period 2014 to 2020, the annual budget for the fund has been halved from €1 billion to €500 million and the European Commission has indicated that future grants are likely to be 50% lower than previously. In 2009, Ireland made an application to the fund. On that occasion, however, total damage was estimated at around €520 million. This resulted in a grant of €13 million from the fund. Any Government decision on an application to the fund will be made once the full cost of damage has been assessed.

Private property was affected by these storms also. We await information from the insurance industry on the scale of damage to homes and businesses affected. Department of Social Protection officials, through their exceptional and urgent needs payments systems, provide immediate support to households affected by emergencies. These payments cover immediate needs such as clothing, food, bedding and emergency accommodation. The Department of Social Protection also has a humanitarian assistance scheme to assist people whose homes are damaged by flooding. This is means tested and is intended to assist those who are not in a position to meet costs for essential needs, household items and, in some instances, structural repair as a result of the flooding damage.

Once again, these storms illustrate the power of nature and the impact it can have on so-

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ciety. Our co-ordinated response arrangements have developed significantly in recent years and worked well again on this occasion. As we are now in the recovery phase, we await more detailed information which will underpin the plans for the funding, co-ordination and delivery of the necessary work programmes with a view to the timely and effective delivery of a programme to assist the communities worst affected by the storms.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this debate and I thank you, a Cheann Comhairle, for facilitating an opportunity for all Members to discuss this important issue.

The Minister has outlined the background to the storms and freak weather events that took place in recent days. He identified the impact they have had on many communities, particularly on the western seaboard, and he correctly pointed out that counties Clare and Galway were among the worst affected. I compliment the efforts of Clare County Council, its officials and engineers for the work they have done in rehabilitating the areas that were worst affected. As the Minister knows, the staff of Clare County Council have been doing immense work to clean up the damage that was done in so many areas. The damage extends from New Quay to Loop Head and the west coast.

I had an opportunity during the week to meet Commissioner Hahn, who has responsibility for that disaster fund. He has indicated that he will be in a position to look favourably on any application that might be put forward by the Government. The Minister said that the scale or impact of an event on a country must be above a certain threshold, and the Commissioner believes Ireland would be best suited to considering it on a regional basis. I met the Commissioner along with a number of MEPs, including Pat the Cope Gallagher MEP and Brian Crowley MEP. The understanding with the Commissioner and his staff is that all the MEPs are prepared to work with him and his officials to act as a liaison with the Minister and his Department to ensure an appropriate application is put to the Commission, which will meet the criteria set down. Certainly, from the contacts I have had, I believe favourable consideration will be given.

That is the first source of funding that can be secured. This country has a history in this regard. In 2009 there was a similar event which impacted more on inland areas, with towns such as Ennis suffering serious inundation of water. We saw the capacity of our colleagues in Europe to support us at that time, when approximately €13 million was provided to assist us.

However, the most important issue now is that the Minister, his Department and the Government get a clear understanding of all the damage that has been done, identify all the costs and seek to work with the local authorities in the first instance to repair the damage. The county with which I am most familiar has approximately 37 areas that were impacted negatively. In New Quay, the damage is estimated at €1.8 million, and in Bishopsquarter, it is estimated at €2,000. There is damage to Ballyvaughan pier, the damage in Doolin is estimated at €500,000 and repair work in Clahane and Liscannor is estimated to cost €777,000. An immense amount of work is required on the approach roads to Liscannor and also between Lahinch and Liscannor. Lahinch has suffered damage to the tune of approximately €6 million, which obviously must be repaired. The estimate for damage at Bártra is €6,000 while the White Strand, Miltown Malbay, Spanish Point and Seafield piers have been damaged.

I have visited all these areas but particularly the Cloghaninchy and Quilty area, where immense damage has been done. The sea has broken into an area and has put a number of houses at very severe risk. There is a very sad situation in one house, where the family cannot return

as the house has been flooded. The back garden has effectively been taken over by the sea and the family suffered real trauma when the children's pets were drowned. We must build flood defences to assist these people to get back into their homes and to give them the safety and security to get on with their lives.

There was also damage at Carrowmore and areas around Doonbeg. Kilkee suffered significant damage, as did Ross Bay. A community in Kilbaha was cut off for a number of days due to the impact of the storm on the approach road to Kilbaha. It cut off all of the Loop Head area. Obviously it impacted on tourism as well as on the lives of people who live there. Unless a very strong flood defence is put in place, the road will be unable to support the heavy traffic associated with farming and the milk trucks travelling back and forth to collect milk at the height of the farming season. Many other areas on the western seaboard were affected. The Kilcredaun Irish College and the road approach to it suffered significant damage, as did Carrigaholt, Mayasta, Cappagh, Kilrush and Labasheeda, as well as the road around Moneypoint and Knock. Significant damage has been done.

There is also damage to an area inland. In O'Callaghans Mills a community of five people was cut off over the Christmas period. Clare County Council has identified that approximately €190,000 worth of works are needed for the damage to some inland areas. I appeal to the Minister, in the context of the work Clare County Council has done and finding the appropriate funding, to ensure the necessary works can be done to allow people to live their lives in the same way they did prior to this event. The concern that has been expressed to me by members of the council and council officials is that the Department might decide to give some funding, but not enough to complete the works. That will not be acceptable.

3 o'clock

As the Minister well knows, local authorities in recent years have been trying to do a lot more with less funding. They do not have access to the cash reserves they might have had in the past to do some of the work themselves. I will not get into political point scoring about promises concerning the property tax and the expectation that some of that money would have found its way back to councils. The Minister and I know that has not happened.

Deputy Phil Hogan: I thought the Deputy was going to blame it on the weather.

Deputy Timmy Dooley: I appeal to the Minister to put appropriate funding in place to ensure councils can carry out the necessary work. There are two aspects to it. The clean-up repair work is under way, by and large. Councils are getting that done and their attitude is that they will pay for it later when, it is hoped, the Minister can provide funding. There is a much more serious issue, however, which is how we can plan to cope in future with changing weather patterns that are emerging. It is expected there will be more severe weather events along our coasts, including severe storms and higher tides.

We must examine appropriate flood defence mechanisms. Coastal erosion is a major issue that has been largely ignored by successive Governments. This event has highlighted the necessity to deal with it once and for all. On a number of occasions, Clare County Council has applied to the Department to put in place certain preventative measures to shore up basic infrastructure. Existing flood defences must be repaired, whether they concern the roads at Liscanor or Kilbaha. I am not blaming the Minister but such work was not done by this Government or previous Administrations. As a result of the recent storm, much more work has to be done

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because the entire defence mechanism has been compromised and needs to be fully repaired. I appeal to the Minister to examine an investment plan for the coming years that will roll out a defensive infrastructure. We have done well to improve our road network over the past ten years. That was done in a planned, co-ordinated and strategic manner.

The Minister should set aside an appropriate level of annual State funding for flood defences in coastal regions to protect against future unexpected weather events. If the Minister can do that, it will be money well spent. While such expenditure may not be as politically useful as spending on schools, roads or other public infrastructure, such preventative measures are badly needed. The recent weather events have highlighted that fact well.

I recognise the good work of the Minister's departmental officials, including those involved in the national emergency response. All that is left is to ensure an appropriate level of funding is put in place. The Minister's speech was voluminous in setting out the background to what has happened and why. However, it was relatively light on the details of how the Minister intends to deal with the matter. I accept the Minister is working through the local authorities to assess the level of damage while trying to identify the full scale of what has occurred. Notwithstanding that, however, I appeal to him to invest this money, which is badly needed. Such funding must be put in place to protect those who have been worst affected. I am thinking particularly of families who have lost their homes. Such a loss has had a major effect on them, and it is not just in County Clare but in other counties as well. The Minister should give such people confidence to carry out repair work. Unfortunately, the State will not be able to provide funds for such work, but it is to be hoped their insurance companies will. In that way, people will be able to reoccupy their homes.

I ascertained an interesting point from Commissioner Hahn that funding can be sought for damage caused by uninsurable risks. I refer to some of the tourism attractions in Clare, particularly Doonbeg golf course which is a private, for-profit entity. None the less, it has suffered and sustained serious damage. The Minister should examine that matter, as well as Shannon Airport's flood defences, to see if such losses can be included in any application he might make for EU funding. It could be done on the basis that the risk involved was not insurable. That might help to replace those two vital pieces of infrastructure. The airport obviously requires State support, while Doonbeg golf course forms an important part of the tourism sector in County Clare and the mid-west in general.

At the earliest possible opportunity, the Minister should provide Clare County Council with close on €24 million to allow it to get on with the work. Notwithstanding its reduced staff numbers, at the height of the storm the council showed its capacity to be effective in dealing with a crisis, including the initial clean-up and assessing the extent of the damage.

In addition to providing €24 million, the Minister should put in place a plan to build the necessary infrastructure along the western seaboard to deal with coastal erosion once and for all. Notwithstanding the debates we had earlier and the efforts of certain individuals to scapegoat the Minister-----

Deputy Phil Hogan: The Deputy was also trying to scapegoat me.

Deputy Timmy Dooley: -----he would be doing considerably good work on behalf of people on the west coast if he started that plan. Perhaps when he moves on to greater things at some point in the future, perhaps as European Commissioner for disaster relief, he will have

left behind a legacy that put in train the first response to coastal erosion and the protection of coastal communities.

Acting Chairman (Deputy Peter Mathews): I call Deputy Stanley who is sharing time with Deputy McLellan.

Deputy Brian Stanley: I welcome the opportunity to speak on this important subject. I represent two counties, Laois and Offaly, that were not too badly affected in comparison with the west coast. I support what the previous speaker said about County Clare. In Galway, the Connemara coast was badly ravaged by storms which did huge damage to roads, houses and other property. I urge the Government to seek whatever funding it can obtain and provide the necessary assistance.

All councils will be submitting claims for funding, which is to be welcomed. In many instances, however, we find that the stable door is being closed after the horse has bolted. I am referring to the fact that local authorities could have carried out a lot of preventative maintenance measures, but due to the shortage of outdoor staff, they were unable to do so. I have highlighted this to the Minister before. Flooding in Portlaoise town was caused by the lack of ten minutes work by a local authority outdoor staff member. I know the Minister finds it funny, but it is not funny for people living in the Harpur's Lane area.

Deputy Phil Hogan: The Deputy would be good with a spade.

Deputy Brian Stanley: People living in that lane will not find it funny. A previous Minister, Noel Dempsey, provided money to put in a new bridge there. However, there is a culvert underneath and some preventative maintenance would have alleviated the flooding. The Government needs to re-examine cutbacks, or what is called natural wastage, because outdoor staff numbers are dwindling. The Minister and I have talked about this privately as well as in the Chamber, but I am asking him again to re-examine the matter. Outdoor staff are necessary to assist engineers in carrying out preventative maintenance, thus saving money in the long term. This is what we need to be doing. Many of our culverts and draining systems need only minor maintenance on a fortnightly or monthly basis. The amount of money needed in respect of maintenance would be minuscule in comparison with the amount required to repair damages when areas are flooded.

As evidenced by some of the reports in the aftermath of the damage caused during the past month or so planning and other measures are not adequate to deal with this issue and additional contingency measures are required. There are many areas off the west coast where local people had identified potential danger from the sea when tides became high, particularly where coastal erosion had brought the sea close to some houses. Deputy Dooley referred earlier to one situation in which the sea flooded the back garden of a house. In some instances, people were prevented from building walls or other defences that would have lessened the impact of the storms. In light of all of these factors, the planning authorities need to update their assessment procedures.

Another issue is that many of the houses built here over the past 15 years were built on flood plains. I accept that many Irish towns, because they are built on rivers, are built on flood plains. However, it is important we ensure that houses or housing estates are not built on flood plains which could leave them vulnerable to future flooding during extreme weather events, which are becoming more frequent. It can be argued that developers could not have foreseen that the

weather would disimprove but that does not exonerate them or the planning authorities, who should have carried out a more detailed examination of some of the sites, thereby preventing some of the flooding that occurred. Also, many of the people living in such estates are being denied insurance. Stricter guidelines need to be enforced to ensure that developments in areas prone to future flooding are not given the go ahead. They are issues relating to planning.

In terms of prevention, the severe-extreme weather conditions of the past decade undermine those who dismiss the notion that the planet is experiencing climate change and that measures need to be taken to ameliorate that change. While this country has been relatively fortunate in escaping some of the more severe consequences of climate change, as witnessed over the past week or so, the United States experienced historically low temperatures and temperatures in southern Australia are currently extremely high. All of this impacts on the globe and places an urgency on the Government and Members of this House to proceed with the much promised Climate Change Bill. That Bill must be progressed in the New Year. While Ireland is only a small country, it must play its part and reduce its emissions. It must also lead by example. To date, all we have seen are the heads of the Bill and no commitment to proceed to drafting the Bill for debate and legislation. I would like once again to use this opportunity to ask when it is proposed to proceed with this legislation as promised in the programme for Government. I suspect that the main reason for failing to bring forward legislation is that the Government is reluctant to commit itself to attaining set targets.

