



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Déardaoin, 20 Feabhra 2014*

*Thursday, 20 February 2014*

Chuaigh an Ceann Comhairle i gceannas ar 09.30 a.m.

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*Paidir.*  
*Prayer.*

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## Ceisteanna - Questions

### Priority Questions

**An Leas-Cheann Comhairle:** I have a request from Deputy Shane Ross that his Question No. 3 be taken first. Is that agreed? Agreed.

### State Banking Sector

3. **Deputy Shane Ross** asked the Minister for Finance his timetable for the sale of the Government's stakes in Bank of Ireland and AIB; if he has sought any external advice on the matter; if he is keeping in touch with the public interest directors on the proposed sale; his plans for the proceeds; and if he will make a statement on the matter. [8602/14]

**Deputy Shane Ross:** My question relates to the proposed timetable for the sale of the Government's stakes in Bank of Ireland and AIB. Will the Minister also indicate whether he has sought any external advice on the matter, whether he is keeping in touch with the public interest directors in regard to the proposed sale, and his plans for the proceeds?

**Minister for Finance (Deputy Michael Noonan):** The State has already executed the successful disposal of some of its investments in the banks. Last year the State completed three transactions, namely, the sale of our CoCo and preference share investments in Bank of Ireland, and our investment in Irish Life. These disposals generated total proceeds of €4.45 billion.

AIB and Bank of Ireland are at different stages in their recovery and this influences the relative attractiveness of each bank to the investor community and its consequent valuation. Bank of Ireland is the more advanced of the two and this provided us with the opportunities we chose

to avail of last year. Following the monetisation of the preference shares in December 2013, our remaining investment in Bank of Ireland comprises our 14% equity holding. The market value of this holding, at the current share price of 33 cent, is €1.5 billion. As I stated recently, any decision to sell this stake will be a question of price. Officials in my Department continue to monitor market conditions and advise me in this regard.

With reference to AIB, I am encouraged by the progress the bank is making. Our first priority is to see it return to profitability and address its legacy issues. This should, in time, enable the State to be in a position to exit part of its investment in the bank should we wish to do so. As I said recently, the Government might look to “test the market” before the next election in order to establish a valuation for the bank. Officials within my Department have extensive banking and capital markets experience both from previous roles in the private sector and from work done for the State during the crisis. Hence they are well qualified to assess suitable opportunities and strategies to dispose of the State’s remaining bank investments. In addition, these officials meet regularly with internationally renowned investment banks to discuss relevant market intelligence relating both to the Irish banks and international banking developments in general.

My officials also meet with international institutional investors to gauge their interest and investment criteria. Notwithstanding this, I will consider the need for specialised financial advice when I need additional market-based advice to strategise how to best dispose of our investments arise.

*Additional information not given on the floor of the House*

I meet regularly with the boards of both banks, including the public interest directors. The agenda for these meetings tends to cover a wide range of issues, including our thoughts in regard to our bank investments.

Finally, it is premature to speculate on the use of the proceeds from any future investment disposals. Notwithstanding this, any decision regarding the use of disposal proceeds will be made in the best interest of the taxpayer.

**Deputy Shane Ross:** I was prompted to ask this question after seeing the Minister being interviewed by Bloomberg in a snowy Dallas. It seemed to me that he was making a pitch to international investors in this interview, pointing out that AIB and Bank of Ireland are for sale and what an attractive proposition they are. The Minister indicated in his reply that Bank of Ireland shares are currently priced at 33 cent. Does he feel under any pressure to sell the State’s stakes in the banks? He referred in his reply to the next election. I do not see why that should be a cut-off point.

**Deputy Michael Noonan:** We have a mandate for five years. The timeframe is not election-related.

**Deputy Shane Ross:** We are looking at March 2016, in other words.

Is it not very dangerous to put the two pillar banks, as the Government calls them, out for sale to international predators at a time when we are encouraging, by our policy, a cartel situation? There is a real concern that although we have very few players in this market, the Government at least has some hold over the remaining banks which offers some protection to customers. The danger in selling the stakes to outside bodies is that we could end up with an international instead of a local cartel.

**Deputy Michael Noonan:** Business news channels like Bloomberg give an opportunity to get the Irish story out there and put our message across, which is otherwise difficult to do. I try to affect market sentiment in the interviews I do. The point I wanted to underline is that the State does not have a long-term interest in holding State banks and our intention is to restore them to the private sector in due course. When I was asked when that will be done, I replied that we will test the market in due course. The message is not so much that we are about to sell the banks; it is that the policy is that we will not continue with State banks in the medium term. We will get private investors in. Of course there are concerns, and the Deputy is right; I would like to have more competition in the banking sector in Ireland. I also think that in Ireland and across Europe, banks will not be able to provide the liquidity that the European economies need. We will have to move more towards an American model, where there are non-bank sources of funding for investment and for expanding the economy.

**Deputy Shane Ross:** I thank the Minister for his response. He has been to Brussels looking for recapitalisation of the banks. Is this sale subject to the subsequent recapitalisation, or will it be done regardless? In other words, if the Minister goes to Europe and says that these banks need recapitalisation badly, or at least need to be compensated under the ESM, will they be sold as recapitalised banks or will they be sold as they are at the moment?

**Deputy Michael Noonan:** First of all, I do not believe the Irish banks require extra capital, but we would like to recover some of the capital that we had already invested in the recapitalisation in March and April 2011. We are pursuing a number of things in parallel, and the movements do not contradict each other. One way to get some of the money that we invested in 2011 back from European sources would be for a European institution to take some of the bank shares, and to give us money in lieu of those shares. That is obviously one model. Whether it is a sale to the private sector or some kind of retroactive recapitalisation, the value of the shares is very important. It is quite clear that as we manage our portfolio, enhancing the value of the shares is important, whichever route we pursue.

## Mortgage Debt

1. **Deputy Michael McGrath** asked the Minister for Finance the action he will take to safeguard the interests of residential mortgage holders whose loans are sold to unregulated third parties, including the customers of Irish Bank Resolution Corporation in special liquidation; and if he will make a statement on the matter. [8564/14]

5. **Deputy Joe Higgins** asked the Minister for Finance if he will devise a scheme to provide a solution to protect the home ownership of the 13,000 Irish Bank Resolution Corporation mortgage holders whose accounts are being offered for sale to venture capitalists; if he will prevent that sale. [8480/14]

**Deputy Michael McGrath:** The Minister is well aware of this question by now. It relates to the sale of mortgages to entities not regulated by the Irish Central Bank. The issue has come into sharp focus because of the imminent sale by the special liquidator of IBRC mortgages, but it could also apply to mortgage holders of any other bank. What would the Minister do if AIB, Bank of Ireland, Permanent TSB or Ulster Bank informed the Department today that it intended to sell its mortgage book? Would the Minister allow it to go ahead in the same way that the sale of the IBRC mortgages is currently proceeding? I doubt it very much, so I am hoping we can make some progress on this issue today.

**Deputy Michael Noonan:** I propose to take Questions Nos. 1 and 5 together.

I am fully aware of the concerns raised by residential mortgage holders of IBRC whose loans are currently being sold by the special liquidators. The issue around the continued applicability of the various protections afforded to mortgage customers is legally very complex and requires careful consideration. As indicated previously, my officials are currently examining the issue closely with their colleagues in the Central Bank and in the Office of the Attorney General.

It is important to note that the sales process for the residential mortgage book is ongoing. The valuation process for this portfolio was completed on 11 September 2013 and the sales process began on 14 October 2013. Following receipt of indicative bids, a reduced number of bidders were progressed to the second phase of the sales process, which was launched on 29 November 2013 and is expected to be completed next month. Like all of the IBRC loan sales, the residential mortgage book is being sold in an open and transparent process, and should bids not be received in excess of the valuation they have obtained, then the portfolio will be sold to NAMA.

The ultimate purchasers of these books, be it NAMA or any other unregulated entity, will be required to honour in full the legal terms of the loan agreements entered into between IBRC, or INBS, and its customers. It must be stressed that the contractual terms and conditions of all customer mortgages will not change as a result of the ultimate sale of these obligations to a third party.

While it is too early to speculate as to the identity of the ultimate purchaser of these loans, I have been advised that in the event that NAMA acquires the loans, it will be mindful of its legal obligations and is likely to apply best practice in respect of the code of conduct on mortgage arrears, or CCMA. Furthermore, it has confirmed that no borrower will be in any worse a position.

Following two recent portfolio sales of residential mortgages to institutions not covered by CCMA in Ireland, in both cases the acquirers of those books have chosen to implement the CCMA voluntarily, as they believe it is in the best interests of both the institution and its customers. I have no reason to believe that this will not also be the case in respect of the sale of the IBRC residential mortgage book.

**Deputy Michael McGrath:** The Minister makes the point that the unregulated entities that have bought mortgage books thus far have complied with the code voluntarily. What if one of those mortgage holders disputes that? What if they believe that those companies, vulture funds, or whatever the Minister wants to call them, are not complying with the code? Who adjudicates on that? Do they go to Dame Street and knock on the door of the Central Bank? They will be told it has nothing to do with the Central Bank. Do they go to Merrion Square and knock on the door of the Department of Finance? They will be told that it has nothing to do with the Department. They have nowhere to turn, and that is the point. The owners of these funds can claim that they are voluntarily complying with the code of conduct, but who decides that? Who adjudicates when an issue arises if somebody gets into difficulty with their mortgage and the fund is moving in on them immediately? Nobody adjudicates, and that is the bottom line.

The Minister knows there is a problem and that is why he is proposing his own legislation dealing with the sale of loans to unregulated entities, but that is not due to be published until

2015. He acknowledges by his own argument that there is a difficulty here. He claims that it will be a very difficult to get a repossession order in a court unless the entity has complied with the code of conduct, but are we really going to let the bailiff come up the driveway? Are we going to allow people to go through the stress and anxiety of a threat of repossession before that particular provision is invoked?

**Deputy Michael Noonan:** That is not the way I see it. Quite clearly the process is complex, and it is in the hands of an independent liquidator who is operating in accordance with the law. The taxpayer comes into this as well. The job of the liquidator is to get as much value for the taxpayer as he can. While those in the Opposition seem to stress the interests of the mortgage holders, and rightly so, they forget about the interests of the taxpayer, because these are two sides of the same coin. If the mortgage holder gains, the taxpayer loses, according to the case presented by many people here-----

**Deputy Michael McGrath:** No.

**Deputy Michael Noonan:** -----although not by the Deputy, who has always handled this responsibly. If I were to attach additional conditions to the mortgage book at the point of sale, there is a possibility that I would be legally challenged on the argument that that might reduce the value of the book. I would be leaving myself open to challenge by other creditors, and there are many other creditors in the bank.

If we do what I have been advised to do, this will work out. I am quite confident it will work out. Two books have been sold already. They gave rise to no difficulties whatsoever and the purchasers are complying fully with the protocols established by the Central Bank. The likelihood here is that if the performing mortgages are not sold they will go to NAMA, which will comply fully.

**Deputy Michael McGrath:** That is no problem.

**Deputy Michael Noonan:** If they go to third-party unregulated entities, the Deputy has asked who will take responsibility. We will talk to them. We will tell them we expect them to comply and ask what the story is.

**Deputy Michael McGrath:** The Minister will have no power.

**Deputy Michael Noonan:** We are not going to let it get to the point at which they are negotiating with individual mortgage holders. We will work in the same way that we worked with the other two entities which bought books previously.

I ask people not to be trying to frighten those who have mortgages with Irish Nationwide Building Society, which is now IBRC. It is very unfair to be hyping this-----

**Deputy Michael McGrath:** They are frightened.

**Deputy Michael Noonan:** Of course they are frightened. They are being wound up by a number of Deputies in this House who are stating very exaggerated positions and they are deliberately trying to frighten people so that they can get headlines in the newspapers. That is very unfair.

**Deputy Joe Higgins:** What is frightening people is that the Minister is proposing a process that will put 13,000 mortgage holders into the hands of vulture capitalists. It is the form and the

record of those vulture capitalists that leave people in no doubt as to what they might face. It is quite pathetic for the Minister to come in here and say that he will ask these vulture capitalists to be nice to the mortgage holders whom they take in hand, when the Minister knows well that the bottom line for these vultures is profit maximisation. They are the ones who crashed the international economy, for God's sake. Now, the Minister is proposing to hand over the victims of that crash to them again. It is quite incredible. The Taoiseach said on Tuesday that the code of conduct could not be put in as a condition of the sales process and that it might be legally questionable because it would lead to the erosion of the value of the assets from which the creditors seek proceeds. Why would it lead to the erosion of the value of the assets to have the code of conduct attached? Does this not give the game away that the code of conduct would not be followed and does not need to be followed by the people concerned? Mortgage holders would then be left at the mercy of these vulture capitalists.

**Deputy Michael Noonan:** If one was only selling a patch of ground down the country, one would know that the more conditions that were attached, the greater the potential for a reduction in value. That is the general point. I am not saying we will be sued, I am saying there is a legal risk. Therefore, it is much better not to interfere with the sales process and make sure the purchaser complies with all contractual obligations, as he or she has to under law. We can then take the issue of the procedural protocols subsequently, as we did when the other two tranches were sold, and get them to comply after the sale. There is then no exposure to a legal challenge and everyone is protected. That is where I will go. Of course, we have also indicated that if we have to legislate, we will do so. Deputy Michael McGrath's Bill is very helpful in that respect. We are indicating in advance that we do have power and that we can take legislative power. However, we will be able to solve this problem as we solved it on other occasions.

There are two sides to this issue. The liquidator has to get maximum value for the taxpayer. I would like to see Deputies standing up for the taxpayer, as well as for mortgage holders because it is reciprocal. The second point is that there is no need for wildly emotive language, frightening people who are already in difficulty with their mortgages, telling them that the sheriff is about to arrive at the door and that there are these corrupt people who are going to close them down. That kind of dialogue is not helping anybody. The Deputy is frightening decent people who are doing their best to deal with their mortgages.

**Deputy Michael McGrath:** I am not frightening anyone.

**Deputy Michael Noonan:** Yes, I agree.

**Deputy Michael McGrath:** The reality is that if the worst comes to the worst and a person's mortgage is in difficulty and then sold to an unregulated entity - a third party - that entity can move against the mortgage holder virtually immediately. If we look at the standard contractual terms of any mortgage agreement, they are stacked heavily in favour of the lender - the Minister knows this as well as I do. It is simply unfair and unacceptable that there is any prospect that the basic and vital statutory protections that every other mortgage holder in the country possesses would be removed from IBRC mortgage holders or anybody else.

The subtext of what the Minister is saying about the taxpayer is that these funds may well be prepared to pay more if they do not have to comply with the code. Why would they pay more if they do not have to comply with the code, given that they would not intend to comply with it?

**Deputy Michael Noonan:** That is not the point I am making.

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**Deputy Michael McGrath:** That is the bottom line. The Minister has acknowledged there is a problem which can be solved by legislation or a simple direction order from the Minister to the special liquidator. This is a genuine issue. People are afraid of being exposed, vulnerable and isolated in the face of an unsympathetic fund that is out to make a quick buck. That is a genuine fear. Perhaps some people have stoked up that fear, but it is very real.

**Deputy Joe Higgins:** The Minister challenges Deputies to stand up for the taxpayer. It is a pity this and the previous Government did not stand up for the taxpayer when they allowed themselves to be dragooned by the European Union into taking onto the backs of taxpayers €60 billion of bad gambling debts from the financial markets. Why did they not stand up for the taxpayer then?

Why is it always complex when it comes to the rights of the small person? Why can the Government not write down the loans for the people affected as a model of what should be done with distressed mortgages generally for those left with these unsustainable blackmail mortgages from the time of the property bubble? That is the obvious thing to do - write them down to today's values and the monthly repayments. In that way, we would sort out the problem and free up hundreds of millions of euro for the real economy.

We on the finance committee will be discussing the sale of former Irish Nationwide Building Society mortgages next week. Will the Minister release to us the PricewaterhouseCoopers report, a secret report which was commissioned and given to the Minister on this process, in which we believe different options were outlined for what could be done with these 13,000 mortgages? We need to have sight of it. Will he release it to us?

**Deputy Michael Noonan:** The liquidator's job under law is to recover as much value as he can for the creditors. In this case, 70% of the creditors by value are Irish taxpayers. With regard to the €60 billion or so invested across the banks, what we are trying to do is recover some of the value for the taxpayer and this is one of the key parts. That is the opening position.

The liquidator is independent under law and operates as liquidators operate. He requisitioned PricewaterhouseCoopers to provide him with a report. It is his report, not mine. As I understand he is going before the Deputy's committee, the Deputy can ask him whether he would be prepared to release the report in full or in part. He has already said there is market-sensitive information contained in it, but the Deputy could ask him to redact this information and give him the rest of it. I do not mind. As he will be before the committee, the Deputy can ask him. It is his report and he is independent under law.

## Tax Code

2. **Deputy Pearse Doherty** asked the Minister for Finance the way he will lift the tax burden of lower and middle income families in such a way that the most vulnerable are given a break from the tax burden. [8572/14]

**Deputy Pearse Doherty:** In this question I ask how the Minister for Finance proposes to lift the tax burden on lower and middle income families to ensure the most vulnerable in society are given a break from it. Usually, I would not table these questions this early in the year or this far out from a budget, but the Minister for Finance, the Taoiseach and other Ministers have gone on many media platforms, both domestically and internationally, to say they intend to widen or

increase the threshold for entry to the higher rate of tax. I ask the Minister what consideration he has given to the impact of this proposal on the most vulnerable in society.

**Deputy Michael Noonan:** The Deputy will be aware that I am on record as stating my belief the income tax burden is too high in Ireland and that it needs to be reduced. However, I have also said that, although it is my intention to alleviate the burden, I can only do so when the public finances allow it. Lest it has escaped anybody's attention, the general Government debt at the end of 2013 was estimated to be just over €200 billion and each year in which we incur an annual deficit the figure grows. It is imperative that we, at the very least, are able to meet the interest costs on this debt, if it is not to spiral ever-upwards. Interest payments are the least productive area of Government expenditure and what we spend on interest could be put to better use elsewhere.

Although we have successfully exited the EU-IMF bailout, this does not mean that we will ever allow a return to past practices where expenditure grew to unsustainable levels, while the tax base was simultaneously hollowed out. The Government remains committed to returning the public finances to sustainability. Under the terms of the Stability and Growth Pact, until Ireland has reached its objective of a balanced budget in structural terms, we may not introduce discretionary revenue reductions, unless they are matched by other revenue increases or expenditure reductions. This means that the Government must consider carefully any tax change as any reduction will have to be offset elsewhere.

Having said this, it should be acknowledged that Ireland has a progressive taxation system which ensures the burden of taxation falls most heavily on those with a higher ability to pay. The latest data from the OECD's 2013 Taxing Wages report shows that Ireland has one of the most progressive income tax systems in the developed world. It is in this context that the Government has committed in the programme for Government not to increase the marginal rate of income tax. The programme for Government also contains a commitment not to change tax credits which, at current levels, ensure an estimated 856,000 workers are excluded from the charge to income tax entirely. The low effective tax rates for low income workers ensure their work pays and are a growth-friendly aspect of Ireland's tax system. However, against this, Ireland has one of the highest top marginal tax rates in the OECD, while also having a very low entry point to the application of the top marginal rates. These aspects are less growth-friendly owing to their negative labour supply incentives.

*10 o'clock*

*Additional information not given on the floor of the House.*

Recent research from my Department has indicated that growth and employment prospects can be enhanced through a careful re-balancing of the tax system away from labour taxation towards greater use of capital and consumption taxes. Research by the OECD and the European Commission would also support such a re-balancing. These insights are useful given the fiscal constraints that I have already referred to.

As is normal practice for the Minister for Finance I have no intention of setting out planned changes to the tax system in advance of the budget, which is almost eight months away. My officials constantly model and examine potential options for changes to the tax system for my consideration as part of the overall budget package.

**Deputy Pearse Doherty:** I appreciate what the Minister is saying. Obviously, the Gov-

ernment is still committed to an austerity budget next year that will take €2 billion out of the economy. Perhaps it is the fact that we are facing into the local and European elections in a couple of months but somewhere in the middle of that, the Minister has found it within himself to announce that he wants to increase the threshold. Sinn Féin acknowledges that the threshold here is low compared to other countries but one must also look at the effective tax rate that is paid here compared to other countries for a person earning €40,000 or €50,000 where one sees a different scale.

The Minister will have seen from our alternative budget that Sinn Féin is very clear that we should have a tax reduction for low and middle-income families. We believe the best way to do this is through abolishing the household charge and giving people, on average, €278 back. The Minister will be well aware that increasing the threshold by €1,000 would cost the State €150 million, that 15% of the benefit of that would go to those earning above €100,000 and that 1.1 million taxpayers will get no benefit from increasing the threshold. Why do the Minister and his colleagues in the Labour Party believe that this is the best and most effective way to lift the burden from vulnerable low and middle-income families?

**Deputy Michael Noonan:** I cannot get into the details of a budget that will not occur until next October because I am only thinking about initial concepts for it. It is not fruitful to have some kind of detailed debate here. What I was pointing out was that any tax changes that will take place in any budget I introduce will be driven by considerations of growing the economy and employment. I also pointed out that there were tax reductions in each of the past three budgets but, of course, they had to be paid for by increasing taxes elsewhere. For example, two months after coming into Government, I took the VAT on the hospitality industry from 13.5% down to 9%. That was done to restore the tourist industry and create jobs but, of course, we had to raise taxes elsewhere to pay for it. It was still a successful initiative. In this year's budget, I abolished the travel tax and immediately got a response from Ryanair which said it would bring 1 million extra tourists into the country. In our first Finance Bill, we reduced the stamp duty on farmland so that as we go into the quota-free days post 2015, the potential is there to transfer land cheaply to the next generation of farmers. I will follow the same course here. I am pointing out that the portion of the income tax code that is most adverse to job creation is the fact that one goes on to the higher rate of tax at €32,800. I am saying that if there are resources, that is the first piece I would like to do in alleviating the burden of income tax but it is only the initial phase of a debate that will keep running until next October.

**Deputy Pearse Doherty:** I am trying to feed into that debate in a productive way. I ask the Minister to acknowledge to the House that by increasing the standard threshold, 1.3 million taxpayers in this State will not benefit by one penny and many others may not benefit because of the way it is calculated. One could have married couples treated as a single unit. We know that 1.3 million taxpayers would not benefit whatsoever, that the cost of increasing the threshold by €1,000 is about €150 million and that 15% of that benefit would go to individuals who earn above €100,000. Can the Minister acknowledge this because this debate has been dressed up by others to make it seem as though this is about giving taxpayers something back? I acknowledge the Minister has not dressed it up in his contribution here today. Can the Minister acknowledge that if he was to increase the standard threshold, the vast majority of taxpayers who have taxable income would not benefit at all and a significant portion of this benefit would go to highest earners? That is the reason I believe that if something is to be given back, let us ensure that the people who are hanging on by their fingernails - those who do not have taxable income or those whose taxable income is moderate - are given something back. There are other ways to give

something back including abolishing the property tax and exempting minimum income earners from the universal social charge. There are many more in respect of which I, on behalf of Sinn Féin, would like to engage with the Minister.

**Deputy Michael Noonan:** I acknowledge that there are differences of opinion about this. The next budget at a headline level must have an adjustment of €2 billion so it is not that we are flush with money to give away. What I am trying to do is put the debate into a space where we are not trying to endear ourselves to the electorate or do pre-election things. What I am saying is that we will be consistent with the policy I followed. I acknowledge that people do not fully agree with the policy but the policy is that if we are making tax changes, we will do so in a way that has a labour market effect. In other words, we make it easier to create jobs. Of course, the Deputy is right. It is quite clear that out of people who work, 856,000 people do not pay income tax at all. This will have no effect on them because they do not pay any income tax. Of course, it will have no effect on people with an income below €32,800 because it is only at that figure that one goes on to the higher rate of tax. There are other things in the tax code that we can debate and I am sure we will come back to this on several occasions. I was simply identifying for the purpose of guidance where I see a priority but I am open to any other suggestions depending on resources.

### **Mortgage Arrears Proposals**

4. **Deputy Michael McGrath** asked the Minister for Finance his views on whether financial institutions are showing sufficient innovation in the nature of the solutions they are putting in place for distressed borrowers to ensure that arrangements are genuinely sustainable; his views on whether there is a lack of consistency in approach across different lenders; and if he will make a statement on the matter. [8565/14]

**Deputy Michael McGrath:** The purpose of this question is to ask if the Minister is satisfied with the approach taken by financial institutions to deal with indebtedness, in particular mortgages. It is not explicitly mentioned in the question but it does relate to mortgages. My overall point is that I am not looking for absolute uniformity in terms of the approach taken by the banks to deal with people's indebtedness and mortgage arrears problems but I believe there is a need for greater consistency, which we will tease out in a few moments. I would like to know the Minister's views. Some progress is being made in terms of split mortgages being offered and accepted by people. Many people are still refusing them for reasons we will go into in a moment. Is the Minister satisfied with the consistency and innovativeness used by institutions in terms of offering different solutions?