The Minister, Deputy Rabbitte, has in relation to the proposal to export electricity from wind farms in the midlands assured us that the State will still attain its target of 40% generation of electricity from renewable energies by 2020. However, current levels of electricity generated from renewables are behind what it should be, which begs the question as to how the target will be reached while electricity generated by wind continues to be exported on such a vast scale, particularly the electricity supposed to be generated in the midlands. Surely the target ought to be to ensure that this country is self-sufficient in electricity generated from renewables before we set about meeting massive export targets, let alone EU targets. The irony of all that is that while we will be assisting Britain to reach its targets, we will continue to be massively dependent on imported fossil fuels to generate the bulk of our domestic electricity demand. It is clear that this Government is reluctant to commit itself to targets in the Climate Change Bill that would help address some of the factors which contribute to extreme weather conditions.

I hope that assistance is made available as quickly as possible to address the damage caused by the recent storms and that local funding is restored to ensure there is a greater level of preparation for any future events caused by extreme weather conditions, which unfortunately are happening more often. During my lifetime I have seen huge changes in the weather patterns. I hope Members will play their part in addressing this issue. We must start by addressing the property and infrastructural damage caused by the recent storms. People vulnerable to the ravages of the sea are worried and frightened.

Often, solutions are expensive and complicated. However, they are also often relatively simple and involve smallscale works. I am sure the Minister will be bringing forth a local government Bill later this term, which I look forward to. It is important that in the context of that Bill we ensure local authorities are well staffed into the future, in particular with front-line staff. There has been huge shrinkage in the number of outdoor staff in our local authorities.

Deputy Phil Hogan: That is not true.

Deputy Brian Stanley: It is true in the case of County Laois.

Deputy Phil Hogan: I do not know what they are doing there.

Deputy Brian Stanley: I have been told by the engineers that it is hard even to mobilise a crew, which is a bad situation to be in. The situation is so bad that if an overseer is absent on sick leave there is no overseer within the municipal district. This issue must be addressed. We must ensure that local authorities such as those in Laois and Offaly have sufficient staff to assist engineers and elected members in getting work done, including preventative maintenance, thereby saving money in the long term.

Deputy Sandra McLellan: Many areas of our country were badly affected by the recent storm weather. My home town of Youghal, County Cork was no different. Anyone who has visited the town will undoubtedly remember the boardwalk at Claycastle Beach, which ran the length of the beach and linked the car parks at Youghal front strand and Claycastle. This boardwalk has proven popular with local residents and tourists and could be used to gain access to the beach through summer and winter. It allowed people to admire the spectacular view of the Atlantic Ocean and views of Capel Island. The boardwalk was unique for many reasons. It was disability and buggy friendly and thus allowed people of all abilities and ages to appreciate this resource. It was also cycle-friendly for small children whose parents might enjoy a walk along the boardwalk.

While the boardwalk survived two previous storms in August and December 2012, unfortunately it was destroyed in the recent storms that battered our coastline between last December and early January and now requires to be rebuilt. This is a serious blow, particularly for a town like Youghal where tourism plays such an important role in its economy. The boardwalk was the centre piece of Youghal's tourism industry. I am glad to say that the people of Youghal town are not taking this lying down. There is a strong commitment literally to picking up the pieces and rebuilding the boardwalk. At a special council meeting, it was agreed unanimously that the boardwalk be rebuilt as a matter of priority. We hope, with the help of the OPW, that it will be open and fully functioning by the summer. It had been planned to extend the boardwalk by a further 2,000 metres, connecting Youghal to Redbarn. This will eventually form part of the national coastal walking route. I welcome the commitment of the Minister of State, Deputy Brian Hayes, to make funds available under the minor flood mitigation works and coastal protection scheme. This will prove to be a lifeline for many communities, including my own in Youghal. Funds must be red-tape free and should be released as soon as possible to the councils which need the funding so badly.

Local authorities, which have been trying to rebuild their coastal towns, have been starved of funding by consecutive Governments. The funds are simply not available to repair the terrible damage left behind by the recent storms. It is estimated, according to the engineer's report, that the cost to reinstate the boardwalk will be in the region of €90,000. I realise the Minister State, Deputy Brian Hayes, has written to city and county managers calling for applications. The applications, in particular that of Youghal Town Council, should have a speedy turnaround. This will ensure that works can commence and be completed on time and that our boardwalk will be open for the tourism season.

I can confirm that Cork County Council sent in its application today to the Department of the Environment, Community and Local Government for all the areas affected. I imagine I speak for all Deputies from Cork when I say that I hope it will receive a positive and speedy

reply.

The storms can be attributed to global warming and climate change. We have seen in recent times major changes in weather patterns, for example, short intense bursts of heat, rainfall, storms and cold weather, as well as rainfall, storms and flooding focused in small areas. This is all related to climate change. What we want to avoid is a continuing spiral of repairing damage caused by storms and flooding. We have no wish to be revisiting these debates at more regular intervals. The root cause is climate change. Climate change is caused by human activity and only by changing that behaviour can we impact positively on our environment. I appeal to the Government to act quickly and introduce the long-awaited climate change Bill.

After almost three years in office, the Government has failed to produce a Bill to tackle climate change. The Government has published, circulated and debated the heads of the Bill, but it is high time it published the legislation and let the real debate begin. I offer one word of caution. Any Bill which genuinely attempts to deal with climate change must contain legally-binding science-based targets for 2050, legally binding five-year carbon budgets and an independent expert authority.

I am pleased funding has been made available, but let us get that money to where it is needed as quickly as possible.

Acting Chairman (Deputy Peter Mathews): The next speaking slot has been allocated to Deputy Clare Daly, who is sharing her time with Deputies Maureen O’Sullivan, Tom Fleming, and Mick Wallace.

Deputy Clare Daly: It is appropriate that the Dáil has given time to discuss this issue this week. Undoubtedly, the damage caused by the recent severe weather has acted as a body-blow to communities throughout the country. People have lost their livelihoods and some people have effectively lost their homes as a result of the damage. It is important that we utilise the time well. It is not good enough to offer these people sympathetic words, as much as they would appreciate it. What people need to know from this discussion is what will happen next in terms of providing the backup to assist in the urgent remedial works that are necessary. More important - the point was touched on by other Deputies - is the question of the systems that will be in place to minimise the chances of the same level of damage arising in the event of recurrences. That is critical.

I offer briefly the example of the devastation caused in my area in the coastal community of Portrane. A letter from one resident summed up the situation well. He said he was born there in 1952 and that he has lived there all his life. He said that he has seen the coast eroding over the years but that he had never before seen the devastation of the past two weeks. He said the community was now at the point of no return and that the next storm would surely breach the dunes. He pointed out that if the winds had not been favourable this time, the dunes would have been totally destroyed. The warnings have been made. The local community has fought a determined battle in recent years to try to get the establishment in Fingal County Council and at Government level to take action to deal with coastal erosion. Since that action was not taken, the community is now paying the price. The lessons must be learned. The community fought long and hard to get a report and a survey to determine what steps needed to be taken to deal with the damage that was being done. A report was issued last August but it has simply lain there since then. If some of those findings had been implemented, who is to know whether the terrible situation that the residents are now in would have arisen? We must take that on board.

We now have a scenario whereby properties which were not in the firing line are now in the firing line, although they were never subject to erosion before. Erosion at the south end of the beach is only yards from the roadside and chunks of ground have been washed away. Trees that were there some weeks ago are now gone. The boardwalk and steps down to the beach have been completely washed away. Homes are in grave danger as is a mobile home park there.

The community has responded with heroic efforts, coming out to try to stem the tide, but we need support in that venture. While Fingal County Council has said it will come up with some moneys, I want the Minister to deal with the point. If he is not too busy talking to his friend there, he might actually listen to the question. Seemingly, funds are available under the minor repair works programme. The report from the Department states that the funds are available for repairs to built flood defences and coastal protection structures. The reality is that this community has been exposed because there are no defences. The defences there were natural, dunes which have been eroded over the years. The measures have not been put in place to deal with that. Since there is no built defence in place, what the community wants to know is whether they can get access to these funds to redevelop the area. This is desperately needed. Otherwise, we will have major costs in the future. Homes will have disappeared into the sea next time around if the Minister does not listen.

Deputy Maureen O’Sullivan: For once Dublin Central was spared but we have certainly had our fair share of repeated and excessive flooding and we know what it is like. Everyone’s sympathy goes to those communities which have been devastated recently. I was looking at the pictures; the coverage was extensive. It was fine to be looking at it from the comfort of my own home but the pictures were staggering and frightening. They reminded me of the force of nature and our vulnerability in the face of that force.

Ba mhaith liom labhairt anois faoi áit áirithe, áit ar a bhfuil an-aithne agam, cé go bhfuil sí i bhfad ó Bhaile Átha Cliath. Táim ag dul go hOileán Chléire le fada an lá anois. Although I live in Dublin Central I have a long association and friendship with one of our island communities, that is, the community in Cape Clear in west Cork. I wish to highlight the effects that the recent storms have had on it. There are different aspects to the problem for an island community when it comes to storm damage and I hope this factor is taken into account when the funding is released for the people who need it.

I will outline some of the damage done. Cape Clear is a small island, 3.5 miles wide by 2 miles long, with a population of somewhat over 100 people. We are trying to hold onto our islands and ensure they are feasible for the populations who stay there. If damage is done to the pier, the people there have no way in and out, either for themselves or for the food and goods they need. For example, there was severe damage to the infrastructure in north harbour. The breakwater recess sides that keep the surge protection boons in place are damaged and require immediate remedial works because the boons are the only protection in the event of an adverse weather occurrence. The steps for access have been removed and need to be repaired. The stone wall at one end of the pier is in danger of collapse and could sink further. A section of the pier surface north of the wall has also sunk significantly. There is a crack across the main pier which is opening visibly. The sea protection wall between some of the buildings in the harbour is also completely broken or significantly compromised. Some of the roads leading down to the harbour are in a remarkably bad state of repair.

Some amenities on the island are important for boosting the small tourist industry and they have also been damaged, for example, a small maritime museum that was in the harbour. The

portakabin in which it was based was lifted from its position and pushed further up into a field. That is one small amenity which attracts visitors during the summer. The concrete protection walls have also been damaged. A stony beach has been significantly undermined and a proper safety assessment is needed there. The community had received funding for a new harbour but that is now compromised and needs to be re-examined in order that the work done to date can continue in a safe way. At the other harbour, the south harbour, sections of the sea protection wall have completely broken away. The island had a helipad which is vital for emergencies but the community maintains the extent of the erosion there is incredible.

The debris that was washed up on Cape Clear Island, one of the most beautiful islands off our coast, will cause significant problems, both from a health and safety perspective and aesthetically. Islands are different and some of their requests for funding may not fall into the categories that apply to other locations. They are deserving of particular attention. The points I have raised in regard to Cape Clear Island probably also apply to the other islands that were badly affected by the stormy conditions. The best way to tackle these difficulties is by listening to the people who have lived there all their lives and taking their views on board

Deputy Tom Fleming: The infrastructural damage and devastation to our coastal defences, both natural and man-made, as a consequence of the recent severe weather are impossible to quantify. The true figure for remedial protective work is probably well over €1 billion, compared with a figure of some €65 million submitted by local authorities for emergency works. We must also take into account damage to private property along the coast. It is estimated that this damage runs to €300 million, with many of the property owners in question uninsured for some years now due to the flood-prone locations of their homes. Those who did have insurance will probably find it impossible to secure a renewal in respect of flood damage into the future.

Our coastline is one of our most valuable economic resources and the people who live in these areas are largely dependent on tourism and small farming businesses. As such, the losses will severely impact on these communities for many generations to come. I urge the Government to prepare a comprehensive assessment of both the short-term emergency remedial work that is required and the cost of addressing the social and economic detrimental impact, which, as I said, will far exceed the €1 billion mark. Such an assessment will strengthen our case for classification as a major natural disaster area and qualification for EU solidarity funding and other relief supports.

County Kerry has the longest coastline in the country, stretching at its southern end to the Beara Peninsula and north into Ballybunion, Tarbert and the Ballylongford region. It was battered and bruised in recent weeks and has experienced unprecedented damage. Typical of this is the damage done to the prime tourism beach and facilities at Rossbeigh, which is in the centre of the county. In the aftermath of the adverse weather, it looks like a site that was bombed. A 1 km stretch of road by the beach was obliterated, with rocks strewn all over what was once a roadway. The playground was destroyed. Some 20 acres of sand dunes, amounting to more than 1 million tonnes in weight, have been wiped from the blue flag beach. The adjoining low-lying areas at Keelnabrack, Dooks, Cromane and lower Killorglin are impacted, with the main harbour in Ardcanaght severely breached. Health and safety issues are now the prime concern for residents, who are at serious risk from Atlantic surges as the natural sand barriers continue to deplete.

The development of the Wild Atlantic Way offers huge tourism potential for County Kerry and other counties, but a recurrence of this type of environmental damage will devalue and

aesthetically harm this great resource. Unfortunately, in the context of global warming and the eventual rise of the seas due to polar melting, we will have to live with these conditions into the future. I urge the Government to sanction local authorities to proceed immediately with emergency work. In the long term, however, a more comprehensive strategy is required. The Minister of State, Deputy Brian Hayes, has indicated that a report from the Office of Public Works is imminent. I understand the Minister, Deputy Phil Hogan, attended a Coastwatch Europe conference yesterday. We will have to take that type of expertise on board, in addition to that of Government advisers. Massive funding will be required, from the State and the EU, to protect our coastline for the future.

Deputy Mick Wallace: I acknowledge that it is very challenging for the State to have to deal with so many problems coming from so many directions as a consequence of the recent adverse weather. Most Deputies have spoken about problems in their area and I am obliged to report that Wexford was not spared. Coastal erosion is an issue that requires greater investment by the State. On Bannow Island, which is very close to my own home, the bank has given way and the sea has made significant progress onto the road. That problem will have to be fixed and the longer it is left the more it will cost. I realise that fixing all the problems throughout the State at once is impossible, but the sooner we get to grips with them the better.

An issue I have not heard mentioned in the course of the debate is the problems being experienced by lobster and crab fishermen. These are small operators who do inshore work and cannot afford to go out past the 5-mile mark. Many of their pots have been damaged beyond repair. In fact, some of them have lost up to 80% of their pots. It is impossible for these fishermen to obtain insurance against this type of damage because no company is interested in providing it. Lobsters are generally caught in the summer, while the crab season goes from August to November. Most years the fishermen take in the pots when there is potential for storm damage in the off season. This year, however, many of the fishermen, in the Kilmore area in particular, have been out searching for the body of a missing colleague, Paddy Barry, and did not get around to bringing in the pots. They are now in a very unfortunate position. When I asked some of those who contacted me how the State might be able to determine which pots were damaged, they replied that the only way to get around that is for them to retain the damaged pots to show what was done.

Last Tuesday's edition of *The Guardian* included an article on inland flooding by George Monbiot. He describes the nub of the problem, which applies in Ireland as much as in Britain, as follows:

[T]here is an unbreakable rule laid down by the common agricultural policy. If you want to receive your single farm payment – by far the biggest component of farm subsidies – that land has to be free from what it calls “unwanted vegetation”. Land covered by trees is not eligible. The subsidy rules have enforced the mass clearance of vegetation from the hills. Just as the tree-planting grants have stopped, the land-clearing grants have risen.

One of the reasons we are seeing so much flooding is that we do not have enough trees. This is because land that is under trees is ten times better than cleared land at taking and holding water. That is a major issue.

Deputy Joe Carey: I propose to share time with Deputies Pat Breen, John O'Mahony and Noel Harrington.

Acting Chairman (Deputy Peter Mathews): That is agreed.

Deputy Joe Carey: The year 2014 arrived with extremely high tides combined with gale force winds and torrential rain, which caused ferocious damage to homes, villages, businesses and communities on the north and west coasts of County Clare. Significant urgent works are now required to rebuild flood defences and incorporate new flood protections, including the construction of sea walls to protect homes which are now left open to the elements in areas such as Cloughaninchy, Quilty and Liscannor. Vast stretches of coastal roads have been broken up, damaged, undermined and, in some cases, swept away. Damaged piers, footpaths, walls, bridges, railings, lighting and promenades all require repair and investment. This work is required in places such as New Quay, Doolin, Liscannor, Lahinch, Quilty, Doonbeg, Carrigaholt, Kilbaha and Ross Bay and into the Shannon Estuary at Kildysart, Ballynacally and Clarecastle, along with the inland community at Dooras in O'Callaghan's Mills.

I compliment Clare County Council, the emergency services and local volunteers for their work both during and after the storm period. The initial storm damage report presented by Clare County Council documents the scale of the devastation and puts a total costing of €23.7 million on the repair works that will be required. The Government has sought more detailed costings from local authorities. However, I ask that immediate emergency funding be made available to Clare County Council. This essential funding would enable the council to proceed with emergency works. At the very least, councils should be given approval to carry out what are deemed to be emergency works and the costs relating to these should be fully covered.

Of primary concern to me are people who have been displaced from their homes, such as those who live in Cloughaninchy in Quilty, whose houses have been exposed to sea water for the first time in living memory, such as those who live in Liscannor, and who were cut off from their communities, such as those who live in Dooras, O'Callaghan's Mills and in Kilbaha. The communities in these areas are living in fear of the next high tide which is due at the end of January. The people to whom I refer are justifiably worried about their children and their homes, in which they have invested so much of their time and money.

County Clare is very much dependent on tourism and it is important that work should begin to repair the devastating damage to the promenade at Lahinch, the Flaggy Shore at New Quay, the village of Liscannor and the Loop Head peninsula in time for the forthcoming summer season. The farming community has also suffered greatly, with hundreds of acres of land in Ballynacally, Kildysart, Carrigaholt and Doonbeg flooded and in need of relief. There is a need to apply to Europe for additional funding in order that we might address this issue.

Deputy Pat Breen: I welcome the opportunity to raise the concerns of the people of County Clare who have been so badly affected in the aftermath of Storm Christine. I have never witnessed the scale of the damage that has been done. As I drove across the county on Friday last to survey the damage and meet with the affected communities, some of the images I saw brought to mind Armageddon. Large sections of our coastal infrastructure have been ripped apart. Sea walls have been washed away, roads undermined, seaside promenades have disintegrated, family homes and businesses have been flooded and hundreds of acres of land have been submerged under water. The initial storm on St. Stephen's night left four families stranded in Dooras in O'Callaghan's Mills but the events of Friday, 3 January, and Monday, 6 January, were particularly devastating for communities in the coastal areas of west and north Clare. Last year, the area surrounding Loop Head lighthouse was voted the best place in Ireland in which to holiday by *The Irish Times*. However, when the storm was at its height two weeks ago, most of Loop

Head Peninsula was under water. An island was created at Kilcredaun and Carrigaholt was cut off, the supporting sea wall in Kilbaha was washed away at 9 a.m. as local people looked on, the coast road to the Bridges of Ross was destroyed, roads in Doonbeg were decimated and sand disappeared from various beaches in the area. It was heartbreaking to visit the community in Quilty on Friday morning last and listen to the stories of families which had to be evacuated from their homes by the Irish Coast Guard at 6 a.m. and who were only allowed to bring essential belongings with them. It was pitiful to hear about the plight of two children whose two pet dogs drowned in the floods. A massive four tonne boulder was tossed 30 feet by the angry sea and landed close to the pier in Doolin. The promenade in Lahinch disintegrated, in Liscannor a five meter pier wall section was washed out to sea and over 3,150 m of the acclaimed Flaggy Shore, mentioned in the works of the poets John O'Donoghue and Seamus Heaney, has been badly damaged. Substantial areas of farmland in the locality in which I live remain underwater and breaches to the Fergus Embankments at Ballynacally and Kildysart forced farmers to use boats in order to get feed to animals stranded across their properties.

In the limited time available it is difficult to highlight the impact that the storm has had on the community in Clare. Suffice to say that the damage has been extensive. We will have the opportunity to show the Minister of State with responsibility for the OPW, Deputy Brian Hayes, the situation on the ground when he visits County Clare on Friday of next week at the request of Oireachtas Members. Clare County Council estimates put the bill for repair and reconstruction at €24 billion and is currently putting together an actual assessment of the cost. I ask the Minister of State to provide 10% of the costs submitted by Clare County Council in the form of emergency funding in order to assist it in engaging in immediate reconstruction before the spring tides arrive next month. That would be a gesture of goodwill on the part of the Government. I appeal for the amount to which I refer to be given to all communities affected. Coastal defences are crucial to such communities and the people who live in affected areas deserve to have the necessary works carried out.

Acting Chairman (Deputy Peter Mathews): There is one hour remaining but the number of Members offering means that some 70 minutes of speaking time have been requested. If people can reduce the amount of time necessary for their contributions, they should please do so. I feel I am playing the role of timekeeper rather than that of cathaoirleach. I ask Members to bear with me.

Deputy John O'Mahony: I do not know whether one can cut down any further on two and a half minutes of speaking time. In any event, I welcome the opportunity to make a number of points.

The local authority in Mayo, voluntary and State agencies and volunteers did tremendous work to mitigate the effects of the problems to which the recent storms have given rise. It must be recognised, however, that such problems exist. Untold damage has been done to the Mayo coastline, which runs from Killary Harbour to Ballina to Belmullet past Achill Island through Louisburgh and Westport and onwards. I am aware, from speaking to the Minister of State, Deputy Brian Hayes, and the Minister for the Environment, Community and Local Government, Deputy Hogan, that a co-ordinated, interdepartmental approach is being taken in respect of this matter. Sometimes, however, such approaches do not have the desired impact on the ground because one may find local authority staff cleaning up beaches that are adjacent to lands where flood alleviation is required. If one inquires about the matter, one is informed that the necessary alleviation is someone else's responsibility. We must emphasise the need for flexibility and a one-stop-shop approach must be adopted at local level. If the latter does not happen,

all kinds of difficulties will arise.

Reference was made to farming. I was at a meeting on Monday night at which over 150 farmers were present. Huge damage has been done to their land. Fences have been destroyed and boulders and other debris have been deposited on their farms. Local improvement scheme, LIS, roads, to the repair of which farmers contributed, have been wiped off the map and they cannot gain access to parts of their properties. I have raised this matter with the Minister for Agriculture, Food and the Marine, Deputy Coveney, particularly in the context of the implications for farm inspections. I know of one farmer in a coastal area whose property was inspected in the past week. I am of the view that the carrying out of inspections in the areas to which I refer should cease. I accept that there is goodwill in respect of this matter but it must be made manifest in order to ease the impact of the trauma experienced by the people who live in coastal areas.

There is a need for funding to be provided. As other speakers indicated, fishermen must be compensated for the loss of nets, lobster pots and other gear. We should leverage whatever funding is available at European level in order to address this matter. I accept that a great deal of work is going on behind the scenes but there is a need to get the message across to those who live in coastal areas that help will be forthcoming.

Acting Chairman (Deputy Peter Mathews): The Deputy's adherence to the time limit was excellent.

Deputy Noel Harrington: The brunt of the recent storm was experienced first on the south-west and west coasts. West Cork was probably one of the first areas to feel the impact of the tempest and it did not get away lightly in the context of the damage that was done. The damage resulted from a powerful combination of strong winds and particularly high tides and tidal surges. These coincided with what might be termed as almost a "perfect storm". The main damage assessed to date by Cork County Council is that done to piers, sea walls and coastal roads. Some 56 separate incidents occurred along the coast of the county, with the majority experienced in west Cork. The untold damage to private property has not yet been assessed. I estimate, however, that the cost of repairing this will amount to hundreds of thousands, if not millions, of euro.

The aquaculture sector has been severely impacted upon. Assets such as lobster and shrimp pots and mussel lines were lost and people's livelihoods were swept away with them. Serious damage was done to many of our coastal roads, with some 60 separate incidents throughout the county. The vast majority of these occurred in coastal areas. Repairs will have to be carried out immediately as some sections of road are no longer in existence. I remind the Minister of State of the good work done by local authorities in repairing many of these roads in the aftermath of the severe winters we experienced a few years ago.

Eircom is currently grappling with a problem relating to telephone lines in the Glengarriff and Kealkill areas of west Cork, where thousands of subscribers are without service. This is a particular problem for those who have panic alarms fitted in their homes because the latter do not work without phone lines. I ask that Eircom prioritise the repairing of the lines to the homes of elderly people who have panic alarms fitted.

Deputy Maureen O'Sullivan outlined, in very eloquent terms, the damage done to Cape Clear Island. Bere Island, Long Island, Hare Island, Dursey and, to a lesser extent, Whiddy

Island off the coast of west Cork have equally suffered some extraordinary damage which will need to be prioritised.