**Deputy Michael Noonan:** As statutory regulator of credit institutions, the Central Bank has the power, from both a prudential and consumer protection perspective, to require banks to meaningfully address mortgage arrears cases on their books. Durable long-term restructures will have to be applied having regard to the circumstances of individual cases. The Deputy will be aware that the Central Bank's mortgage arrears resolution targets, MART, announced last March set

time-bound and measurable targets for the main banks requiring them to systematically address their arrears book.

On the basis of its audit of the bank's mortgage arrears targets, the Central Bank has indi-

cated 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. 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 individual cases of mortgage arrears of more than 90 days in arrears.

The subsequent targets set by the Central Bank will be the subject of further audit work to ensure consistency with the sustainability principle in respect of solutions being offered by the lenders. The Central Bank has informed me that a range of sustainable solutions have been utilised by each of the lenders to date, some of which are mentioned in the Central Bank's internal guidelines on sustainable mortgage solutions.

These solutions include but are not limited to the following - term extensions; split mortgages; capitalisations; and permanent interest rate reductions. It will no longer be acceptable for banks to apply short-term solutions to cases where there has been a fundamental and long-term change in the position of the borrower. Durable

long-term restructures will have to be applied having regard to the circumstances of individual cases.

The end December 2013 mortgage arrears data in respect of the six MART banks, which was published by my Department on 13 February, shows that an increasing number of permanent restructures are now being put in place by banks. I would expect that if banks need to introduce new innovative sustainable solutions, the Central Bank will be in a position to assess those products from a regulatory perspective.

Taken together, the necessary framework is in place to enable banks to work with distressed homeowners to reach sustainable solutions for dealing with their personal

indebtedness situations. However, early and effective engagement between borrowers and lenders is key to resolving the cases of mortgage difficulty. Where there is effective and meaningful engagement by all parties on a mortgage difficulty, the data show that an increasing number of durable long-term mortgage restructures are being put in place. It is accepted, however, that it will be necessary for lenders and borrowers to continue to build on this.

**Deputy Michael McGrath:** What I am seeking to do is highlight the lack of consistency among the banks. I welcome the new split mortgage model AIB is rolling out, whereby if, over time, a borrower meets his or her obligations under the particular arrangement reached, more and more of the loan essentially can be written off. This is a progressive and innovative initiative and I congratulate AIB and the Irish Mortgage Holders Organisation on its being put in place. Ulster Bank is rolling out its economic concession, whereby some people have had the interest rates on to their mortgages reduced to 0.5%. If one is paying interest at a rate of 4.5% and it is reduced to 0.5%, it makes a massive difference. Again, this is a very innovative initiative. Bank of Ireland is taking a much more hard-nosed and tough approach. Perhaps this is being done at the bidding of the majority private sector ownership of the institution, but the advocates of borrowers and I have seen evidence of this approach.

It is welcome that increasing numbers of split mortgages are being offered. People still have concerns about the balloon payments which must be made at the end of the term of such mortgages. The AIB proposal is quite good in that regard. People are also concerned about

the regular reviews that will be carried out. I am aware of split mortgage offers being made in circumstances where full reviews must be carried out every six months. These reviews involve individuals being put to a great deal of trouble because they are required to complete the standard financial statement form on each occasion. People are being denied the certainty they require in order to plan their financial future. I am not seeking uniformity of approach among the banks, but I am looking for a degree of consistency. For example, banks are still charging interest on the warehouse portion of some split mortgage models. That is not a sustainable or viable solution.

**Deputy Michael Noonan:** I do not disagree with the Deputy's analysis. At the start of a process of this nature, it is helpful if the various financial institutions try out different approaches. Some of these approaches work in theory, but they do not work in practice. One must see them operating in practice. It is the function of the Central Bank to ensure the consistency to which the Deputy refers. It is effective in that regard. We are all aware that the start of this process was disappointingly slow. However, it is now moving well and is on track. A total of 51,000 permanent restructures have been offered to date and it is obvious that significant progress is being made.

In the context of the overall position, the problem is not quite as large as some might imagine. A director of AIB recently informed me that the average amount of arrears in respect of the institution's 35,000 mortgages in arrears was €13,000. Average arrears of €13,000 do not constitute an insurmountable obstacle, particularly as the economy recovers and people return to work. If one was to add two years to the term of a mortgage, one could cover the level of arrears to which I refer. I accept, however, that different solutions must be found and that the various banks are taking different approaches. We must give them the freedom to do this, while also pressing them to meet their targets. If the approach being taken by a particular institution is working, the Central Bank should ensure it is adopted by other institutions across the system.

**Deputy Michael McGrath:** I thank the Minister. I have written to the Governor of the Central Bank, Professor Patrick Honohan, to outline to him my views on these issues. The reality is that how one is treated depends on the bank with which one has one's mortgage. There are significant differences in approach among the banks. That is the reality people are facing. The banks are operating within a framework established by the Central Bank. However, there is a need for greater consistency because people are being treated quite differently depending on the institution with which they have their business. That is unfair. Some progress has been made, but approximately four out of every five borrowers whose mortgages are in arrears have not had a permanent restructuring put in place, which is unacceptable. Given how far we are into this crisis, much more progress must be made. One can state the average amount of arrears of €13,000 among those AIB customers whose mortgages are in arrears is manageable. However, that level of arrears could represent the fact that someone has not been able to pay his or her mortgage for 12, 18 or 24 months. Being obliged to pay down that amount would constitute a serious problem for many of those involved. There is much more work to be done. I acknowledge that some progress has been made, but it has been far too slow. It is not acceptable that four out of five people whose mortgages are in arrears have still not had permanent restructurings put in place. We must do better than this.

**Deputy Michael Noonan:** We can work with the Central Bank to ensure the targets which have been set will be reached. The targets for 2014 are reasonably good. I would be concerned if there were to be any slippage in respect of these targets. We will monitor matters very carefully, both in association with the Central Bank and via my Department's own mechanisms, in

order to ensure the targets are met.

## Other Questions

### Banking Sector Issues

6. **Deputy Joe Higgins** asked the Minister for Finance his view on the future treatment of mortgage customers following the announcement by Ulster Bank to move its arrears support unit to Scotland, with the loss of 110 jobs here; and if he will report on any recent meetings with Royal Bank of Scotland, RBS, or Ulster Bank executives. [8274/14]

**Deputy Joe Higgins:** I want to ask the Minister what may be the future prospects for ordinary mortgage holders with Ulster Bank in the light of the fact that the bank is moving its arrears support unit to Scotland and sacking 110 workers here. Has he had any meeting with representatives of Royal Bank of Scotland or Ulster Bank about these or other issues in recent times?

**Deputy Michael Noonan:** Ulster Bank Ireland Limited is a regulated entity, licensed pursuant to section 9 of the Central Bank Act 1971. It is also subject to the Central Bank's mortgage arrears resolution targets, MART, process. Ulster Bank's performance in respect of these targets is closely monitored and the Central Bank's MART audits examine the bank's processes of determining and proposing sustainable solutions against its sustainability guidelines. The consumer protection framework also applies to Ulster Bank Ireland Limited and includes the consumer protection code and the code of conduct on mortgage arrears, CCMA. These are statutory codes with which Ulster Bank Ireland Limited must comply. The recent announcement by Ulster Bank does not alter these requirements.

In terms of mortgage arrears, the CCMA sets out requirements for all mortgage lenders dealing with borrowers facing or in mortgage arrears and provides a strong consumer protection framework to ensure borrowers struggling to keep up mortgage repayments are treated in a fair and transparent manner by their lenders and that long-term resolutions are sought by lenders with each of their borrowers. The CCMA also sets out the framework that lenders must use when dealing with borrowers in mortgage arrears or pre-arrears. This framework is known as the mortgage arrears resolution process, MARP, and it sets out the four steps lenders must follow in dealing with borrowers in difficulty, namely: the lender must communicate with the borrower; the lender must gather financial information; the borrower's circumstances must be assessed; and a resolution is proposed.

As part of the normal business of my Department, my officials meet regularly representatives of Ulster Bank. They and I met RBS executives, including the current CEO, last week. The Deputy may be aware that, following the review by the UK Treasury in the autumn of 2013, RBS reaffirmed its commitment to the Irish market. It is reviewing the operations of Ulster Bank in Ireland with a view to creating a sustainable business model. It is expected that the findings of the review will be published by the end of February 2014.

**Deputy Joe Higgins:** There is concern among those who have mortgages with Ulster Bank and also among the staff of the institution about the sacking of 110 workers here and the fact that the arrears support unit is to be moved to Edinburgh. Ulster Bank was up to its neck when it came to fuelling the profit-fest that was the Irish property bubble. For example, in 2004 a decision was taken to abolish the bank's risk policies and controls committee. At the time it was stated the committee represented unnecessary bureaucracy. There are concerns that the move to Scotland will lead to the arrears support unit being more remote and less sympathetic to mortgage holders here who are experiencing difficulties. Some staff are of the view that the company will feel less constrained in adhering to codes of conduct as a result. The new staff who will be taken on in faraway Edinburgh will be on lower pay and have less favourable conditions. Is the Minister of the view that these individuals will deal in a proper and sympathetic manner with mortgage holders in Ireland who are in distress?

**Deputy Michael Noonan:** In any restructuring of Ulster Bank's mortgage arrears unit, it must continue to comply with the code of conduct on mortgage arrears, CCMA, which sets out requirements for all mortgage lenders dealing with borrowers who are in mortgage arrears and provides a strong consumer protection framework to ensure that borrowers struggling to keep up with their mortgage repayments must be dealt with in a fair and transparent manner by their lenders. This will not change in any way regardless of whether the unit is in Dublin, Belfast or Edinburgh.

**Deputy Joe Higgins:** Then why is it moving to Edinburgh?

**Deputy Michael Noonan:** The same rules apply. We have held meetings with Ulster Bank, which has confirmed this. I have also twice met - once before Christmas and once after - Mr. Mark Carney, the Governor of the Bank of England, who assured me that the policy that is published in respect of Ulster Bank is the one that will continue to be implemented.

**Deputy Joe Higgins:** As the Minister knows, the Royal Bank of Scotland, RBS, of which Ulster Bank is a part, has a global restructuring group. The likelihood is that the mortgage loans of ordinary householders will be put onto the international marketplace, in the same way as happened in respect of the former Irish Nationwide mortgage holders, to be snapped up by vulture capitalists. Does the Minister not see that the same problems and fears that we discussed earlier in respect of the mortgage holders now in the grasp of IBRC can be repeated in this instance? When the chief executive officer of Ulster Bank was before the finance committee, I found him distinctly unsympathetic towards mortgage holders in arrears in some of his comments. Were the chief executives of Ulster Bank and RBS among those the Minister met? Did they give him any indication of what the future holds for the ordinary mortgage holders currently with them?

**Deputy Michael Noonan:** I met the chief executive of RBS. He was accompanied by the chief executive of Ulster Bank. We discussed the future of Ulster Bank. What they stated was consistent with the information I had received from the Governor of the Bank of England. Ulster Bank will continue to trade North and South and try to be a high street bank providing the kinds of service that are needed, but we should remember-----

**Deputy Joe Higgins:** Why is its arrears support unit moving to Edinburgh? Is that not sinister?

**Deputy Michael Noonan:** The Deputy knows that banks all over the world have lost a great deal of money. RBS suffered very severe losses, as did its subsidiary in Ireland, Ulster

Bank. They are all restructuring and trying to be more efficient and to cut costs. As part of the restructuring, Ulster Bank moved the unit to Edinburgh. From a legal or practical point of view, though, this will not affect mortgage holders in Ireland, as Ulster Bank is still bound by the same rules as the banks that have their mortgage units in Ireland. Of course we regret the loss of jobs at the unit. No job loss is welcome. We would prefer it had the unit stayed in Ireland and maintained its 110 jobs or so.

### Tax Code

7. **Deputy Thomas Pringle** asked the Minister for Finance his plans to widen income tax bands; the number of persons it will affect; and if he will make a statement on the matter. [8371/14]

**Deputy Thomas Pringle:** This question was prompted by media reports during the past week of indications by the Minister and the Taoiseach that their priority or choice was to increase tax bands in the upcoming budget. What are the Minister's opinions on the matter?

**Deputy Michael Noonan:** As I indicated in my earlier reply to Deputy Pearse Doherty, the income tax burden is too high and needs to be reduced. However, I have also stated that, although it is my intention to alleviate the burden, I can only do so when the public finances allow it. The general government debt at the end of 2013 is estimated to be just over €200 billion and each year we incur an annual deficit that figure grows.

The Government remains committed to returning the public finances to sustainability, upon which the prosperity of the economy depends. Under the terms of the Stability and Growth Pact, until Ireland has reached its objective of a balanced budget in structural terms, we may not introduce discretionary revenue reductions unless they are matched by other revenue increases or expenditure reductions. This means that the Government must consider carefully any tax change, as any reduction will need to be offset elsewhere. However, it should be noted that extending the standard rate income tax band would benefit all of those whose income exceeds €32,800. The extent of the benefit would depend on the amount by which the band was extended and the incomes of the relevant individuals.