The council has also compiled a provisional list of damage to harbours, beaches, sea defences, roads, lifebuoys and aids to navigation. I hope the Minister of State will be in a position to quickly access and release funds for these essential repair works. The priorities will need to be discussed and it will require a multi-agency effort to reinstate some of the infrastructure. It is easy to see now why the line from Donegal to west Cork is called the wild Atlantic way because the ocean hits hard.

Acting Chairman (Deputy Peter Mathews): Deputy Dara Calleary is sharing his time with Deputy Éamon Ó Cuív.

Deputy Dara Calleary: I join all Members in complimenting the staff of the various local authorities and the emergency response agencies for their response to the situation. I ask the Department of Agriculture, Food and the Marine to suspend all inspections for the time being. A property that was extensively damaged was inspected for fencing. It is beyond me how any inspector could drive into an area to look for fences when he could see the damage that had been done by the storm. There needs to be a suspension of inspections for a time to allow landowners to restore their property.

Fishermen have been seriously affected, in particular small-time fishermen along the Mayo coast from Louisburgh up to Belderrig. They have no other income and their pots and nets have been destroyed. Some form of funding needs to be available to help them to replace their equipment.

I remind the Minister of State that there is concern about the impending spring tide. The projections are that this year's spring tide will be one of the highest in decades. Much work will be required in the next weeks to protect coastal defences ahead of that spring tide in order that further damage can be avoided.

Houses on the west coast have been destroyed by the storm and the owners may not be aware of the existence of hardship funds. It would be beneficial if the Department or the Irish Red Cross were to provide information about the hardship funds available to help in the restoration of houses.

It is not good enough that, as of this morning, Eircom has 1,000 customers in County Mayo who remain without service. It is the State telecom company, although it has been privatised and it dances to a different tune now. It has the customer base on the basis of having been the State monopoly and it needs to up its game, so to speak. We all noted the work done by the ESB workers to restore service throughout the Christmas period in horrific weather. Eircom needs to be given a message from the Minister for Communications, Energy and Natural Resources that it should get its act together and up its game. The telephone landline is the only means of communication for many people.

Those of us who live on the west coast have found it extraordinary to witness at first hand the power of nature and the damage it has done in a relatively short period. As a country and as an island nation we must take coastal defence seriously and put it top of the agenda. I acknowledge that previous Governments also did not give it priority but it must be a priority for the Minister of State.

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Deputy Éamon Ó Cuív: I dtosach báire, ba mhaith liom a rá go bhfuil scrios déanta ar chósta na Gaillimhe ó chathar na Gaillimhe chomh fada leis an gCaoláire Rua. Tá an chuid is mó den chósta sin ag breathnú siar ó dheas. Tá scrios déanta ar an gcósta, ar an mórthír agus ar na hoileáin. It was literally the perfect storm consisting of high seas building up over a period of time combined with a spring tide. This was accompanied by a high wind that came right at the time of the incoming high tide. If the wind had come six hours earlier or later, the damage would not have been the same. It amazed me to see some of the damage in places that would have been regarded as relatively sheltered by islands, for example. One indicator of the unusual nature of the storm is that at one end of Roundstone village, some houses were flooded which had been built 100 years ago and which had never been flooded previously.

We need to be practical when dealing with the situation. When we have looked at the pictures and mentioned all the places that have been destroyed, we will need to have a plan to deal with the issue. The response has been tardy in making money available for local authorities. Infrastructure has been damaged or destroyed. Some roads are the responsibility of the local authority while others are not. Sea walls and piers may be in council charge while others are not. Slipways, walkways, blue flag beaches and graveyards are part of the public infrastructure. Private property has been damaged which will have been insured in some cases but not in others. Houses with a history of flooding - as the Minister of State will know - find it almost impossible to get insurance. There has been significant destruction of farmland. I compliment Deputy Andrew Doyle for agreeing to debate the farming issues with the relevant Departments. As other speakers have observed, land which no longer exists is shown on satellite maps. It will present a significant challenge for farmers to have accurate maps for next year. Fences and stone walls have been destroyed in my area. Stones were thrown over the strand, the dúirling and the areas of green grass at a distance of 50 yards. Fences, boats and fishing gear have been destroyed or disappeared. Avenues and roadways to houses - little bóithrins leading to farms - have disappeared in the tide. In my view, before talking about the hundreds of millions of euro, each county council should be given an immediate allocation of money for urgent works. I cannot understand why that did not happen the week of the storm. The county councils should have been provided with €10 million or €15 million to attend to urgent works. An assessment of the damage must be undertaken as well as a comprehensive plan to repair all the damage to public property. Roads and piers not in council charge are public property. There needs to be a plan to repair all these whether in council charge or otherwise.

We need to consider the issue of sea defences. I accept that nature will beat us at times because we cannot protect against all eventualities. However, we must consider where sea defences have worked and where there is a likelihood of a reoccurrence. A financial package will be required for longer-term work. It is imperative that an application is made to the European Union and that we once again underline that because of its climate, Ireland is more likely to suffer a series of non-catastrophic natural disasters which may not amount to 0.6% of GNP or the unrealistic figure required by the EU which in Ireland's case is damage amounting to €750 million. A case should be made because the EU paid out on a previous occasion.

The only practical way to attack the repair of coastal walls would be for the Minister for Social Protection to approve further participants in the rural social scheme and to provide extra money for materials in order that the coastal walls and walkways which are between the sea and the first field could be replaced and rebuilt. Many farmers will not be in a position, because of age and otherwise, to rebuild these walls.

4 o'clock

It is important the Minister for Agriculture, Food and the Marine makes an *ex gratia* fund available to assist farmers, fishermen and others who face exceptional losses as a result of storms which could not be insured against. We need a derogation from the compliance rules from the Department of Agriculture, Food and the Marine given damage caused by the storms and this must include the map issues.

There is a humanitarian aid scheme, which is on the website of the Department of Social Protection. However, it seems the Department did not highlight the fact the scheme exists for people who face personal losses - for example, damage to a house which could not be insured. It is very important the Government and the Department of Social Protection make it clear to people that there is such a scheme, that there are applications forms for it and that assistance is available.

I am very disappointed that we are having a rushed debate. I would say there is an attitude of get it over with and get on with it. This needs detailed working out. Would the Minister be willing to agree to a committee of the Oireachtas, or a sub-committee representing different committees, being given the job of teasing this out with each Department so that we could come up with a comprehensive plan into which all of us can buy and which deals with the damage both sides of the House agree is very severe?

Deputy Patrick O'Donovan: I welcome the opportunity to say a few words. The area about which I am concerned is along the Shannon Estuary in west Limerick - from Limerick City to the mouth of the Shannon, in particular the area around Foynes in County Limerick where on the night in question 2.5 ft. of water poured out on to the main street causing damage to businesses and homes and the evacuation of people. The Minister will be very familiar with one particular evacuation. I compliment the fire and the emergency services and the local volunteers in the community in Foynes and further afield. While the village and the area have flooded before, the engineers in Limerick County Council say this was the worst they had ever seen.

I am glad the Minister of State has agreed to a request I made to his office yesterday to visit the community of Foynes next Friday during his tour of the mid-west because he needs to see first-hand what has happened and the potential solutions with the Shannon Foynes Port Company, Limerick County Council and Irish Rail which, along with the local community, are the interested parties.

Another high spring tide is due in the coming weeks, to which previous speakers have alluded, and while we may not be in a position to do remedial works in that period of time, we need a plan. The people of Foynes and further afield along the Shannon Estuary on the Limerick side need some sort of a plan to ensure the State will do whatever it can.

I pay tribute to the work of the ESB, the local volunteers and the Eircom crews who were out in atrocious weather trying to reconnect people. What I will try to impress upon the Minister of State on Friday week is the need for this community, which experienced severe flooding before, to be prioritised by the Department because what it experienced on the night in question during Storm Christine was nothing like what it experienced before. While the community lives along the Shannon Estuary, and we might be tempted to forget about Limerick in the context of the damage done on the west coast, the people in Foynes are in dire need of attention from the Department of Public Expenditure and Reform, other Departments and the local authority. I hope support will be forthcoming.

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Deputy Seán Kyne: Like other speakers, I take this opportunity to thank county council, ESB and Eircom staff and local communities who cleared seaweed and cleared rock debris from many of our local roads during the height of the storm. Galway County Council has estimated €8 million worth of damage was done while the city council has estimated €750,000 was done. Clearly, the funding and repair of infrastructure locally is beyond the scope of our local authorities and State funding is needed. We also need to apply for the solidarity funding from the European Union.

The Minister of State indicated he is contacting the local authorities seeking more detailed reports by 14 February on the envisaged works, including costings. While I acknowledge that must be done, I agree with those who stated there should be an immediate payment of some of the millions of euro in the case of Galway County Council to allow it to carry out the most urgent repairs. Some projects are larger and will have to go out to tender but for those smaller projects, an immediate source of funding is needed.

Damage was done in different areas in the city and county, including in Salthill and the Claddagh. In Spiddal, where there was rock armour along the coast, the prom was not affected but where there was no rock armour, the prom was torn up. That is clearly a solution at which we need to look in that we need to ensure rock armour is put in place. We also need to look at the lovely walkway in Spiddal which does not have rock armour.

As part of a study, we need to look at the existing infrastructure. For example, a sea wall in Aillbrack, Ballyconneely, which was built in 1942 and repaired in 1952, collapsed and caused flooding and hardship for the locals. It would not have required a lot of investment over the years to protect it but, unfortunately, that was not done. Now the overall cost will be added to. That is something at which we need to look.

Damage was done on our islands, including the Aran Islands and Inisbofin, in terms of coastal erosion and coastal defence walls. Piers and graveyards have been affected, roads have been washed up and bridges have possibly been undermined, including Lettermore Bridge. There are a number of problems and we need funding. I urge the Minister to do all he can to advance funding to Galway County Council and Galway City Council.

Deputy Dan Neville: I welcome the opportunity to contribute to the debate. I wish to deal with the area in County Limerick along the Shannon Estuary - although there was also flooding at the basin of the Maigue and Deel rivers - namely, Foynes and Ballysteen-Askeaton where there were breaches. There is great concern that further high tides on 1 February will cause further damage if remedial repairs are not done quickly. The flood defence wall built only nine years ago was unable to protect homes in Foynes. Many felt the old earthen bank, which was there, would have done so. Nobody, including the chairman of Shannon Foynes Port Company, CIE or the Office of Public Works, wants to take responsibility for what has happened. It is important these organisations get together to ensure the situation is urgently responded to.

On the night in question, water came gushing through a breach in Foynes shortly before 7.30 p.m. flooding almost 40 bars, shops and homes, turning the main street into a temporary river and flooding the community centre and car park. The affected buildings were clustered in the centre of the town. Serious damage was done and there was a serious risk to the lives of some elderly people. I pay tribute to the Garda, the fire service, the HSE and the staff of Limerick County Council who responded on the night in question.

In regard to Ballysteen, the River Shannon breached its banks in two places and a sizable area of agricultural land was seriously flooded and is under water. If not repaired in a short period of time it will result in two breaches becoming one large breach with the final outcome being the whole area becoming a permanent flood plain. It is important some remedial work is done to prevent further damage in the Ballysteen-Askeaton area.

Deputy Jim Daly: I commend the Minister of State on the leadership he showed on behalf of the Government during this crisis. It was very reassuring for people to be aware of the Government's interest and concern and that funding would be made available to deal with the situation as it arose. That was much appreciated.

The area I represent in west Cork relies very heavily on tourism. Unfortunately, some of our finest natural assets were destroyed during the recent storm. It is imperative that the Government supports the local authority in fixing and making good the damage done to the natural infrastructure which attracts thousands of people to west Cork each year.

Another area on which I would like to focus is the damage done to roads by this storm. While the majority of the damage was done to beach walls close to the coast, much damage was done by the flooding of roads, which is very corrosive. When allocating funding, the Minister should consider placing a prerequisite on it that maintenance is central to it to ensure future events, such as this, are catered for. For too long, the local authorities have been guilty of fixing roads by filling patches of them with tar without taking the water off the roadway. If that work is not done, we will be having the same debate here again soon. The weather does not look like it will get any better in the short to medium term. We have to be more proactive and to take a bigger view of this. We should penalise local authorities that do not undertake the necessary maintenance works, or do not provide for drainage to take water off the roads as part of remedial works. I support the comments of Deputies Maureen O'Sullivan and Noel Harrington about Cape Clear, which took a particular battering. I ask the Minister to take a special interest in ensuring the necessary moneys are made available there. I would like to conclude by commending the emergency services, the local authorities, the Garda and everyone who was involved in dealing with these issues at a very difficult time for families. They were willing to give up their time for the greater good.