Ireland has a progressive taxation system that ensures that the burden of taxation falls most heavily on those with a higher ability to pay. The latest OECD data indicates that Ireland has the most progressive tax system of the 21 EU countries that are members of that organisation.

As is the normal practice for the Minister for Finance, I have no intention of setting out planned changes to the tax system in advance of the budget, which is almost eight months away. My officials constantly model and examine potential options for changes to the tax system. Such options will be proposed for my consideration as part of the overall budget package for 2015.

**Deputy Thomas Pringle:** In public comment, the Minister has stated that the tax bands are a barrier to job creation. Given the fact that most of the jobs being created in the economy are part-time, which is a different model of working, surely the changes in the bands should benefit those people with part-time jobs? The majority of taxpayers, some 60%, earn under €30,000 and would not benefit from any change to the top band. A consideration of changing the bands seems to be a consideration of continuing the inequity that the Government has fostered in-

cent budgets. Would it not be more sensible to target the benefit at those who would dispose of that income in the economy? Those on low incomes would benefit most.

**Deputy Michael Noonan:** It is reasonable to adopt different positions based on one's perspective. I am sure that we will hold many discussions on tax over the next two years or so. Many part-time workers are not in the tax net. Some 850,000 workers do not pay income tax because they are not liable for it. Many of those are part-time rather than low-paid workers. This is one starting position.

The benefit of this reform would be for persons earning incomes in excess of €32,800. However, it is becoming an issue. As the economy grows and people are needed to work in its emerging vacancies, we must attract back some of the young emigrants and those who commute to the UK. If someone can fly out of Dublin on a Monday morning to a job in London, stay for five days and enjoy a much higher salary in a more benign tax system, it will be difficult to bring skilled workers back. This is the connection with job creation. In the UK, one does not go on the higher income tax rate until one is earning somewhere north of £180,000. We are at €32,800.

**Deputy Thomas Pringle:** I would love to see the Department's research on the bands posing a barrier to job creation. I know a number of people who travel to England every week to work. When one factors in the cost of flights and accommodation, I am damn sure that most of them would be happy to get a job at home on €32,000 or €33,000 per year. The fact is that people cannot get those jobs because they do not exist. Will the Minister publish the Department's research that shows tax bands are a barrier to job creation?

**Deputy Michael Noonan:** We publish a great deal of data every year and put much of them up on our website. There is also the tax reform group, the papers of which are published.

### **IBRC Mortgage Loan Book**

8. **Deputy Thomas P. Broughan** asked the Minister for Finance the measures he will take to ensure that loans held by customers of the former Irish Nationwide will be subject to the same contractual terms and conditions of customer mortgages and other borrowings upon the sale of the Irish Nationwide loan book to a third party or the loans reverting to the National Asset Management Agency as would have been in place prior to the loans having been sold. [8241/14]

**Deputy Thomas P. Broughan:** There was a lengthy discussion on this matter, but when I asked the Minister on 28 February 2013 about whether individual mortgage holders would be allowed to bid for their own mortgages, he told me that the contractual terms and conditions of customer mortgages and other borrowings would not change as a result of the appointment of the special liquidator.

As the Minister knows, there is considerable distress among mortgage holders, one of whom contacted me last night via e-mail.

The e-mail reads:

I am very worried and concerned of who might purchased the loan book and as to the possibilities of losing protection from the Central Bank as offered to all mortgage holders in

IRELAND. I am concerned that whoever might purchase them will have carte Blanche to increase interest rates on us already struggling to meet our monthly repayments and stay in our homes. I also find it quite disingenuous that the Minister for Finance and IBRC can offer huge Financial discounts to multimillionaires to purchase the commercial loan book but the tax paying working class must just shut up and carry on with there contractual agreement with the IBRC until it's sold to some vulture fund.

Perhaps the Minister would repeat what he said.

**Deputy Michael Noonan:** It is important to highlight that the contractual terms and conditions of all customer mortgages and other borrowings have not changed as a result of the appointment of the special liquidators; nor will those terms and conditions change as a result of the ultimate sale of these obligations to a third party. Purchasers of mortgage loans will be required to honour the legal terms of the loan agreements. None the less, I am fully aware of the concerns raised by the IBRC mortgage holders regarding continued protection under the CCMA for those mortgage holders following the sale of the loan book by the special liquidators.

The special liquidators have, following due consideration, decided that the sale of the residential mortgage book in portfolios was the best method available to maximise market interest and return within the timelines set out in the ministerial instructions. It was not possible for me to interfere in the sales process developed by the special liquidators to compel them to sell the residential mortgage portfolio to regulated entities as to do so would have had a negative impact on the return achievable by the special liquidators. Such action would have left me open to challenge by other creditors of the bank.

I am keenly aware that the potential loss of protection under the CCMA is a source of great concern to the mortgage holders of the bank. The continued applicability of CCMA depends on the regulatory status of the ultimate acquirer of the IBRC portfolio, which will not be known with certainty until that process is completed next month. However, I have instructed my officials to examine the issue fully, in consultation with the Central Bank, with a view to bringing forward a solution if required. While work is ongoing in that respect, I am pleased to note that some unregulated firms have already indicated that they intend to voluntarily adopt the CCMA in order to manage acquired loans, as they believe that following the CCMA is in the ultimate best interests of both the businesses and their customers. I fully expect that this would also be the case in the event that the IBRC portfolio was acquired by such organisations.

It is important to note that in the event that NAMA acquires the IBRC residential mortgage book it will be mindful of its legal obligations and is likely to apply best practice in relation to the CCMA. Furthermore, it has confirmed that no borrower will be in any worse a position.

**Deputy Thomas P. Broughan:** We have witnessed a number of serious scandals in this country over recent decades. I recall having a conversation with the Minister when we were in opposition about the endowment mortgage scandal and the fact that nothing was at that time being done about it. Why will the Minister not move quickly on this issue? He was prepared to move in the middle of the night a year ago on an important matter. Why not pass the sale of loan books to unregulated third parties Bill, which is on the C list, this evening rather than waiting until 2015 to do so, which will be too late? This Government may not even be in office then. Or he could simply accept the spirit of Deputy Michael McGrath's Bill and put it on the Statute Book as quickly as possible.

I commend Deputies Mathews and Donnelly on their suggestions with regard to the publication of the advice from PricewaterhouseCoopers. The last comment made by the Minister may offer a tiny glimmer of hope to mortgage holders. However, people believe the Minister is simply standing idly by and allowing them to be thrown to the vultures. That is the net impact of what is being done to Irish Nationwide mortgage holders. Will the Minister reconsider this matter and have the relevant legislation put on the Statute Book? I am aware that voluntary compliance was a feature of the Apollo deal and others. However, one cannot trust vultures to behave in any kind of voluntary or community-oriented manner. This is a matter for Deputy Noonan as Minister.

**Deputy Michael Noonan:** Hyping up the situation and using extreme emotional language is not helping the mortgage holders.

**Deputy Thomas P. Broughan:** That is how they feel.

**Deputy Michael Noonan:** Yes, because they are being well hyped up by people-----

**Deputy Thomas P. Broughan:** No; they are contacting us.

**Deputy Michael Noonan:** -----whose interests are not their interests.

**Deputy Thomas P. Broughan:** We are acting for them.

**Deputy Michael Noonan:** It is unfair to the mortgage holders to be raising unreal fears.

**Deputy Thomas P. Broughan:** I am talking about young homeowners.

**An Leas-Cheann Comhairle:** The Minister has the floor.

**Deputy Michael Noonan:** It is unfair to the mortgage holders to be raising unreal fears. We should not do it. People have different objectives. I am prepared to back the mortgage holders and work towards a solution. I said it was complicated and that my officials are in talks with the Central Bank and the Attorney General's office on the best possible solution. The liquidator must get the best return possible for the creditors of IBRC. That is the legal position. If I were to intervene in the middle of the sale and attach additional conditions to the loan books, that would potentially diminish the value of the loan books. It would also leave us open to being sued in the courts. We should first wait to see who purchases the loan books. If NAMA purchases them - and it is more likely to purchase performing mortgages rather than non-performing ones - there will be no problem with that set of mortgages. If an unregulated institution purchases them we will review the situation, including through the liquidator, reinforced by me, asking that that party do what other private sector mortgage purchasers have done in the past and apply the full code voluntarily. We will be looking for that commitment. If that does not happen, other work, such as Deputy McGrath's proposed solution, will come into play.

**Deputy Thomas P. Broughan:** I want to convey to the Minister, as other Members tried to do earlier, the distress people are feeling due to the uncertainty surrounding their family homes. The Minister has a core responsibility in this area. It is all right for him to say that if NAMA purchases the loan books it will voluntarily comply with the CCMA, but what people want at this stage is some decisive action. I again urge the Minister to look at what legislative measures can be introduced to ease people's concerns. I accept that everybody affected by the gangsterism of the Celtic tiger era of the past ten or 15 years is struggling with huge inflated mortgages, negative equity and so on. However, the Minister has a moral obligation to address the situation

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of this particular group about whom we are speaking now in a manner that is in their interests. I am speaking in this regard about young couples and families.

**Deputy Michael Noonan:** I accept what the Deputy says. We are working on solutions and monitoring the situation every step of the way. There is a process of sale going on which will be completed in the middle of March. We must wait to see who purchases the loan books, following which, if necessary, we can act. We are not standing idly by. We are working in parallel but for legal reasons I am not going to intervene. If I have to intervene I will do so after and not before the sale.

**An Leas-Cheann Comhairle:** Deputy Derek Keating is unable to attend to deal with Question No. 9.

*Question No. 9 replied to with Written Answers.*

### Legislative Programme

10. **Deputy Pearse Doherty** asked the Minister for Finance if he will fast-track the sale of loan books to unregulated third parties Bill to safeguard the rights of those whose mortgages have been sold or will be sold to unregulated entities. [8345/14]

**Deputy Pearse Doherty:** This question also deals with the issue of mortgages and the real concern people have in this regard. There has been some good news, which should be acknowledged at this point. In regard to the two tranches of loan books sold heretofore in 2012 and 2013, one of the institutions is obliged to comply with the CCMA and the other has voluntarily agreed to do so. I understand the party interested in acquiring the loan books in March is willing to voluntarily comply with the CCMA. I am concerned about the so-called voluntary requirement to comply with the CCMA. If a party can voluntarily enter into the CCMA, can it voluntarily withdraw from it, or is there a legally binding agreement between the Central Bank and the party that voluntarily enters into the CCMA? Perhaps the Minister would respond to that question first before I move on.

**Deputy Michael Noonan:** The Bill to which the Deputy refers is listed in the legislative programme, published last month, under the category “Bills in respect of which heads have yet to be approved by Government”. The purpose of the Bill is to provide for the application of the protections provided to mortgage holders under the Central Bank’s CCMA to loan books which have been sold by regulated financial institutions to unregulated financial institutions. The matter is legally complex as it could affect contracts already entered into, and so needs careful consideration. For that reason, my officials are currently examining the issue with their colleagues in the Central Bank and the Attorney General’s office. In the meantime, I understand that a number of the purchasers of mortgage loan books are abiding by the code on a voluntary basis. As the Deputy is aware, the code confers certain protections on distressed borrowers when dealing with lenders and sets out a clear framework for dealing with cases in arrears.

I also understand that Deputy Michael McGrath has put forward a Private Members’ Bill with a similar intent. I look forward to discussing that Bill when it comes before the House.

**Deputy Pearse Doherty:** I need an answer to my question. For example, the Apollo Group which bought 2,000 mortgages from Bank of Scotland last year has indicated it wants on a

voluntary basis to enter into the code of conduct on mortgage arrears, CCMA, with the Central Bank and the Department of Finance. What does that mean? Is that a cast-iron guarantee for those 2,000 mortgage holders who reside in the State that they are now locked into it, as they would be if Bank of Scotland still held these mortgages, or can it voluntarily opt out of it? Is an agreement being put in place between the Central Bank and the unregulated institution? That was my original question. If the sale process does not proceed in March because the bid targets have not been met, the loan book will revert to NAMA. It is not likely that NAMA will hold on to these loans to their conclusion; it will be wound down before many of these loans are extinguished. In that case will the Government facilitate individuals in purchasing their loans at a lower discount than that offered to the markets or at least the same discount offered to the markets?

**Deputy Michael Noonan:** The commitment given previously by the unregulated purchasers of mortgage books was a formal one, but I could not say whether it has the force of contract law without checking the legal position. However, I would not expect anybody to resile from it; if a formal commitment is given, it stands. The commitment is given publicly to the mortgage holders in the first place, but it is also given to the Central Bank and we expect it to stand. I will ask the officials dealing with the Central Bank and the Office of the Attorney General to have a look at that point.

**An Leas-Cheann Comhairle:** I thank the Minister.

**Deputy Pearse Doherty:** The Minister had more time left and I asked a second question.

**An Leas-Cheann Comhairle:** I am not going to write the script for the Minister or the Deputy.

**Deputy Pearse Doherty:** You cut off the Minister. The second question still stands. If the loans revert to NAMA, will the Government facilitate the people whose loans they are in purchasing them from NAMA at a reduction, similar to that offered to the markets in the process taking place in March or at a lower rate? I assume there will be an administration burden on NAMA. It is important for the Minister to have clarity on whether there is a legal contract because these loans may be sold on again. He has indicated that legislation will be introduced in 2015. The Taoiseach has said the reason for not introducing it this year is that 61 bids have been received. He has indicated that that was one of the bids and that it did not come out of the hat in time, which is somewhat strange. Given the level of interest in the issue which I presume is reflected across the Opposition benches, the Sinn Féin Party will facilitate the speedy passage of such legislation. If it means sitting additional days, let us do so in order to have a clear-cut system to ensure mortgage holders will be protected when these loans are sold on to unregulated institutions.

**Deputy Michael Noonan:** It is important to think the matter through. NAMA is required to get the best return possible for the taxpayer on anything it sells. The only way for it to establish this is to have a competitive process. That is exactly what the liquidator is doing. It cannot sell a single mortgage unilaterally to the mortgage holder because it needs to establish value in the market. If it were to sell mortgages individually, rather than in loan books, it could result in a mortgage holder's neighbour who had a row over planning permission buying the mortgage. Alternatively, someone with whom the mortgage holder is in dispute or another family member, in circumstances where the family is not pulling together, could come in and buy the mortgage. Therefore, it is not a solution. If the rule requires a competitive bidding procedure to establish

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value, there is no guarantee that the person who has the mortgage will end up being owner in that situation. Of course, if NAMA acquires a large tranche of the mortgages which originated in Irish Nationwide Building Society, over time it will also sell them. However, we will have time to look at what conditions it might attach to them for the benefit of mortgage holders. We can have that discussion subsequently. We are now in phase 2 and the liquidator has advised that he will complete the sale sometime in March. We will see where we stand at that point and then address outstanding issues.

**Deputy Michael McGrath:** I do not regard voluntary compliance with the code as a solution because it is simply unenforceable, which is the fundamental weakness. Who will police voluntary compliance if an issue arises? The answer is that nobody will. We will have two standards of a code, one that is statute-based, enforced and policed by the Central Bank and another that is entirely voluntary. That is not a solution. I know the Minister has a concern about being sued if he issues a direction order now when the sales process is under way. However, we could pass legislation - it does not even need to be Government legislation - to deal with the issue. The Government is far less likely to be sued if legislation that originates from the Opposition benches is passed by it. It would have to be implemented and enforced. I do not believe it could be sued in that scenario.

**Deputy Michael Noonan:** The publication of the Deputy's Bill was quite helpful to us and me, personally. It sharpens the consciousness of anybody thinking of buying that there are concerns in the House and that there is a legislative route that this Parliament might follow. We can discuss it, but I see it as something we will deal with as the situation develops. It should develop very rapidly and conclude in March, if the liquidator sticks to the deadline he has suggested to me.

*Written Answers follow Adjournment.*

### **Message from Seanad**

**An Leas-Cheann Comhairle:** Seanad Éireann has passed the Road Traffic (No. 2) Bill 2013 without amendment.

### **Protected Disclosures Bill 2013 [Seanad]: Second Stage (Resumed)**

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

**An Leas-Cheann Comhairle:** I call Deputy Finian McGrath who is sharing time with Deputies Luke 'Ming' Flanagan and Richard Boyd Barrett.

**Deputy Finian McGrath:** I welcome the opportunity to speak about the Protected Disclosures Bill 2013. This debate is important in the overall debate on reform which is seriously needed. When discussing the Bill, we need to ensure at all times that the public good is served

and that the interests of citizens are protected. Any whiff of corruption or malpractice needs to be rooted out of society - in private business and the public sector. The protection in law for workers provided for in this legislation is crucial. In recent days and weeks we have seen the urgent need to give maximum protection to people who genuinely want to serve the public good. Too many times they have been hung out to dry or marginalised by the Establishment. In recent days we have seen how Sergeant Maurice McCabe and Mr. John Wilson, the whistleblower, have been treated. The people are demanding that individuals with a genuine grievance be respected and protected. That is why I welcome many aspects of this legislation. We need to protect genuine whistleblowers who want to do positive things for their country. People lack confidence in the justice system because we are not doing the right things and not taking good people seriously such as Sergeant Maurice McCabe and Mr. John Wilson. That is something that has been overlooked in the debate over the past three or four days, particularly in respect of the Minister for Justice and Equality, who seems to live in Cloud Cuckoo Land. There are many other cases. I have mentioned several of them in recent debates here. I was reminded this morning of another one, the James Sheehan case, in which senior gardaí planted a gun in the car of an innocent man. Nothing was done about that. It was absolutely disgraceful. When he was let off the gun disappeared within the system. We have to have justice for people like that.

I am glad to see that the Minister for Public Expenditure and Reform, Deputy Howlin, is in the Chamber because he is dealing with this issue. People should not be afraid of reform, change and accountability. It is good for the vast majority of people. It is bad for the bad guys and girls involved. There are benefits to this kind of legislation and to whistleblowers. A good whistleblowing system within a public body or private company can deter wrongdoing. It can pick up potential problems in the system early. The recent scandal around the bugging of the Garda Síochána Ombudsman Commission, GSOC, shows that picking up a problem early often stops it getting out of control. It enables critical information to get to the people who need to know and can address the issue. It also demonstrates to the public and to a court that the body or company is accountable and well-managed. People look for accountability and management of resources. The banking crisis and the economic downturn provide a glorious opportunity for reform. This legislation is part of that process.

A good system reduces the risk of anonymous and malicious leaks. There are cranks or people who can be malicious towards somebody in the public or private sectors. We have to get the balance right and make sure that the good people, like John Wilson and Maurice McCabe, who bring forward issues of genuine national importance, are protected at all times. A good whistleblowers' and disclosures practice in private companies and in the public sector minimises the costs and compensation from accidents, investigations, litigation and regulatory inspections. The real benefit of this system is that it enhances and maintains an organisation's reputation.

I welcome the legislation. The Protected Disclosures Bill 2013 introduces a general protection in law for whistleblowers. It aims to protect workers from reprisals when they report suspected wrongdoing in their organisations. It applies to the public and private sectors. The events of recent days show that we need this kind of legislation. That is why I will support it strongly. The current whistleblowers, however, need to be protected and looked after. They are good, genuine people who have the interests of the public good at heart.

**Deputy Luke 'Ming' Flanagan:** Is it a hangover from British rule in this country that one is not a whistleblower but a snitch? That is how one is classified if one blows the whistle. That is how this State has classified Maurice McCabe and John Wilson. The clinician who blew the

whistle on the One Flew Over the Cuckoo's Nest standard of care in the psychiatric institution in Galway is classified as a snitch. These people should be classified as heroes.

There might have been a reason for classifying people as snitches under British rule because the view was that one should not tell the authorities certain things when we were trying to run them out of the country. In this case, however, it is our country. We are running it and if someone comes with vital information he or she should not be classified as a snitch. When meeting the confidential recipient, who has been fired for doing his job - contrary to what Deputy Martin said this morning, he did do his job - one should not be told, "I'll tell you something Maurice, and this is just personal advice, if Shatter thinks you're screwing him you're finished." If one saw that in a film by Quentin Tarantino one would say it was a well-written script but fell down in one respect, that it was kind of unrealistic, a bit over the top but this happened.

I spoke to John Wilson this morning. I talk to him regularly. I do not speak to him on my iPhone and, on his advice, he does not speak to me on his mobile phone. On his advice, we go to landlines and change them regularly. I am talking about the whistleblower. This is the man who had a rat tied to his door for doing the right thing. Tittle-tattle and tales are told about him behind his back within the Garda Síochána for standing up for what is right and the law. His reward is to be pulverised and attacked by the State. A true reward for people like John Wilson and Maurice McCabe is that, instead of John Wilson having to run for fear of his life out of the Garda Síochána, he should have been promoted through the ranks of the Garda Síochána because he has conclusively proved that he is in this for one reason only, justice. He has been vetted by the highest authority, his conscience, and has done the right thing. Instead, he has had to leave the job he loved. He has to live on far less money. His quality of life has gone down. His reward for doing the right thing is that the whistle has been shoved down his throat and if it does not choke him on the way down it will poison him when it gets to his stomach. What is happening to this man is sick and twisted. It is wrong. The Minister for Justice and Equality, Deputy Shatter, has said that one of his jobs is to build confidence in the Garda Síochána. Confidence has never been lower. The Minister told the Oireachtas Joint Committee on Public Service Oversight and Petitions yesterday that he did not think it was a problem. He needs to go out and talk to the general public. As John Wilson said this morning, where can the gardaí go if they have a problem? If a particular garda spots a problem, for example, a murder not properly investigated, of which we have plenty of examples, or rapes not properly investigated, where does he or she go? They can go nowhere because the man they did go to was fired for doing his job.

Oliver Connolly was in a sense a glorified postman. His job was to take the documentation and pass it on. He was so concerned about it that he did not go to the Garda Commissioner, he went directly to the Minister. His reward is that he is out of a job today when the Minister should be out of a job. This does not happen only within the Garda Síochána, it happens in all walks of Irish life. If a county councillor tries to do the right thing by reporting pollution or spot that money is being embezzled or wasted, what happens? Is one rewarded? No. One is punished. On many occasions when I reported pollution or other things going on, a couple of councillors came to me out of fatherly concern saying that if I kept on saying the council was causing pollution I would get nothing done. When I said it is polluting they said, "Oh we know that but if you keep saying this they will get back at you." It got back at us two years ago by closing our swimming pool for the month of June, for the first time since 1945. That was the reward. I know the council would have closed it completely but that it would not have been able to take the backlash. That is the reward.

We hear apologies in this Chamber for what was done to people in the Magdalen laundries and various institutions.

*11 o'clock*

The reality is that if someone working there today blew the whistle on it, he or she would be the one that would be punished. One might say, "No, that would not happen. What happened in the Magdalen laundries was too extreme. We would certainly listen to these people", but in the past week a whistleblower, Joe, who is proud to put his name in the public domain, although he was worried originally, told us - I stated it yesterday in the Dáil - that 31 patients with mental health issues have only three showers to use. When he put that information in the public domain he was immediately contacted by the Health Service Executive, which threatened him with disciplinary action. As far as I am concerned, if one is a clinician in the health service and one has any mass on the Hippocratic oath on what is right, one should come out and tell people what is going on. These people who are doing this are being threatened with being fired, but they still do it. Sadly, the message from this Government is: shut up, keep quiet, know your place.

**Deputy Brendan Howlin:** The Deputy did not read the Bill.

**Deputy Richard Boyd Barrett:** I will make some comments on the Bill but, following what Deputy Flanagan has said, we have to look at a Bill like this, the general thrust of which at least is welcome, in the context in which the Bill is put forward because the objective should be to give support and facilitate people who are blowing the whistle on wrongdoing, malpractice, corruption and other activities that could be damaging to society or to individuals involving criminal activity in corporate or State institutions. That is what it should do. We have to have a context in which the people blowing the whistle feel confident the State will back them up if they genuinely believe they have been victims of or witnesses to serious wrongdoing and abuse.

If that is the objective, we must then examine from where we have come and where we are at now. It would be a fair summary to say that, historically, we have lived in a State of fear and tyranny where those who are the victims of wrongdoing, abuse or corruption are terrified to speak out and believe that if they speak out, they will suffer dire consequences - vilification, loss of job, demonisation, victimisation and so on. That has been the history of this State, whether it is at the hands of the church, powerful and wealthy elites or of the State itself in terms of the Magdalen laundries or the background to the economic crash that has destroyed this country economically. Would it not have been wonderful if this was a State in which people working in the banking industry, local authorities, Government or wherever who knew what was going on in terms of banking, developers and so on had the confidence to speak out and blow the whistle on what was going on? That did not happen. That is the environment we need to create.

In that context, the events of the past few weeks would hardly give people confidence. I read the transcript of the conversation between Oliver Connolly and Maurice McCabe yesterday, and it is extraordinary. This is about a member of the Garda who took his life in his hands and spoke out about what he believes to be widespread, endemic corruption in the Garda, not just about penalty points but about murders not being investigated and people being set up for crimes they did not commit. These are the most serious allegations imaginable. He goes to someone whose job specifically is to be a point of contact for people who want to blow the whistle on wrongdoing in the Garda and, instead of getting support or being facilitated, this person who represents the Minister for Justice and Equality tells him to shut up and keep quite,

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and threatens him that the Minister will go after him - will screw him - if he threatens to go public with his allegations. Thank God Maurice McCabe had the confidence to face down that sort of bullying and intimidation and continue to speak out.