Deputy Brendan Griffin: I could probably speak about the damage that has been done in County Kerry for two hours, but I will try to say as much as I can in two minutes, which is a very short allocation. I commend the Minister of State, Deputy Brian Hayes, and the staff in his office on their assistance and work over the past two weeks. I thank the OPW staff who have done a great deal of work on the ground. They were already in place at the main arterial drainage system in County Kerry. There was a serious breach of the bank at Ardcanaght. I understand that the banks at Laghtacallow and Keel and also across the water at Garraun and Reen will also be fixed shortly. I thank the staff of the OPW for that. I commend Kerry County Council as well on their work on this. Significant damage has also been done at Cromane Lower and at Kells. The devastation at Rossbeigh has been widely publicised. Almost €400,000 will be required to fix the promenade in Waterville and stop the tide from coming in on the N70, which is the main Ring of Kerry road. The deposition levels on the floor of the River Laune in Killorglin are causing businesses and residences near the bridge in the town to flood.

An overall approach to how we will deal with flooding in the future is needed. Kerry County Council recently invested a number of million euro in coastal protection works at Inch to prevent the main R561 road to Dingle from falling into the sea. It is seriously out of pocket

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because it has not been compensated for this by central government. Proactive councils need to be rewarded rather than punished for carrying out such works. There has to be a bit of thinking outside the box as well. Certain houses that have been flooded recently were built very close to the sea in the last few years. We need to think ahead and look to the future. Funding has to be put in place. Emergency works have to be done immediately. A sufficient fund should be made available in the long term to fix the problems that will arise again in the future at places all over County Kerry, such as Rossbeigh and Cromane.

Acting Chairman (Deputy Peter Mathews): Two minutes is tight. Out of interest, it equates roughly to the winning time in an under-14 competitive swimming 200 m freestyle race.

Deputy Arthur Spring: Is that under water?

Acting Chairman (Deputy Peter Mathews): One can pack many ideas into that time.

Deputy Brian Hayes: That is why we should keep going rather than wasting time.

Deputy Martin Ferris: I was reading recently about the Night of the Big Wind - Oíche na Gaoithe Móire - which occurred on 6 January 1839. The storm was so ferocious and the damage so severe that time was measured by reference to it for generations afterwards. People referred to events as having happened before or after the Night of the Big Wind. In more contemporary times, the people of Kerry remember the big wind of St. Stephen's night 1951. I come from a place called Barrow, where two people were drowned on St. Stephen's night 1951. That was the Night of the Big Wind where I come from. I suggest that the start of 2014 will be another landmark in the measurement of time, in so far as it will be referred to as the Night of the Big Wind as well.

County Kerry, like the rest of the western seaboard, took a battering during the recent storms. The damage was particularly severe in the south and south west of the county. Perhaps we should ask whether this should have been declared a national disaster. The weather might not have been as severe in Dublin, but that does not mean it was not a disaster for people in the west. Kerry County Council has estimated that €20 million will be needed to deal with the damage done to its area during the storms. That is a conservative estimate. The effect of these storms on people living in rural coastal communities is enormous. The livelihoods of farmers and fishing families have been put in jeopardy. Never before in my lifetime did I see Fenit Island flooded. It is like a sea within a sea.

As Deputy Ó Cuív mentioned, many farmers have lost livestock, fodder, fencing and equipment. Acres of land are now covered in water. Many areas are under stones and debris. The reclamation of this land before the stones and debris get embedded in the soil should be a priority. Two actions must be taken immediately. First, farmers must be given financial aid to help put the damage right. Second, the Minister for Agriculture, Food and the Marine must issue a statement regarding land that is now covered in sand, stones and debris - and, in some cases, salt water - so that departmental inspectors do not deem it to be ineligible for single farm payments or Pillar 2 funding.

Many homes were flooded. This is becoming a standard phenomenon each winter. We all watch the news and see people sloshing around in their homes and business premises. This happened in counties Kildare and Carlow in the not too distant past. There have been similar incidents in the Shannon basin. Anyone who has suffered flooding can testify that when the television cameras are gone, a long and painful mopping-up operation must be undertaken.

Some people have to deal with insurance companies that have not distinguished themselves in their care of their clients. In particular, they have not sanctioned urgent and prompt pay-outs to allow people to put their homes and businesses, which are of great importance at this time, back together after the destruction has happened.

Local authorities have a statutory responsibility to provide adequate housing for people. They must be resourced to help those who have lost or had severe damage done to their homes. An emergency scheme like the former scheme of housing aid for older people and people with disabilities must be made available. Community welfare officers must be given the flexibility to assist people who have lost furniture and household items due to flooding. On the issue of local authority responsibility, it is worth noting the estimate that the infrastructural repairs that are needed immediately in County Kerry will cost approximately €3.5 million. There are serious health and safety issues not just in Kerry, but all along the west coast. There are roads in danger of sliding into the sea or subsiding dangerously. I think every Deputy in County Kerry will have visited places that have been badly damaged in recent weeks.

I call on the Minister of State to reinstate and provide adequate funding under the former local improvement scheme to enable local roads to be repaired. Something like that needs to be done swiftly. Before the recent storms and flooding, hundreds of local roads used to access rural villages and farmlands were in urgent need of repair. These roads must now be made a priority. All the signs suggest that our weather is changing and becoming more severe, in terms of storms. All the predictions indicate that this will continue. In addition to dealing with the recent damage, we have to look forward and make provision for the likelihood of further severe weather, perhaps in the near future. It is vitally important that we prevent such severe damage from recurring. At the end of this month and into the first week of February, we might see the biggest tide ever recorded. Four tides well in excess of 5 m are expected this year. That will create a significant problem if similar storm-force weather is experienced during that period.

Initial estimates put the cost of protecting the coastline in County Kerry at €16 million. If Deputies will excuse the pun, this a drop in the ocean compared to the cost of properly defending a coastline that has very vulnerable spots. No responsible administration would leave such areas unprotected against similar weather. The worst effects of the storm weather were felt around Beal and Ballybunion in north Kerry and near Waterville in south Kerry. I think everybody has seen the television footage of Derrynane, where an entire caravan park was washed away. It is reckoned that over 1 million tonnes of sand have been washed away at Rossbeigh. It is estimated that €8 million worth of damage was done at Lahinch in County Clare, the pictures of which everybody has seen. A great deal of damage was done to the north and to the south of the main car park at Banna beach. Some 20 ft. of sand dunes are gone. The signs that hold up the life belts were directly in front of the sand dunes, but the sand dunes are 20 ft. behind them now. That is another example of the substantial damage caused by this event. Ballyheigue pier, which was built with great community support and in respect of which great work was done by Kerry County Council, with the collective efforts of everybody, took an awful battering, with some rocks weighing 3 tonnes or 4 tonnes being washed up on the pier and into where the boats are usually tied up.

This kind of event has an effect on a whole community. The communal trauma was palpable down around those areas in the days following the storm. It is a devastating experience to feel so helpless in the face of such power and to watch the very soil of one's native land disappear under the weight of water which pounded the shoreline, not to mention places like Cromane, where houses were also flooded.

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We cannot prevent the force of nature, but we can try to protect our coastal and island communities. The extreme winds combined with record high tides and huge swells did damage, some minor and some disastrous, to sea walls, roads, seaside car parks and playgrounds and of course the sand dunes adjacent to beaches used by people, including visitors to the area, during the summer months.

As shown on television news coverage, the sea and cliff rescue boathouse in Ballybunion was badly damaged by the force of waves, which took the shutter doors off the front of the building. Recognising the importance of the facility for the safety of those using the locality, local people have already begun to raise funds to help repair it. Great credit is due to the people of the area as they try to put it back in operation again. Meanwhile, there are parts of the coastline around Ballybunion which are in danger of falling into the sea. The local people and the workers of Kerry County Council deserve huge credit for the work they have done in trying to carry out repairs and to deal with the huge amount of debris they have cleared.

We cannot leave ourselves exposed to the whim of Mother Nature, or the will of God, whatever one's belief on this. As Deputy Stanley has pointed out, something permanent will have to be done as we deal with the prospect of rising seas and more storms ahead. Climate change experts have said for years that Ireland will be subject to this kind of battering again in the future.

What is the Government's long-term strategy to deal with rising seas and severe weather such as heavy snow, torrential rain and high winds? Have we applied for emergency EU funding to deal with this episode and to get help to deal with coastal erosion in the future? Is there a long-term strategy to deal with erosion and put in place erosion-preventing measures? These are relevant questions which need answers.

The people who know the sea, the people who live beside it and watch it every day, the people who go out onto the ocean and know its mood, are saying we need to take heed and we need to listen to them. This week members of the Oireachtas Joint Committee on Agriculture, Food and Marine visited Inisheer. We saw at first hand the damage that was done in Salthill and out on the island. It was very interesting to listen to the fishermen describe three waves that came one after the other. Those waves were approximately 30 m high and 1 mile wide. Luckily those waves missed the island, but it just goes to show the power of the sea. Anybody, who has seen what the sea has done as a result of this storm, will be in no doubt as to what it can do.

Many small fishermen - representing 80% of them - are barely surviving. Some of them have lost hundreds of lobster pots because of the storm. They need help and support. I urge the Minister of State to try to relieve pressures on these fishing people.

Acting Chairman (Deputy Peter Mathews): I call Deputy McNamara, who is sharing time with Deputies Nolan, Spring, Conway, Kevin Humphreys and Ó Ríordáin.

Deputy Michael McNamara: I will use the very limited time available to me to ask a question of the Minister of State. Would a designation of SAC or SPA help to bring private lands under the scope of the EU Solidarity Fund? Many Deputies, MEPs and Senators have been calling for EU funding. While that is very helpful we need to consider the extent to which that could be useful. Article 3 of the directive that established the Solidarity Fund is quite prescriptive in the types of works for which funding can be received from the European Union. Among those areas that can be funded is the immediate securing of preventive infrastructures and measures of immediate protection of the cultural heritage, and immediate cleaning up of disaster stricken

areas, including natural zones. Obviously it applies to works carried out by the State.

Does the habitats directive or the birds directive impose a duty on the State to carry out repairs to habitats and areas damaged by the storm because there is a duty on the State to restore them? That might be restoration in the case of damage by individuals and many landowners in the area might not normally be appreciative that their lands are in SPA or SAC-designated areas. In areas such as Clohaninchy near Quilty considerable damage has been done to private lands by a golf course, and also Ballynacally and Killadysart which are all SPA designated. Does that designation require the State to carry out remedial works and how would that be funded?

An issue that caused considerable damage was the neglect of culverts across the west coast of County Clare. There has been a bun fight involving the OPW, the Department of Agriculture, Food and Marine, and Clare County Council that has gone back over decades as to which is responsible. It does not really matter who is responsible; they are in State ownership and need to be repaired soon.

Deputy Derek Nolan: The damage caused to County Galway during the recent very bad storm weather has been described as the worst coastal damage caused to the county in recent memory. It has caused damage to important infrastructure such as roads and piers. It also damaged graveyards, and people's walls and homes. In the city there has been damage to the promenade in Salthill and businesses along the Claddagh. The entire county was affected by the weather. I pay tribute to the staff of Galway City Council, Galway County Council, the emergency services and the ESB.

While nobody in this House is responsible for what happened, it is our responsibility to ensure that funding is made available immediately for urgent critical works through the local authorities and to put in place a medium-term strategy to deal with the greater effects on private and public property. We also need to ensure we have measures in place in advance to deal with the effects of high tides, including such unprecedented high tides.

We need to get the money out there quickly so that people in these areas know something will happen to deal with these communities and businesses that have been severely damaged. Fishermen have been severely put out because of damage to their boats, their materials and their facilities, not to mention the damage to the roads in order to get to the piers in the first place. We need to get the money out there to help put these people and their businesses communities back to work and on the right foot as soon as possible.

Deputy Arthur Spring: Time and tide wait for no man. County Kerry's key attraction is tourism. The county has experienced €20 million worth of damage as some of my colleagues have outlined. Enormous damage has been done to places such as Ballybunion, Barrow, Ballyheigue, Kells, Cromane and Rossbeigh. I spoke to the Minister of State earlier about job creation in Kerry. Tourism is where it is at and we need to get that solved. We are talking about the Wild Atlantic Way at the moment. We will not have the attraction for next summer. It is important not only for the purposes of environmental protection, but also for job protection.

The Government needs to give priority to areas where the damage that has been done to the coastline is of significance to the people and not just the environment. I would put Kerry at the forefront in that regard. Kerry is different from places such as Galway and Clare in that we have soft coastline. We have sand dunes that are special areas of conservation and we have been instructed by the European Union to look after them. As a result there is an argument for

us to go to Europe and make the point that if we are being asked to neutralise and sterilise pieces of land for the betterment of the European Union as prescribed under the habitats directive, it should come forward with money to protect them. Individuals in Kilshannig in Castlegregory were isolated in their homes and could not get back into the mainland. Part of the tombolo was affected.

Counties such as Kerry need to be addressed with immediate effect. I seek a response as to how this will be done.

Deputy Ciara Conway: Many of the previous speakers have spoken about the devastation the weather brought in the new year particularly to coastal communities. The state in which it left the road networks in Tramore in County Waterford came to national attention. What was most alarming about the sinkhole that emerged and was shown by the media was how little there is between the road surface and what is beneath it. The Department of Finance needs to consider its allocation for roads and infrastructure. We cannot linger about investing in infrastructure that is so important to tourism and for day-to-day usage. Residents in that area were very distressed to see how little concrete there is between us and what is underneath, and by the sheer force of nature that washed in the water and crumbled the road. If we let this linger and do not get ahead of it we will always be playing catch-up. It is imperative that we invest in our infrastructure to service citizens and visitors to the country.

Deputy Kevin Humphreys: I too thank the local authority workers, statutory authorities and the Minister of State at the Department of Finance for the work they did. Will the Minister of State at some stage give me a report on the breach in the flood defences at Fitzwilliam Quay in Ringsend, which was only recently built by the Office of Public Works?

When the repairs are done and the defences built the residents who were flooded during this period and who have paid flood insurance for decades will be refused compensation. This will have a significant long-term impact on small and medium sized businesses and on residents who want to move house, whether to downsize, or because they are starting families. For too long the insurance industry has held this country to ransom, especially those unfortunate people affected by this weather. The battle has only begun. When the repairs are done and the defences built the insurance companies will mess around the very people who have gone through this trauma. I ask the Minister of State to take this up with the Minister for Finance, Deputy Noonan, in some way, perhaps to consider the licensing of insurance companies. They must take a proportion of the risk, especially when the State invests millions of euro in flood defences. We may need to examine their licences or go through the Competition Authority to see if they are engaging in restrictive practices. Residents whose homes have not been flooded in over 100 years will no longer be able to get flood insurance after the repairs have been done. Buyers will not be able to get mortgages to purchase homes because the insurance companies will refuse them. There are restrictive practices in the insurance industry which must be tackled quickly.

Dublin city may need a tidal barrier against storm surges, similar to the Thames barrier in London. I ask the Minister of State to consider that as a long-term practical solution.

Deputy Aodhán Ó Riordáin: I have been working very closely with Councillor Jane Horgan Jones of Dublin City Council and Councillor Judy Dunne on Fingal County Council and with Brian McDonagh on this issue. I join Deputy Kevin Humphreys in thanking the council workers, as I know the Minister of State will too, who did excellent work on the ground over

the Christmas period.

The 2005 Royal Haskoning report which covered the entire northside strip of north County Dublin, going up to Clontarf, has not been fully implemented. I would like a report on its implementation. Not all of its recommendations are necessarily desirable, much of the work must be done in consultation with relevant stakeholders but it needs to be worked upon. If it had been implemented some of the damage caused would not have happened.

The main artery between Baldoyle and Portmarnock has been very badly affected and people have been flooded out of their homes, particularly the O'Rourke family there. The local authority there does not view this as a main artery but there has been huge development there since 2005 and there is a lot more development planned. I would like the Minister of State and his Department to assess that with the local authority if he could.

I echo Deputy Kevin Humphreys' comments about the insurance companies. We have discussed flood insurance many times and its effect on the householder and the collapse in value of the property. It is of key importance that the Minister of State engage with the Irish Insurance Federation as improvements are made and investment comes on line, to keep it informed of improvements day by day and so that its members reflect them in their dealings with individual householders. This will not go away. It will recur year after year because of climate change. We have to work together to find a long-term solution to it.

Acting Chairman (Deputy Peter Mathews): I invite the Minister of State to conclude. I ask him to be generous and waive 30% of the ten minutes allocated and keep his remarks to seven minutes.

Minister of State at the Department of Finance (Deputy Brian Hayes): I thank my colleagues for their contributions. I am sorry that we did not have more time for this debate. We needed more time to discuss it. I am available to come back to the House at any stage to discuss this matter.

Taking up Deputy Ó Ríordáin's last point this problem is not going away. The reality of climate change must be confronted. Only in recent years have we started to ramp up expenditure on capital flood relief schemes big and small all over the country. Where we have put in that investment in Clonmel, Mallow and Waterford the difference is enormous. The same is true along the Tolka and the Poddle where we have put in place enormous savings for people. That takes a lot of money. A total of €390 million has been spent in the past ten years and that has given much protection to people. This Government is spending €250 million over a five-year term, €45 million a year on an annualised basis. We would need to spend billions of euro every year to resolve all the problems in the country. That is not economically viable. We have to make sure that we have a cost-benefit model, that the funding resolves the problem for the greatest number of people, communities and businesses up and down the country. We also need buy-in from communities. There was a case in Deputy Ó Ríordáin's constituency two years ago where we had funds ready to go, Dublin City Council had funding to go and 4,000 people objected to the proposal we were making.

Deputy Aodhán Ó Ríordáin: Justifiably.

Deputy Brian Hayes: Yes, but we all saw the pictures of Clontarf a few weeks ago. That is the reality we face. We need buy-in from the community on this. These are difficult measures that we sometimes have to go through and support. Barriers are often ugly. They can be made

look aesthetic and beautiful but a great deal of maturity is needed in this debate because this issue is not going away.

I echo what colleagues said about emergency services, especially the council staff, the Garda and those involved in the emergency services who did a terrific job despite the scale of this storm some weeks ago. My Department has responsibility for flood relief. We have written to every local authority asking for applications. I repeat what I said last week, as those applications come in from those counties worst affected we will make sure that they are prioritised and turned around in a matter of weeks so that we can get money quickly to those local authorities to resolve those issues. The priorities have to be repairing the existing flood relief schemes, where they are under our control, and making sure that we patch up those problems, particularly in light of the fact that at the end of this month we will see more significant waves.

The Government has worked in a co-ordinated way under the leadership of the Department of the Environment, Community and Local Government in this area because this was a weather event. I attended the emergency planning meeting last week and was most impressed to see all of the players around the table working out a solution and trying to get funding in place to those communities worst affected. There is an initial assessment of approximately €65 million from the western counties which are worst affected. We have asked that each county furnish a more detailed breakdown within a month. As those applications come in to each Department, be it Agriculture, Food and the Marine, the Environment, Community and Local Government, Transport, Tourism and Sport or the Office of Public Works, we will make sure we get those moneys out to the communities who need them. We will have to return to the question of whether more funding will be needed as we ensure that repair work continues. I am confident that there is strong support in Government to make sure that we reach out to and help those communities that have been so devastated as a consequence of the storms in the past few weeks.

Lessons need to be learned. This is a natural occurrence and, as colleagues said, this problem is not going away. However, the truth is that some pretty horrendous planning and development decisions have been taken by local authorities up and down this country, which is a reality we have to confront. We also have to weigh up whether we can repair areas of the country even though, within a year or two, the infrastructure might be knocked out again. Is that cost-beneficial?

We have to take a much more holistic view, particularly on the question of coastal erosion. Coastal erosion is a natural occurrence and we have to make sure in our planning and development that we do not make decisions which create difficulties for those families and businesses. Seeing some of the decisions that have been taken, with houses put on the side of cliffs and the like, it is clear one is inviting difficulty and trouble. That is the reality. I hope lessons are learned from this in terms of a much more holistic view being taken when it comes to proper planning and development.

As I have said, we have to ensure we can turn around these applications and show cause to the local authorities, which are the first line of defence in any emergency like this. I know the Cabinet discussed this issue this week and that, in all of the schemes, be it in transport, the environment or otherwise, we will make sure we can turn around these applications and deliver the funds to these communities.

I have visited many parts of the country and have met communities which have been affected by flooding in the past. I know huge psychological damage is done to people as a result

of these events. We have to make sure people are given the support they need so their communities can get up on their feet again. Enormous goodwill has been created in many parts of the country as a result of these events. People are working together as communities and showing great spirit in demonstrating to the wider community that they are going to fight this thing, but they need the support of their local and national government in doing that. In anything we in the OPW can do by way of using our resources to help repair the damage that is done to flood defences, be assured we will do it. We have priority for issues like arterial drainage, which comes under our responsibility, and we will be drawing up a list, which I will publish, of the works done in the last two weeks among the 400 OPW staff who work in this area, whom I thank for their support.

Topical Issue Debate

Court Accommodation Refurbishment

Deputy Willie Penrose: I am glad to have an opportunity to raise this important issue pertaining to the necessity of securing appropriate alternative facilities to enable District Court sittings to continue in Mullingar when the existing facilities are temporarily closed for upgrading, renovation and refurbishment. I thank the Ceann Comhairle for selecting this issue, which allows me to ventilate the concerns of all persons - users, practitioners, Garda personnel and business owners - who will be affected by a failure to secure in a timely fashion the requisite accommodation in Mullingar. This is particularly the case given significant accommodation is available in and around Mullingar which only needs to be examined and accredited.

I have been actively pursuing for a number of years the urgent necessity to refurbish and extend the current facilities at the courthouse in Mullingar to bring it up to the standard of modern courthouse that is now available in towns such as Longford and Tullamore. We just want parity in Mullingar by ensuring proper facilities are provided, including ancillary facilities in regard to family law, children in court and so on. I am glad to see this was incorporated as part of the Government's infrastructure stimulus package, which will be delivered by way of public private partnership. Construction work will likely commence next year and will take at least 18 to 24 months, meaning that alternative accommodation to enable the District Court sit in Mullingar will be needed for at least two years.

I appreciate the Courts Service is charged with responsibility in this area, so I am pre-empting what the Minister of State is going to tell me, namely, the Courts Service has responsibility. I am aware of that and know it is its job to seek out the alternative accommodation.

There are a number of buildings which would be available on weekdays and which would be eminently suitable for this important function and, indeed, would be secure, given there must be an adequate and appropriate level of security for judges and other persons. There have been unconfirmed rumours that the District Court sitting in Mullingar might have to relocate to Longford to sit in the courthouse there. This might seem to be a financially attractive option from the perspective of the OPW, given it is the Minister of State, Deputy Brian Hayes, who is present rather than the Minister for Justice and Equality. However, it would be far from suitable in terms of the Minister's budget when all of the additional costs and expenses associated with such a proposal are factored in, and I hope it is not even contemplated. It would mean up to 12 gardaí having to leave Mullingar seven days each month for seven scheduled sittings to deal

with prosecution issues. From a practical perspective, where the accused person does not turn up and warrants have to be issued and executed, this means gardaí would have to embark on a trip back to Mullingar or the particular geographical area where the accused resides.

This would add a significant further cost and is far from convenient when compared with the situation if the court continues to sit at an alternative venue in Mullingar. While it is not ideal for the legal practitioners, they will nevertheless fulfil their primary duty to their clients. However, where legal aid is involved, this would lead to an increased cost for the client in terms of travel and so on, which has to be incurred by the legal practitioners. In addition, all of the relevant Courts Service officials, who are essential for the smooth and effective administration of the court, will also have to relocate for each sitting day - at least seven a month - and also for special court sittings and out-of-hours sittings, all contributing to additional costs, which can be avoided in the context of getting alternative suitable accommodation in Mullingar.

Of course, the public would be greatly inconvenienced and discommoded. It is at least an additional 40 minute journey from Longford to Mullingar. Many people do not have transport and 70% of the people involved in the District Court in Mullingar can access it quite readily; many can walk to court. The distance to Longford courthouse from Mullingar is up to 45 km, so it would be a significant disruption for the people who use it.

There are alternative venues. When Tullamore courthouse was being refurbished, I recall the sittings taking place in the GAA pavilion, which was an excellent facility. There are a number of such facilities in the Mullingar area which are of high quality and which could be examined. They comply with all the required safety features I have suggested. As was suggested previously, Columb Barracks in Mullingar, which is very close to my heart and for which I fought my own battle, is a huge facility which is in the ownership of the State and located in a very secure setting.

An Ceann Comhairle: The Deputy is over time.

Deputy Willie Penrose: Surely, within the confines of a huge array of buildings, it is possible to secure necessary accommodation to enable the District Court to continue to sit in Mullingar during the course of renovation work at the existing courthouse.

Minister of State at the Department of Finance (Deputy Brian Hayes): On behalf of the Minister for Justice and Equality, Deputy Shatter, I wish to thank Deputy Penrose for raising the matter. I will not read out the paragraph about the independence of the courts, as we all know that.