Sometimes political credit needs to go somewhere and the people who deserve that credit are Deputies Mick Wallace and Clare Daly. Deputy Wallace told me he first raised the issue of Maurice McCabe more than a year ago-----

**Deputy Luke 'Ming' Flanagan:** Yes.

**Deputy Richard Boyd Barrett:** -----and it has taken until now for the issue to be taken seriously. Yesterday, we had the sudden sacking of the confidential recipient. That is good, but major questions remain. That person had been a political donor to the Minister in his election campaign. I do not know the exact nature of their relationship with one another but on the face of it they would seem to know each other quite well. The question, therefore, is when he made those comments to Maurice McCabe, was he acting with the knowledge of the Minister or with knowledge of the Minister's general disposition when it came to the allegations Maurice McCabe was making? It is difficult to believe he pulled these threats out of the sky, given his relationship with the Minister. At the very least, those questions must be answered.

I have much more to say about that issue but, on the legislation, there is a serious issue about people who are on contract employment. If their contracts are not renewed because they have been blowing the whistle, serious attention must be paid to that and to the issue of the relief they will get if they blow the whistle and lose their jobs, cannot pay their mortgages or whatever because it could be several years before they get that relief. That is a major disincentive to people blowing the whistle and therefore they need to be assured, and the legislation must pin down-----

**Deputy Brendan Howlin:** I amended it in the Seanad to include that.

**Deputy Richard Boyd Barrett:** Fair enough, but we need to examine that closely to ensure people do not feel they will face a huge financial loss if they blow the whistle.

**An Leas-Cheann Comhairle:** The next speaking slot is shared by Deputies James Bannon, Peter Fitzpatrick and Brendan Ryan. Deputy Bannon has ten minutes.

**Deputy James Bannon:** I welcome the Minister, Deputy Brendan Howlin, to the House and compliment him on the fine job of work he is doing in his portfolio.

The purpose of the Bill is to put in place a whistleblowers Act. This is an important Bill and I am delighted to see it before the House. It will provide for further protection of workers who make disclosures of certain information in the public interest and will apply to both the public and private sectors.

This Bill sends a message of support to potential whistleblowers to encourage their reporting of wrongdoing. The legislation is intended to provide a robust statutory framework allowing workers to raise concerns regarding potential wrongdoing in their places of work, safe in the knowledge that they can avail of significant employment and other protections if they are penalised by their employers or suffer any detriment for doing so.

The 2011 programme for Government stated that we will put in place a whistleblowers Act to protect those who expose maladministration by Ministers or others, and restore freedom of

information; we are delivering on that promise. However, I am concerned that some claim no real regulatory impact assessment has been carried out in terms of assessing fully the potential impact and effects of this legislation in sensitive situations such as personality clashes between persons in the workplace. Concerns have also been raised about the impact on Ireland's open economy and our dependence on foreign direct investment. It is important to get the legislation right if we are to protect businesses and companies, and this country's reputation as a prime location to do business. I understand that special rules will be required for disclosure of commercial information where a contract entered into between employer and worker provides for confidentiality. Such provisions will take precedence over any right to disclose.

The protections contained in this Bill are designed to encourage whistleblowers to come forward and to prompt higher standards. It is horrifying to think that people who make disclosures about wrongdoing in the workplace might be penalised by their employers. A number of bodies have called for publicity campaigns to ensure workers are made aware of and understand the protections on offer. It is critical to the effective operation of the legislation that people be aware that it is safe for them to step forward and say there is something wrong. We need to rid ourselves of hostile attitudes towards whistleblowers, whereby informing is seen as having traitorous qualities. Examples of the types of wrongdoing that may be reported include dangers in the workplace, mis-selling or price fixing, medical negligence, neglect of people in care and supplying food unfit for consumption. The old approach of offering varied levels of protection based on a person's employment or industry sector leads to uncertainty as to who can make a protected disclosure. This lack of certainty surrounding general protection has stopped some potential whistleblowers from coming forward. The Bill offers the same protection to all whistleblowers regardless of their backgrounds. This will greatly help the whistleblowing process by making it easier to understand how the law can protect those who make disclosures. It is also important that the legislation balances worker protection with employer protection. This must remain a truthful and fair process and the law must not favour one side over the other.

The Nyberg report on the banking crisis in Ireland raised the issue of whistleblowing. The report stated that the limited numbers of warning voices were largely ignored. Attempts by banking insiders to send cautionary signals to market participants about escalating property values were dismissed as ill-informed and wrong and there may have been a strong belief in Ireland that non-team-players, fractious observers and whistleblowers could be informally, and sometimes publicly, sanctioned or ignored, regardless of the quality of their analysis or their position in their respective organisations. I regard those who warned of the financial doom coming our way as heroes. These people knew that their reputations and even their jobs were being put on the line by doing the right thing. We must now do the right thing in order to help brave people like them to stand up and say something when they witness wrongdoing in the workplace.

I have some slight concerns about the Bill, however. The proposed protections do not go far enough and are not equivalent to those on offer in other jurisdictions. For example, the UK and many other countries provide for interim relief whereby individuals can apply to be reinstated to their jobs if dismissed, or kept on until their cases are finally determined. Without such reliefs, whistleblowers risk financial ruin while they wait for their cases to be finally resolved.

**Deputy Brendan Howlin:** The Bill was amended in the Seanad to provide for interim relief.

**Deputy James Bannon:** I am glad to hear that.

The protection of whistleblowers is central to the struggle against corruption and is important in prompting higher standards. The Bill strikes a fair balance between the interest of the whistleblower who discloses wrongdoing and the employer who could be damaged by unfounded allegations. It is important that the legislation sends positive signals to international observers who are concerned about past standards of governance in this country. In future, no workplace will be above accountability and scrutiny. This Bill reinforces the demand for transparency and accountability as set out in Article 28 of the Constitution, which states that the Government shall be responsible to the Dáil and to the people of Ireland. That is something the previous Government appeared to ignore. I welcome the fact that the Bill will amend the Unfair Dismissals Acts to cover those who make protected disclosures. I commend the Minister and his officials on their introduction of the legislation.

**Deputy Peter Fitzpatrick:** This Bill introduces a general protection in law for whistleblowers. It aims to protect workers from reprisals where they report suspected wrongdoing in their organisations. The legislation will apply to both the public and private sectors. Protection is contingent on certain tests, such as reasonable belief. A number of channels are being provided to whistleblowers, depending on the individual circumstances of the worker, to disclose concerns. The Bill's protections are designed to encourage potential whistleblowers to come forward and to prompt higher standards. They will apply to those who make a disclosure of wrongdoing in the workplace and are penalised by their employers as a result. The definition of "worker" will include contractors and former workers, and protection will apply from the first day of employment.

Current legislation in this area is partial and inconsistent, offering varying levels of protection according to employer and industrial sector. This approach leads to uncertainty as to who can make a protected disclosure. The lack of general protection is believed to have stopped some potential whistleblowers from coming forward. The Bill provides a broad overview of the steps a whistleblower must take to receive protection. The disclosure must be made by a worker who reasonably believes the disclosure shows one or more relevant wrongdoings. The information must come to the attention of the worker in connection with his or her employment and the worker must decide to whom he or she will make the disclosure. Generally, a disclosure shall be made to an employer, but certain workers may take other avenues depending on the circumstances of their case. This includes making a disclosure to a Member of Dáil Éireann. Deliberately false reporting will not meet the reasonable belief test and is not protected under the Bill. Special arrangements have been put in place for disclosures relating to law enforcement matters and disclosures that could inadvertently affect Ireland's security, defence or international relations.

Protected disclosures will be included under the Unfair Dismissal Act 1977, with compensation of up to five years of pay. Protected disclosures have immunity from civil liability and are not criminal offences. The Bill also provides for the protection of a whistleblower's identity and a right of action in tort law for detriment caused by a third party. Employers are prohibited from penalising or threatening a worker for making a protected disclosure. Workers in State bodies will also be in a position to claim protection if they report their concerns to the sponsoring Department.

The definition of "worker" covers as many persons interacting with the workplace as possible, including members of An Garda Síochána and the Defence Forces. No form of information is excluded from the Bill. In order to avail of the protection, a worker must have a reasonable belief that the information to be disclosed shows or tends to show one or more of the following:

a criminal offence has been, is being or is likely to be committed; a person has failed, is failing or is likely to fail to comply with any legal obligations to which he or she is subject; a miscarriage of justice has occurred, is occurring or is likely to occur; the health and safety of any individual has been, is being or is likely to be endangered; the environment has been, is being or is likely to be damaged; an unlawful, corrupt or irregular use of funds or resources of a public sector body has occurred, is occurring or is likely to occur; an unlawful, corrupt or irregular use of public moneys has occurred, is occurring or is likely to occur; an act, omission or course of conduct by a public official is oppressive, improperly discriminatory, grossly negligent or constitutes gross mismanagement; and information tending to show that any matter falling within any one of the proceeding sub-paragraphs, whether alone or in combination, has been, is being or is likely to be deliberately concealed.

The Labour Relations Commission is in the process of preparing a code of practice for workers and employers relating to the manner in which protected disclosures are to be handled. Both ICTU and IBEC have engaged with this process, which will continue apace with the objective to have a code in time for the enactment of this Bill. With goodwill on both sides, it is anticipated that the code will serve to ensure that the majority of disclosures are dealt with successfully at local level and that any necessity on the part of a worker to access the protection in the legislation will represent the exception rather than the norm.

**Deputy Brendan Ryan:** I am delighted to see this Bill before the House for debate and equally delighted to have an opportunity to speak on it. It is a pity, but I suppose understandable, that those in opposition are deciding to speak further on GSOC rather than the merits of the Bill and what it sets out to achieve.

This Bill is the delivery on a commitment within the programme for Government to put in place protections for ordinary workers who see injustice and malpractice in their workplace. As the Minister, Deputy Howlin, stated, the publication of this legislation represents a major step in the delivery of the Government's programme of political reform. I agree with him that it provides for the first time a comprehensive whistleblower protection across all sectors of the economy and addresses what has been a significant gap in Ireland's legal framework for combating corruption.

The lives of those born in the past 30 years have been set against a political backdrop in this country of tribunals, corruption, brown envelopes, re-zoning and stroke politics. It is no wonder that the attitude of many young people is so negative towards politics in this country. Who can blame them? The legacy of corruption has left many with the belief, "Ah sure, they are all the same". We are not all the same. There were people, especially in the Labour Party, willing and able to stand up to political corruption. Given my party's strong stance against the worst excesses of political corruption which took place in this country, I am delighted that this Bill is being brought in by a Labour Minister.

This legislation highlights the real difference which can be made when a serious party of the left is in government. It is one thing eternally standing on the sidelines in perpetual protest but, ultimately, that will not deliver real change.

This is important legislation. It is long overdue and it will make a positive difference towards improving transparency and fairness in the country. Most importantly, it provides further protections for ordinary workers. In addition to the reversal of the minimum wage cut, the protection of the JLCs and the upcoming collective bargaining legislation, this Bill is a further

strengthening of worker's rights brought in by the Labour Party in government.

This Bill amends the Unfair Dismissals Act 1997 to include the dismissal of a worker for having made a disclosure under the Bill. It also increases the maximum amount of compensation payable by an employer in the case of an unfair dismissal following a protected disclosure, from 104 to 260 weeks remuneration. This Bill also prohibits the penalisation of a worker for making a protected disclosure and there is a non-prescriptive list of penalties contained within it. These are real improvements to workers' rights and protections.

If we are serious about stamping out wrongdoing, we need to empower the ordinary person in Irish society at all levels. Where injustice, malpractice and illegality occur, we need to provide the necessary protections for ordinary people to highlight this and thereby prevent it from happening again.

We have witnessed in the recent past instances whereby the glaring absence of any whistleblower legislation was brought into sharp focus. Five years ago, we saw the example of a figure in the Irish Red Cross losing his job for blowing the whistle on over €160,000 of unspent charitable donations. This money was donated to the Irish Red Cross five years previously in aid of the Indian Ocean tsunami of 2004. A couple of years ago, we saw the example of a woman losing her employment in St. Brendan's Hospital after highlighting a practice of keeping some patients in a locked environment over the Christmas period. These are but two examples which highlight the need for this legislation.

This legislation, when passed, will not of itself end corruption and malpractice in this country. However, as the Irish Human Rights Commission states, it will demonstrate a maturity to accept legitimate criticism and to focus on tackling structural issues in the social, economic and political life of the country.