Deputy Willie Penrose: We will take it as read.

Deputy Brian Hayes: Exactly. My understanding is that the Minister has made inquiries on this issue and the Courts Service has informed him it is aware of the importance of maintaining court sittings in Mullingar during the period of construction for the refurbishment and extension of the courthouse. The Courts Service has indicated that the courthouse in Mullingar is in poor condition and the need for an improvement in accommodation has been clear for a number of years. The Minister is informed that a refurbishment project which was planned in 2009 was unable to proceed due to the reduction in capital funding at that time. The Circuit Court no longer sits in Mullingar and it has been necessary to relocate the court office from the courthouse to alternative premises nearby.

It is understood that the new courthouse will provide all the necessary accommodation and other facilities required for the administration of justice, including appropriate custody facilities and consultation areas, and it will increase the number of courtrooms from two to three. This will ensure that the facilities will comply with modern standards for court accommodation and that the needs of all users will be met.

The Mullingar courthouse development project is one of seven courthouse projects to be delivered by way of public private partnerships under the Government's infrastructure stimulus package, and the good news is that these are now again underway after a four-year period where no movement was occurring. The procurement for these projects is being undertaken by the National Development Finance Agency and the procurement process will begin in the near future. It is expected that construction work on the Mullingar courthouse will commence during 2015 with the project being completed and the courthouse becoming operational during 2016 or early in 2017. As the Deputy recognises, temporary courtroom and office accommodation will be required for the construction period as the courthouse will have to be vacated.

The Minister is informed that the Courts Service, with the assistance of the Office of Public Works, is currently looking at possible locations for temporary courtroom accommodation for the duration of the construction period. I will not put all the other stuff, which is probably padding, on the record. I conclude by saying that I will take the initiative now and put in place a meeting between the Courts Service and my Department urgently to report back directly to Deputy Penrose regarding the important matter he has raised and see whether we can get a better fit between now and the next two years when the refurbishment works must be done.

Deputy Willie Penrose: It is fortuitous that the Minister of State is here because he is a practical person. I am glad he is taking this debate notwithstanding the fact that it is part of the Minister for Justice and Equality's portfolio. I am very glad of that. The Minister for Justice and Equality and I are very good friends. Looking at it on straight line economics, one place the OPW has already indicated costs of €250,000 to fit out. The judge just needs his or her own room for chambers and an ordinary room to secure. That is available at some of the GAA facilities so it would be foolhardy economics for the OPW to just use straight line economics because it would cost a fortune for two years for all of the people to go down - legal aid practitioners, the OPW's own core staff or gardaí. Mullingar has already lost Circuit Court sittings to Tullamore so we are waiting for this court. Businesses are entitled to it. There is a lot of activity around court days and money is spent so Mullingar is already losing out and I do not want to see it losing out further. The Minister of State can solve the problem. Columb Barracks takes up a huge area. I know because I sacrificed everything for it. Let me see whether I can get one thing back. Do it for me personally. Let us get one thing back and put the court in there for the next two years and utilise it. It will save the Minister of State money, he can spend a few bob here and there dicking it up and making sure it is accessible for Judge Hughes or visiting judges who come to carry out their important functions in the administration of justice. I appeal to the Minister of State. I know from his own practical common sense that he will do something.

Deputy Brian Hayes: Even though the Deputy's sacrifices have been many and great, he is looking well on the strength of them. The Courts Service funds all of this. We give it advice and see if we can find a fit or help it. The OPW is really a kind of shared service right across the public sector. Let us set up a meeting to see if we can make progress on this bringing the Courts Service and my colleagues in the OPW together with the Deputy over the course of next week.

Schools Building Projects Administration

Deputy Anthony Lawlor: I thank the Ceann Comhairle for selecting this topic. I have had it tabled for a good few weeks and I really appreciate it. I am disappointed the Minister for Education and Skills is not here but I appreciate that the Minister for State, Deputy Cannon, is here so he will have some understanding of what I am trying to say. All the Deputies in the constituency of Kildare North have been fully supportive of the proposals put forward by the Maynooth Schools Group. I met the group last night so what I am telling the Minister of State is fairly fresh. My personal interest is that I was a former teacher in Maynooth post-primary school. I was lucky enough to be there for a year so I could see at first hand the benefit of a “one school for one town” philosophy. In his interim report to County Kildare VEC, Dr. Gerry Jeffers states that “Maynooth has been an exemplar of inclusive coeducational, multid denominational schooling”. I believe this is due to the elusive achievement of having one school for all pupils, which so many towns in Ireland would strive to reach. However, what the Department and Kildare and Wicklow Education and Training Board have proposed is to strip away all that Maynooth has achieved and create a divided community.

The community of Maynooth is central to this debate. The community was led to believe that the existing policy of “one school for one town” would be maintained and that the new campus would house all students attending Maynooth post-primary school. The news that two separate schools were to be established has been met with dismay, anger and concern about the future of the town. According to Dr. Jeffers’s report:

The strongest single theme emanating from the public conversations with parents, particularly in Maynooth itself, centred on the idea of the town (population 13,617) as a unified community, in the words of a number of contributors, ‘an extended village’, where the single second-level school, Maynooth post-primary (current enrolment 1,175), acts as a powerful integrating force.

It is inevitable that two schools would create duplication and intra-community rivalry.

Solutions being put forward by the Maynooth Schools Group include amalgamation of the two schools, which is the key. One school board will decide the overall configuration of the facilities and an overall principal for the Maynooth post-primary school will delegate day-to-day management of its constituent parts to individual deputy principals. This is a reasonable attitude on the part of the community. The amalgamation can be on a permanent basis or on a temporary-pilot basis to be reviewed after five to six years or when the new school buildings are built.

There are real concerns on the part of parents. Only in essence is there a Maynooth Community College - there is no building and principal and there are no staff. How can sixth-class children prepare for entering second-level school in eight months when they have no idea where they will be, who their teachers will be or who their classmates will be, particularly when the prospective pupils and parents of Maynooth post-primary school are invited to attend an information meeting at the end of the month to meet teachers and hear about their subject choices?

This brings me to the new enrolment policy of Maynooth post-primary school, which is extremely worrying for many parents and pupils, particularly those who have children currently attending the school and studying through the Irish stream whose siblings are now being excluded from enrolment. I cannot understand how this is allowed to happen. The language

medium through which a child learns should have no bearing on where their younger siblings attend school. If parents had been aware of this when they first opted for the Irish stream, they would surely have thought twice about sending their children there.

All the community of Maynooth is asking for is that its views be understood and heard. At the moment, it believes that it is being completely excluded from the process because its views, which it thought were being taken on board, were ignored. The Minister is an inclusive Minister who is actively engaging with parents on a number of issues which affect their children, most recently that of patronage. I am asking him on behalf of a unified community of Maynooth to listen to its call for “one school for one town” and not to divide it.

Minister of State at the Department of Education and Skills (Deputy Ciarán Cannon):

I thank the Deputy for giving me an opportunity to provide the House with an update on this issue. I understand that the Minister met parents’ representatives on a number of occasions and also met Deputies Stagg and Durkan regarding this issue. I am glad to be able to provide an update as a result of those ongoing discussions. The Department’s plan for Maynooth at post-primary level is that there will be two separate fully vertical post-primary schools on one campus, namely, a new replacement building for the existing Maynooth post-primary school and a new school, Maynooth Community College, which is being established in 2014.

Representatives of the parents’ associations from Maynooth initially put forward the view that the two schools should be configured as a junior school-senior school rather than as two separate fully vertical schools. This proposal presented difficulties, not least of which is the considerable stress that would be caused for parents and students with the introduction of a third transfer point between primary and third level and the lack of continuity of teaching for students between the junior and senior cycle. The Minister has communicated this view to local representatives directly and I understand that a more recent proposal has been put forward which moves away from the junior-senior configuration. This is a very welcome development in the ongoing discussion.

The Minister is more than aware of the desire locally to avoid issues of duplication or intra-community rivalry in the establishment of a second school and this has resulted in a new proposal from the parents’ group to amalgamate the two schools, either temporarily or permanently. The Minister believes, however, that there are a number of practical operational policy measures that can be taken, with the agreement of parents and school leadership, to foster a stronger sense of common identity and to benefit from the advantages of shared resources while maintaining two separate school entities.

5 o’clock

My Department will now be engaging with the Kildare and Wicklow Education and Training Board, ETB, to consider this and I expect that it will, in turn, be engaging further with the school leadership, parents and the community as a whole in this regard.

As part of an earlier effort to address this issue, the Kildare and Wicklow ETB, which will be patron of both schools, has developed a specific management structure for the new educational campus. Each school will have, as usual, a board of management that will carry out the normal functions of such boards, including those relating to the delivery of a quality education for students. A single governing authority has been established to guarantee to parents and students a fair and equitable enrolment policy for both schools and to ensure that the overall

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management of the campus will be as cohesive and effective as possible. The governing authority will comprise an independent chairperson, the principals of the schools, a teacher and parent-guardian nominated by the board of management of each school and members of the ETB. The CEO of the ETB or a nominee will also attend meetings.

The Minister is satisfied that the arrangements made by the ETB to date and the further engagement on school operational policies that will now take place will ensure that the educational needs of all students, including those with disabilities or special educational needs, are identified and provided for in the curricular programmes planned and delivered at the schools and that a quality teaching and learning environment for all students will result.

As the Deputy knows full well from having taught there, the existing post-primary school in Maynooth is highly regarded locally. The intention of the ETB is to build on that wonderful tradition of high standards and success and to provide a new community education campus comprising two fully vertical new schools. There is significant and worthwhile thinking behind their establishment. I suggest to the Deputy that this will have a positive outcome for the community as a whole.

Deputy Anthony Lawlor: I thank the Minister of State for his reply. This plan does not satisfy the community's needs. When I attended a meeting one and a half years ago, it was clear that the community wanted a single school. The idea of two vertical schools is not that school. The community discussed an amalgamation of the two under one board, one principal and one school uniform. Maynooth post-primary school is highly successful and well run and has catered to the united community for many years.

Sometimes, it is important for us as politicians to listen to what the community wants. Trying to impose what the Minister, the Department or the Kildare and Wicklow ETB believes is right for the community might not work. The community wants to stay unified, not be divided. We want one school for one town. This simple philosophy has worked for a number of years. I have worked in the school and have seen at first hand how well it runs and integrates the community. The Department is trying to split the town. Instead of a well run, integrated community, it will be divided.

I appeal to the Minister of State to consider the Maynooth schools group's suggestions on an amalgamation and to revert with a concrete, positive answer with which we can proceed. I will stand before the appeals board next week regarding parents who cannot attend the Maynooth post-primary school even though their children's siblings already attend it, which seems strange. I appeal to the Minister of State to consider the amalgamation process, discuss the matter with the Maynooth schools group and propose a positive suggestion.

Deputy Ciarán Cannon: Many times in the past two and a half years, some of our colleagues expressed a wish in the Chamber to the effect that we would seek to have our children educated in schools that kept numbers at a reasonable level. In my estimation, any parent who was asked whether he or she wanted his or her child to attend a school of 1,000 pupils or a school of 2,000 pupils would give a resounding response in favour of the smaller school.

I regularly attend meetings of parents and school management bodies across the country. An opinion is emerging, one that is backed up by national and international research, to the effect that the optimum number of school enrolments is approximately 1,000 pupils. This figure affords significant economies of scale. It also creates an environment in which the principal

and other members of a school's management body can retain some knowledge of each pupil's progress, be it positive or negative. The 1,000-pupil limit enhances the school's overall efficacy and adds to students' positive mental health and overall experience.

The optimum figure of 1,000 pupils has not been arrived at in a casual way. It has been considered by the Department and others in the education field. It is the reason that we want to allow for the development of two vertical schools of 1,000 pupils each on the same campus. There was never any intention to divide the community or to put one element in competition with another. The Minister has established a forum and an overall governance structure, which will work well and will build, rather than detract from, the community spirit. There will be two state-of-the-art modern schools with every facility one would require on a single community education campus.

The Deputy referred to the symbolism of the students wearing the same uniform. If it is the symbolic gesture that is required to sustain a sense of community in Maynooth, it can be discussed with the ETB locally and progressed.

Nursing Homes Support Scheme Applications

Deputy Seamus Kirk: I thank the Ceann Comhairle for the opportunity to raise this Topical Issue. It relates to the fair deal nursing home scheme and the treatment of farmland assets within the context of the formula for calculating liability. Some 80% of assessable income - pensions, other forms of liquid income, etc. - is factored into the equation, as is a maximum of 7.5% of any asset such as farmland or dwellings. A disregard for an individual is €36,000 or €72,000 for a couple.