I look forward to seeing the Bill passed into law. I believe it is a milestone on the road towards a political, economic and financial society which is more transparent and free from corruption. Many of my constituents have said to me that not enough is being done to tackle white-collar crime. This is a good response from Government to tackle this type of crime. I genuinely believe that people will look back at the enactment of this legislation and say this was an important milestone in the fight against white-collar crime. I commend the Minister and the Government for bringing this Bill to the House.

**Deputy John McGuinness:** I welcome the Bill and the Second Stage debate that is taking place on it. It is important legislation.

In the penalties concerned, I point to the fact that one size does not fit all and perhaps, in the context of amendments, the Minister would look at that. We must tailor it to the size of the companies involved and to the extent of the complaint or corruption put forward by the whistleblower, and apply the appropriate action. I come at this from the point of view that the biggest employer in the State is the State. The largest number of complaints, the largest number of whistleblowers and the largest number of those who have generally expressed concern come within the State's organisation.

Through the years, and different Governments, we have failed to protect the people. Protecting the people is the basic job of any government and we have failed miserably in that regard. In fact, our management of complaints and whistleblowers has been sloppy. It has shown complete disregard for their rights. It has shown complete disregard for the complaint that they

are making even though it is in the interest of the State.

The person who in good faith comes forward with a complaint is often the one who will at the end of the process be the victim. The person's health will be broken. Their job will probably be gone. They will not be able to serve anymore. That is the history of this, if one looks back on it. They are the ones who have tried to do the State some service. It is an appalling situation.

In any Bill like this, we have to look at the issues that the State has faced over the past few years, particularly in recent times. There are different types of whistleblower. There is the whistleblower about the job. There is someone who comes forward out of the experience in dealing with the State and is willing to put his or her experiences in the public domain so the State can learn from the mistakes, and there is a need for the State to respond in a supportive way that protects that person's position in life, job or credibility, in terms of how he or she put forward the complaint in the first place.

A letter I received serves to inform me about what happened. I will cite one or two cases. One lady, who is a hard-working woman, describes the State as "a little corrupt country". This was her experience, which we need to take into account. She expected the law enforcers, including the Garda, the DPP and judges, to protect, serve and tell the truth. In her correspondence she went on to outline what happened to her and her son who was killed in a hit and run incident. She outlined details of the person who was driving the car and killed her son: he was out on bail, his passport was in the Garda station, he was on a suspended sentence on both sides of the Border, he was well known to the PSNI and had served time in custody there. In addition, he was on a peace bond, had 40 convictions and 17 convictions outside this jurisdiction. He was also well known to Interpol. He was driving a completely defective vehicle on the night in question, with no tax, insurance or NCT. The man was on the probation books for six years for heroin before he killed on the roadside. He had previous convictions for road traffic offences, burglary, aggravated burglary, handling stolen property and drugs. Six weeks after killing this woman's son, he received two sentences of two weeks to run concurrently. He was asked to sign on at the Garda station in Carrickmacross, but as he was serving a sentence in another jurisdiction he did not sign on at the Garda station. However, nobody bothered to pick that up. In fact, some of the background information was never presented at his court case.

This lady's cherished son was a well qualified young man who had just finished university and was setting out in life. He was a man who cared for the community, worked with his neighbours and looked after them, but he was lost to the country and to his family. This lady decided to pursue the matter. On the one hand, the State had given the man who killed her son a senior counsel, junior counsel, an interpreter and a solicitor. On the other hand, the State gave her, her family and her lost son a junior counsel. At every hand's turn she complained to the State that is there to protect her, but she was not listened to. She would not give up on her son, however, and eventually wrote to the Attorney General, the DPP, the DPP's complaints department and the Garda Ombudsman. She made 19 different complaints, just two of which were upheld. No justice was served in this case so this lady turned to the authorities and asked for a public inquiry. She asked for all the actions taken by the State, and the inaction, to be examined so that this would never happen again.

In their grief and trauma, following the death of their son, the lady and her husband turned to their daughter for support and assistance in lobbying the State that is supposed to protect them for an inquiry into what I consider to be a serious injustice. Lucia O'Farrell, having lost her son

Shane at 23 years of age, was refused. She then turned to the only other people who could help her. She asked those in the political system to look at the papers in a file that is 12 inches thick. The file is full of inaccuracies and issues that have not served her or her family well. She blew the whistle on all of this, including at the offices of the DPP, the Ombudsman and the Attorney General. She asked for action, and I must tell the Minister, Deputy Howlin, that that woman is sincere in her approach to this matter. She has a case that this State must answer. She has an absolute case for a public inquiry. She turned to her politicians, and wrote to the Taoiseach explaining that she had not received an acknowledgement. This woman, in absolute grief and traumatised by the loss of her son, appealed to the political system, yet she received no answer. I saw the answer that she got from the Minister for Justice and Equality, Deputy Shatter, and I have to say that it does not make me feel proud of this country. She got a cold acknowledgement. I challenge the Ministers, Deputy Howlin and Deputy Shatter, or the Taoiseach to meet this woman and her family. They should read the paperwork in detail and see how justice was not served in this case. They should demand a public inquiry. I have made these appeals before in this Chamber but nothing happens.

**Deputy Peter Mathews:** The Chamber is empty.

**Deputy John McGuinness:** I know the Chamber is empty, but others may be looking in, and I respect that.

**Deputy Brendan Howlin:** There is a Committee on Public Service Oversight and Petitions in the House.

**Deputy John McGuinness:** I am sorry, but she appealed to the Taoiseach.

**Deputy Brendan Howlin:** She can petition the committee of the House.

**Deputy John McGuinness:** Do not give me that rubbish.

**Deputy Brendan Howlin:** A committee of the House is rubbish?

**Deputy John McGuinness:** Do not give me that rubbish. She made a direct appeal to the Taoiseach and to the Minister, who should at least have acknowledged it. They should at least have asked her to come in and put her case to them to see if she had a case, and then let her proceed with it. As the Minister sponsoring this particular Bill, I am asking Deputy Howlin to convey to the Taoiseach and the Minister, Deputy Shatter, how this woman was let down. Deputy Howlin should insist that they meet with her and that they decide on a course of action that will bring justice in this case. That is the least he should do.

Last week, I re-echoed an appeal in the case of Una Halliday and FÁS. She is another whistleblower, but this week they are trying to take her in for a further interview while she is out on sick leave. Does the Minister, Deputy Howlin, condone that? Would he expect a State employer not to protect the rights of that woman? I ask SOLAS, FÁS or whoever is responsible there now to stop the persecution of this woman. She, like many others who blew the whistle, now goes to her office and is given no work, no telephone and no computer. They are humiliated every day they go in and are shouted at in front of other employees. Their rights are ignored. When I raised the matter here, as I did last week at the Committee of Public Accounts, nobody in this place listens or responds. That is no way for a State to behave. It just stubbornly sticks its head in the sand and ignores people's rights. That does not make me feel proud of this democratic system. I appeal to the Minister, Deputy Howlin, again in that case. He has been

described as a Labour Party Minister who is going through the motions with regard to this Bill, and I respect him for it. As regards that employee, however, he should make a direct intervention and ask for some respect. The woman is out sick and her family are deeply concerned. The matter has been raised publicly, both in the Dáil and elsewhere. I am raising it again here today. I ask whoever is listening and whoever is responsible to leave this woman alone. They should deal with the matter in a far more constructive manner, and not in the way they are pursuing it at present. Above all, they should respond to this Parliament and a request that has been made by a Member of the Oireachtas to stop and treat that person like a human being.

I want to inform the House of how I believe the State should respond, but is not responding, in another case. I will give the example of the special investigations unit in the Department of Agriculture, Food and the Marine. Following a statement made by Judge Reynolds, I appealed to the Taoiseach that the special investigation unit in the Department of Agriculture, Food and Marine be investigated for the manner in which it conducts its business and forces down citizens of the State into a tormented state because of the way they are treated. I cited the case of a young special needs child in County Carlow who was terrorised in his home by those who visited. He still speaks about it to his father to this day. When the court case was heard, which concerned an issue with his father, a settlement was made. The special investigations unit was not covered in glory. In a different case, Judge Reynolds said the unit should be investigated by the Minister.

I raised a case in Kilkenny with the Taoiseach on the Order of Business. They bullied a pregnant woman who later gave up her job and who has not been replaced because of the antics of the people in the unit. There is also the case of John Fleury, where two detectives in the region have sufficient information to be of interest to the State. No one has asked them for the information and no one has asked them what type of information they have about the special investigations unit to cause someone to pursue them and correct them on the action they take in various instances. I know the unit has a job to do but when it steps beyond the line, the State must stop them and protect the citizens of the country, which it is not doing. There are umpteen cases where the special investigations unit has gone beyond its remit and it should be reined in. Cases have been reported in the national media in the *Irish Farmers' Journal* and other places and there is sufficient information to cause the State to at least ask the question and to determine what it did to the young child and what information the detectives have about other cases. Why does no one in this House respond? We are debating the Bill in Parliament. Do they not regard us as having any positive input? Is the permanent government continuing on its merry way and disregarding the political system and the complaints made to it? That is what seems to be going on. Issues outlined in the first case lead me to believe there is a complete cover-up, showing complete disregard for that woman's rights. For that reason, I appeal for a public inquiry.

There are many other cases, some of which concern the OPW and others the Department of Health. With regard to the HSE and the Department of Health, front-line nurses have come to me and have complained about the system, how they are treated and how they are promoted or not promoted. When I look at them, I see legitimate cause for concern. They make these complaints to me but they are afraid to tell their superiors and afraid to make complaints. Some of them live in fear because an example has been set where others have lost their jobs. Is that how the State should perform? If there is a complaint to the Minister for Health, Deputy Reilly, the Minister for Justice and Equality, Deputy Shatter, or the Taoiseach, the least any of the complainants deserve is a formal response and a listening ear. Maybe, thereafter, the political system might decide that we cannot do anything for them or that we will change legislation so

that their voices can be heard. This is partly what the Minister is doing but I ask him to look back on the ones who have complained and see how their lives have been devastated and the state of health they are in now. They are broken people, appealing to the State and they probably have little or no respect for the State or the democratic process, having been in a position of having the greatest of respect for the State. The politicians and the democratic process have visited that upon them because we refused to respond.

Lastly, the Garda whistleblower has revealed many facts that have shocked people. Has he not been proved correct? He was poked at and made fun of but two weeks ago we discovered the report of the Comptroller and Auditor General was based on interviews with the same man. Nevertheless, the political system would not look after him or listen to him. They failed to protect their people. That is what this Government and previous Government did. I ask the Minister to stop the process as it currently operates and to, at least, deal with some of the cases to which I refer and to ask someone to listen to them. In the case of Lucia O'Farrell, I plead with the Minister to initiate a public inquiry into the death of her son and how justice was administered, or not, in her case. I also asked the Minister to deal with the aspect of the corrupt little country she believes we are.

**Deputy Terence Flanagan:** I propose to share time with Deputy Peter Mathews. I welcome this timely legislation in the context of the recent negative events concerning the Garda Síochána and the bad treatment of a whistleblower. The Bill provides much-needed protection for whistleblowers. It is vitally important that those who witness wrongdoing in their place of work feel supported enough to bring these matters to light. People need to be encouraged to bring injustice to light and the importance of inside information cannot be underestimated. In 2012, the Mahon report recommended that whistleblower legislation be introduced, with increased protection for whistleblowers in the public and private sectors. Employees should have the right to report misconduct in the workplace such as price fixing, medical negligence, corruption or soliciting bribes. These are matters of public interest and should be exposed as soon as they come to a person's attention.

It is of concern that legislation has not been introduced until now and the Minister, Deputy Howlin, must be congratulated on his political initiative, his campaign and what he has exposed in the past. The Bill should help to deal with underlying corruption in some areas of society. The public has become disillusioned with the culture of corruption in Irish society and the legislation should provide reassurance and bring certain matters to light. If support had been available before now, we might not have seen the same level of corruption in all sectors of Irish society and it would have been a better alternative than what has happened. It is important that employers also be protected against false claims and if there is deliberate false reporting, there must be repercussions. These provisions are included in the Bill.

Why was the decision taken not to have an overseeing body to help a whistleblower? If a whistleblower has complaints about the way he or she has been treated following the making of a statement, to whom should he or she report? Who acts as a mediator between an employer and an employee in cases such as these? The presence of an independent regulator would ensure organisations implemented the legislation and that they would handle cases internally, fully and fairly. Until now employees have been, correctly, afraid to bring cases of wrongdoing to light out of fear of bullying, as Deputy John McGuinness argued. People may also be isolated at work and fear ultimately losing their jobs as a consequence of bringing that wrongdoing to light.