My query is based on a particular circumstance in my constituency. An applicant was a recipient under the early retirement from farming scheme and, having gone through that phase, is now in receipt of the old age pension. There is a three-year cap on the family home. Under the regulations, a three-year cap may be placed on land assets in certain circumstances. In this case, I understand that the applicant has opted for the ancillary loan facility from the State. The farm is small to medium-sized and the mix of enterprise is such that the cashflow and general income position is not what it might be in another enterprise. Hence, repaying at a later stage or even meeting the ongoing annual commitments had the person gone down that road would have been significantly problematic.

The lady in question, who had suffered a stroke, and her husband leased the farmland to their eldest son, who was actively farming it. They were in receipt of the early retirement from farming payment. They have gone through that phase and are now on the State pension payment. In those circumstances will they be eligible to apply to apply for the three year cap on the farmland assets? It is not clear, and the phrase "may in certain circumstances" is not very definitive. The Minister of State might not be in a position to provide a definitive reply, but I hope he is. If not, he might refer to me afterwards. It is a genuine case and the circumstances are quite dire. There might be other similar circumstances coming down the tracks that could prove problematic for the fair deal nursing homes scheme in general.

Minister of State at the Department of Health (Deputy Alex White): I thank Deputy Kirk for raising this issue. Under the nursing homes support scheme, individuals contribute up to 80% of their assessable income and a maximum of 7.5% of the value of any assets per annum

towards their cost of care, as the Deputy mentioned. The first €36,000 of an individual's assets, or €72,000 in the case of a couple, is not counted in the financial assessment.

An individual's principal residence is only included in the financial assessment for the first three years of their time in care. This is known as the three year cap. The three year cap also extends to farms in circumstances where all three of the following criteria are met in an individual case: the person has suffered a sudden illness or disability which causes them to need long-term nursing home care; the person or their partner was actively engaged in the daily management of the farm up until the time of the sudden illness or disability; and a family successor certifies that he or she will continue the management of the farm. In the case of couples, the measure applies where the applicant suffered a sudden and unforeseen illness and either or both members of the couple have been engaged in the running of the family farm. This stipulation is in keeping with the key principle of joint assessment of couples.

The three year cap was extended to farms because there was concern about the potential impact of the scheme on the sustainability of family farms, particularly in situations where care is required from an early age and for a prolonged period. It was intended to ensure the financial sustainability of farms in cases where a person suffered a sudden illness and did not have an opportunity to put appropriate succession arrangements in place. It affords additional protection because it ensures a person's maximum contribution is fully quantifiable.

The Deputy will be aware that the nursing homes support scheme is the subject of a review which will consider the long-term sustainability of the scheme as well as looking at related aspects of home and community care. Work on the review is ongoing. It is expected that the review will be completed in early 2014 and the report will then be made publicly available.

Deputy Seamus Kirk: I thank the Minister of State for his comprehensive reply. It is the second criterion which is problematic, the issue of the definition of "actively engaged in the daily management of the farm". There is no problem with the first and third criteria. Could the Minister of State elaborate on that point, as it would relate to the circumstances I outlined?

Deputy Alex White: The Deputy will appreciate that even if I had all the details before me, it would not be appropriate or possible to address an individual case on the floor of the Chamber. I was trying to match up the circumstances related by the Deputy to the criteria set out here as best I could and I came to the same general conclusion as the Deputy in respect of the second point. I am willing to assist Deputy Kirk in this regard to see if we can nail the situation in respect of the query he made. We can address that either in correspondence or if the Deputy wishes to ask me to pursue it, I will be happy to do that.

Medical Card Eligibility

Deputy Finian McGrath: I thank the Minister of State for attending to reply to this issue, which is medical cards for children with Down's syndrome. I must declare a vested interest in this matter. I am a parent who has a daughter with Down's syndrome who, incidentally, has a medical card. I am also a former chairperson and former treasurer of the Dublin branch of Down Syndrome Ireland.

Today, I wish to highlight the children with Down's syndrome who do not have a medical card. What is going on here and why are some children with Down's syndrome included in this

scheme while others are excluded? Almost 100 children with Down's syndrome have lost their discretionary medical cards in the last year. The survey carried out by Down Syndrome Ireland showed that many lost their cards despite having various conditions which leave them with very big medical bills. Half of all people with Down's syndrome are born with a heart defect. There are also gastrointestinal conditions commonly associated with Down's syndrome, as are certain types of hearing loss, cancer, cervical spine instability and visual impairment. Most children with Down's syndrome attend weekly speech and language therapy sessions as well, a cost which doubles with the loss of medical cards. Weekly occupational therapy sessions also cost approximately €50 each. Many parents of children with Down's syndrome are also obliged to visit a general practitioner almost weekly to manage their children's medical conditions. This usually costs approximately €65 each visit.

That is the reality for these families and children. Each year approximately 120 children are born in Ireland with Down's syndrome. There are 2,000 children under 16 years of age with the condition, so approximately 1,000 children are at risk and many of them are concerned. Will the Minister of State support these children and their families who are at risk of losing their discretionary medical cards? Will the Minister of State accept the basic principle that all children with Down's syndrome and all children with a recognised disability should have a medical card? Let the Minister of State start his vision of a universal health service today, and start it with these children.

I urge the Minister of State not to make parents jump through hoops. They have enough problems in their lives dealing with these issues. I encountered an example today when a family with a case of very severe physical and intellectual disability contacted me. They have to fight, beg and scream to get their medical card back. This is not acceptable in 2014. Many Government backbenchers share my concerns. Children from Dublin, Cork and Limerick have taken major hits in recent weeks. The Minister must listen to the voices of the parents and advocates of children with Down's syndrome. There are additional costs on doctors as well in respect of fees and prescriptions.

A total of 150 parents have already contacted Down Syndrome Ireland on this issue and appeals are ongoing. On the broader issue, how many of the recent 6,324 discretionary medical cards that were withdrawn were taken from children with Down's syndrome? I ask the Minister of State to support the provision of medical cards to all children with Down's syndrome, as well as other children with disabilities, as a start in implementing his vision of a universal health service.

Deputy Alex White: I thank Deputy McGrath for raising this issue. Recent reports have stated that approximately 1,000 children with Down's syndrome - the Deputy said 100 but that might have been a mistake on his part or perhaps he was referring to a different report - have lost their medical card. I assure the Deputy that there is no policy or practice, in the context of medical card renewals, to target children or adults who have Down's syndrome.

The primary care reimbursement service, PCRS, which now processes all medical card applications and renewals, does not have any indicator on its clients registers that would identify people with Down's syndrome. That is the reason it is simply not possible to answer one of the Deputy's questions, which was how many people with Down's syndrome had lost their medical card in the last period. It is impossible to ascertain that. The way the records are kept in the PCRS does not categorise applicants in accordance with their medical condition. Even if the PCRS or the HSE wished to target people with particular illnesses or conditions for the removal

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of the medical card, they would be unable to do so. I can arrange for a briefing for the Deputy in this regard because this is something I was very anxious to ensure I understood. In fact, I was at the PCRS in Finglas a few days ago for a general meeting and briefing.

The applicants and those who have whole medical cards are not categorised in the system in accordance with their illness or condition. Even if somebody wanted to target people with particular conditions, which would be perverse, they could not do so because the system is not set up in a way that categorises people in accordance with a particular illness or condition.

I might add that this situation obtains to other medical conditions, including diseases and disabilities. There is no system in place that would enable people with particular disabilities or diseases to be targeted for review or discontinuation of medical card eligibility. The reason for that is that medical cards are provided to persons who, in accordance with the provisions of the Health Act 1970, as amended, are in the opinion of the HSE unable without undue hardship to arrange GP services for themselves and their dependants. Therefore the 1970 Act established a financial means assessment. The legislation has been in place for over 40 years. No Minister can override that decision of the Oireachtas that medical cards are essentially issued on the basis of financial means. They are issued to people on the basis that if they did not have a medical card they would suffer undue hardship in arranging for GP services for themselves or their dependants. That is the law under the Health Act 1970. The only way the situation can be changed would be for the legislation to be changed.

The Deputy will be aware that under the legislation, since 1991, the assessment for a medical card is determined primarily by reference to the means, including the income and reasonable expenditure, of the applicant and his or her partner and dependants. In the case of a child, the parents' income and reasonable expenditure is assessed. Under the legislation, determination of eligibility for a medical card is the responsibility of the HSE.

The HSE has produced national assessment guidelines to provide a clear framework to assist in the making of reasonable, consistent and equitable decisions when assessing an applicant for the general medical services or GMS scheme. These guidelines are publicly available and can be downloaded from the HSE's medical card website. They include the net after-tax, after-expenses income guidelines for the awarding of medical cards.

While there is no automatic entitlement to a medical card for persons with specific illnesses or with a disability, the HSE has discretion to award a medical card to avoid undue hardship, having regard to a person's or family's overall financial situation, even where the person's income exceeds the income guidelines. It is important to correct any impression circulating that medical cards are issued automatically or irrespective of means, even if an applicant is suffering from a serious medical condition. The Deputy will be aware that the GMS scheme is a means-based scheme, rather than one based on having a specific illness, as a reading of the legislation makes clear.

The HSE has established a panel of community medical officers to assist in the processing of applications for medical cards on a discretionary basis, where the income guidelines are exceeded but where there are difficult personal circumstances, such as an illness or physical disability which would impact on the applicant's financial situation.

I see my time has run out but perhaps I can return to this later.

Deputy Finian McGrath: When I referred earlier to about 100 children I was talking about

one particular survey that was done. However, I agree with the Minister of State that the broader national figure would be in the region of 1,000 children with Down's syndrome who are at risk of losing their medical cards.

We must re-examine the categorisation issue and the system that has been set up. I take the Minister of State's point on the legislation but we must ensure that legislation protects the rights of children and adults with disabilities. I am concerned that we are taking our eye off the ball as regards how the 1970 Act deals with a person's financial means.

I am also concerned that the Minister of State does not seem to agree with the principle that a child with Down's syndrome or another recognised disability should have the right to a medical card. There are severe personal situations such as, for example, the cases I have to hand. One case concerns an eight year old who has Down's syndrome, asthma, sight difficulties, thyroid problems and hearing loss. His discretionary medical card was withdrawn in recent months. That is wrong, regardless of who may have made the decision.

Another case concerns an eight year old girl who was granted a discretionary medical card at the age of five. She has asthma, juvenile arthritis, a heart condition and hearing problems. In 2013, the HSE wrote to the family about its plan to withdraw the young girl's card.

I am asking the Minister of State to talk to his colleagues, the Minister of State, Deputy Kathleen Lynch, and the Minister, Deputy Reilly, about this matter. Earlier today I submitted the details of a case to the Minister's office concerning a young person with a severe physical and intellectual disability. The family is very upset about the loss of that person's medical card.

Deputy Alex White: The Deputy mentioned the survey and whether the figure was 100 or 1,000 but I was referring to reports I had seen in recent days of 1,000.

Deputy Finian McGrath: Yes.

Deputy Alex White: I am not saying that there are 1,000 children concerned but I have seen those reports. I am not seeking to argue with the Deputy about numbers but I do not know what are the statistics. I am not being in the least bit facetious with the Deputy but it is not possible for me to establish the numbers, formally or otherwise, because the system does not include such information.

The Deputy seeks to urge me to accept the principle that somebody with Down's syndrome should automatically have a medical card, but the 1970 Act does not provide for that. I am interested in universal access to health care and, in the first instance, to GP services. That is what the Government is doing as regards the interim roll-out in respect of under six year olds. That is not a stand-alone project, it is the first instalment of a project in the programme for Government.

Deputy Finian McGrath: Which I support.

Deputy Alex White: The Government is committed to extending universal access to the whole population within the lifetime of this Government. That is not the full medical card because, as the Deputy will say, there are other services as well. In recent days, the Minister for Health acknowledged that there are other services to which many people need access that they do not have with a GP-only card but would have with a full card. We may need to examine innovative ways of ensuring that those kinds of services are available to people who need them,

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without necessarily doing so through the full medical card system.

I am in favour of the universality system but I cannot override the 1970 Health Act. Neither the Minister, Deputy Reilly nor I, nor anybody else can extend medical cards to people other than in accordance with the law. The law refers to “undue hardship” which can only be ascertained through an assessment of financial means, with the extra discretionary effect where somebody’s condition or illness is affecting their financial situation. That is the position.

I understand the case the Deputy is making and I appreciate his support for the universality principle. We have some distance to go on this but the more support we have across the board politically, and in the broader society, for universal access to GP services the better.

The Dáil adjourned at 5.30 p.m. until 2 p.m. on Tuesday, 21 January 2014.