The recently publicised case of whistleblower Edward Snowden has shown the negative connotations associated with those who bring these matters to light. That was an exceptional case involving national security, but it was negatively reported on in the media and people may be deterred by the backlash. Ireland's reputation internationally has been damaged, but the Government is doing everything to try to get the country back on track. Nevertheless, details of cases of corruption have been covered across the globe and are damaging. I hope that when this Bill is enacted, it will help to restore some confidence in Ireland and show that we are serious about tackling corruption.

In the financial sector at the time of the banking crisis there was a distinct lack of whistleblowing. One particular case involved Morgan Kelly, a professor at Trinity College Dublin, who warned about the inevitable end of the property bubble. He was treated with disdain, as expressed by many people in Ireland, as he highlighted the problems associated with increased mortgage lending and the dependency on the housing sector. The Taoiseach at the time, former Deputy Bertie Ahern, publicly criticised him and those who attempted to forewarn about the impending crisis. It was a worrying practice. Previous speakers have discussed white collar crime and corporate negligence and these issues played a significant role in the global financial crisis. Certain white collar criminals have caused substantial damage to the economy and many seem to have got away with it and not been subjected to any punishment for their actions. It is refreshing to see the trial of Anglo Irish Bank executives up and running and I hope some justice will be seen to be served. I know the banking inquiry will help to restore some confidence to the general public.

When the Bill is enacted, will there be a national campaign to make employees aware of their rights? Workers need to be aware of the new supports that will be in place. The Bill provides that all public sector organisations will have to set out their own channels for disclosures and provide details of these for all workers in writing. It may also be a good idea to have a dedicated website or an automated helpline in place for employees who wish to disclose information in the ultimate interests of the taxpayer. Will the Minister provide an update on the progress made by the Labour Relations Commission in drawing up a code of conduct? Deputy John McGuinness spoke about the treatment of whistleblowers in the past, as I am sure the Minister is aware, and it is a shameful record. We hope this new Bill will make a big difference to those who wish to come forward with relevant information in order to highlight corruption or wrongdoing. I welcome the Bill.

**Deputy Peter Mathews:** I thank the Minister for bringing forward the legislation. This is an expression of or testimony to the fact that there is now a stirring of conscience in the country. However, it is not enough that there is a stirring; as Deputy John McGuinness stated, we should now be fully awake. It is our duty, as politicians and legislators, to encourage this process. There seems to be a never-ending sequence of cases that are heart-rending and embarrassing in their import. The story of Louise O'Keeffe is just one; years after the shocking abuse she had suffered as a little girl, she went through the courts system to describe what had happened and the system shut her down and buried her under potential costs. That is a recent example and the resolution of the issue took place outside the country in the European Court of Justice. Shame on us that it happened at all.

The suppression of conscience has occurred through Establishment groupthink. Only a couple of days ago, on 18 February, one of the shortest Bills ever seen in the House was brought before it. It would be a further development along the lines of what Deputy James Bannon mentioned. Article 28.4.1° of the Constitution states, "The Government shall be responsible" to

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the people of Ireland, but the proposed Bill, the Thirty-Fourth Amendment of the Constitution (Members of the Houses of the Oireachtas) Bill 2014, states the Members of each House - there are two - "shall be representatives of the whole people, not bound by orders or instructions", which would relieve them of the oppression that has been experienced in this country. They would be "responsible only to their conscience". When our consciences awaken, we will do the right thing. This would not forbid policy making by parties, agreements or coalitions, as some might carelessly or gratuitously argue. It just means that when we came to the raw brass of duties and responsibilities, one would not suppress one's conscience.

**Acting Chairman (Deputy Paudie Coffey):** I apologise for interrupting the Deputy in full flow, but the time has come to adjourn the debate.

Debate adjourned.

### **Topical Issue Matters**

**Acting Chairman (Deputy Paudie Coffey):** 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 Robert Dowds - the need to ensure boards of section 38 health agencies are representative of all stakeholders; (2) Deputy Dessie Ellis - the need to provide support for Tuath housing for the refurbishment of properties at Gallery Quay in the Dublin docklands; (3) Deputy Lucinda Creighton - the accuracy of the data being collected from hospitals on their mortality rates and the implications for patient safety; (4) Deputy Derek Nolan - the impact of a further increase in carbon tax on solid fuels; (5) Deputy Peadar Tóibín - the need to provide a housing solution for persons forced into homelessness; (6) Deputy Dan Neville - the increasing risk of Lyme disease; (7) Deputy Michael Colreavy - the cost-benefit analysis of exporting renewable power from Ireland to Britain; (8) Deputy Michael Moynihan - providing access to medication for severe asthma sufferers; (9) Deputy Clare Daly - the review being undertaken by Judge Cooke of the GSOC surveillance controversy; (10) Deputy Richard Boyd Barrett - the need to establish an accurate figure for Ireland's corporation tax rate; (11) Deputy Mick Wallace - the review being undertaken by Judge Cooke of the GSOC surveillance controversy; (12) Deputy Éamon Ó Cuív - the future of rural post offices; and (13) Deputy Seán Ó Feargháil - the escalating crisis in Ukraine.

The matters raised by Deputies Dan Neville, Robert Dowds, Seán Ó Feargháil and Richard Boyd Barrett have been selected for discussion.

*12 o'clock*

### **Leaders' Questions**

**Deputy Micheál Martin:** Yesterday the Taoiseach stated in the House, in respect of the confidential recipient and Garda whistleblower, that “having read all of the statements made and having been in contact with the Minister for Justice and Equality who is very concerned about this matter [...] he has this morning relieved Mr. Connolly of his duties.” There has been nothing else from the Taoiseach or the Minister and no comprehensive statement from the latter concerning the entire affair or outlining the rationale for relieving Mr. Connolly of his duties. After the emergence of the transcript, there was absolute silence from the Minister for Justice and Equality for approximately two weeks, and then there was a very minimalist response. Everybody is expected to believe that in the conversation involving the confidential recipient and the Minister, the confidential recipient is wrong in his assertions vis-à-vis the Minister.

Yesterday I handed a series of shocking cases to the Taoiseach involving assault, sexual assault and a range a very profound, serious and shocking incidents. I seek clarification on a very key point. The confidential recipient would have had possession of all this material for approximately two years. It involves, in its entire detail, the case of the abduction and assault of Mary Lynch, the subsequent abduction of a child in Tipperary by the same culprit and the subsequent murder of Sylvia Roche Kelly. The confidential recipient got it in the form of a complaint from Mr. Maurice McCabe, the whistleblower. It included all of those cases to which I have referred and many more. The information was sent to the Minister for Justice and Equality, Deputy Shatter, by the confidential recipient. We know this from the transcript because it states:

**Connolly:** Shatter would have read your report in detail, I know he did, he communicated with me and he will have read all of your exhibits, which I actually labelled them numbered one to nine in the actual, in the order they were highlighted so he did know. And you know I redacted, the only thing I redacted was your name. Alan studied everything in fact I know he did.

The Minister knew about these very shocking and serious cases for two years. With knowledge of those cases, he comes into this House and actually accuses the whistleblower of not co-operating with the Garda in its inquiry into the penalty points saga, undermining the man’s credibility in the public domain. This was fundamentally wrong.

**Deputy Charles Flanagan:** That is not the full story, though.

**Deputy Micheál Martin:** Does the Minister for Social Protection, Deputy Joan Burton, agree that we require a comprehensive statement from the Minister for Justice and Equality, Deputy Shatter, on the reasons he decided to relieve Mr. Connolly of his duties? Second, does she agree it is now important that the Minister for Justice and Equality make a comprehensive statement in the House on the entire affair and apologise to the whistleblower, Mr. Maurice McCabe, for wronging him through the allegation of non-co-operation? Can the Minister for Social Protection say to the House that she has confidence in Deputy Shatter as Minister for Justice and Equality?

**Minister for Social Protection (Deputy Joan Burton):** The Deputy sent the letter to the Taoiseach yesterday, or last evening. He received it last evening. As the Deputy said, there are important issues raised in the letter and material that he sent. The Taoiseach is examining the material very carefully. The Deputy will understand that, having just received the information last night, the Taoiseach wants to consider it and reflect on it very carefully. Therefore, I will not comment at this point on what the outcome might be. The Deputy would agree that if this is a significant and important matter, it deserves very careful consideration and examination

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rather than simply a go-to response, which I believe is what the Deputy is implying should be given this morning. If the Deputy sent the material to the Taoiseach, it is reasonable to expect the Taoiseach to consider it carefully. I have not actually seen the material. I understand the only person who has received it is the Taoiseach.

**Deputy Micheál Martin:** The Minister for Justice and Equality, Deputy Shatter, received it two years ago.

**Deputy Joan Burton:** The Deputy spoke about the material he communicated to the Taoiseach. I have not seen that material. The Deputy is suggesting the material sent by him is already held by other people.

**Deputy Timmy Dooley:** The Minister for Social Protection is representing the Taoiseach today.

**Deputy Joan Burton:** I am just saying the Taoiseach needs time to examine the material. He just got it from the Deputy last night.

With regard to confidence in the Minister for Justice and Equality, the Government announced yesterday, on foot of the advice of the Attorney General, that an independent inquiry would be carried out by Mr. Justice John Cooke.

**Deputy Micheál Martin:** That has nothing to do with it.

**Deputy Joan Burton:** The judge has agreed to the terms of reference of the inquiry, as drawn up by the Attorney General.

**Deputy Micheál Martin:** I am not talking about that.

**Deputy Joan Burton:** The Deputy asked whether I had confidence in the Minister.

**Deputy Finian McGrath:** Yes or no?

**An Ceann Comhairle:** Members should speak through the Chair.

**Deputy Joan Burton:** One of Deputy Martin's questions was whether I have confidence in the Minister for Justice and Equality.

**Deputy Timmy Dooley:** It is taking the Minister a long time to answer.

**An Ceann Comhairle:** Will the Deputies please allow a reply to a question?

**Deputy Joan Burton:** This is one of the questions I was asked.

**An Ceann Comhairle:** The Minister has nine seconds left.

**Deputy Joan Burton:** I have confidence in the Minister, Deputy Shatter, first because the Government has now established an independent inquiry under one of the most esteemed jurists in the country, who is regarded on all sides as somebody with an excellent record as a legal practitioner and judge.

**A Deputy:** Appointed in 1996 by Fine Gael.

**Deputy Joan Burton:** Second, as the House knows, the Oireachtas committee has been

given powers to examine the legislation in respect of GSOC. Third, the Minister for Justice and Equality attended yesterday a meeting of the committee of considerable length - four hours - to go through all the matters that have been raised. If there are other matters-----

**Deputy Finian McGrath:** Has the Minister for Social Protection confidence in the Minister for Justice and Equality? Yes or no?

**Deputy Joan Burton:** The Minister for Justice and Equality has indicated he is available if there are other issues to be discussed and raised. On the question as to whether I have confidence in the Minister, Deputy Shatter, the answer is, "Yes, the Government has confidence in Minister Shatter."

**Deputy Dara Calleary:** Has the Minister for Social Protection got confidence in him?

*(Interruptions).*

**An Ceann Comhairle:** Will Deputy Martin's supporters please quieten down and allow him to ask his supplementary question?

**Deputy Micheál Martin:** This is the document-----

**Deputy Joan Burton:** Which document?

**Deputy Micheál Martin:** This is a document that was sent to the confidential recipient on 23 January 2012.

**Deputy Joan Burton:** Which document is that? I do not have that document.

**An Ceann Comhairle:** We are not to display these documents in the Dáil Chamber.

**Deputy Micheál Martin:** I am not.

**Deputy Joan Burton:** Which document is that?

**Deputy Micheál Martin:** If the Minister lets me explain-----

**An Ceann Comhairle:** There has to be order. Will the Deputy put his question, please?

**Deputy Micheál Martin:** This document is a complaint about very serious matters and it refers to very serious issues. It was sent to the confidential recipient and it was sent to the Minister for Justice and Equality in January 2012. Can I be any clearer?

**Deputy Bernard J. Durkan:** When did Deputy Martin get them?

**Deputy Micheál Martin:** I got these this morning. I got this actual document this morning.

**An Ceann Comhairle:** Will the Deputy put the question?

**Deputy Micheál Martin:** What I am saying is that the material-----

*(Interruptions).*

**Deputy Micheál Martin:** This is incredible.

**An Ceann Comhairle:** Please put your supplementary question without interruption.

**Deputy Micheál Martin:** With respect, will the Minister stop trying to undermine people who are bringing very important matters of concern into the public domain? She should stop doing that. She has done too much of it. The Minister, Deputy Shatter, undermined a good man in the case of the whistleblower. The documentation here contains some of the material I gave to the Taoiseach yesterday concerning the cases. The pertinent point is that these shocking cases were given to the Minister for Justice and Equality two years ago. There is no doubt about that-----

**Deputy Bernard J. Durkan:** The Deputy knew about them four years ago.

**Deputy Micheál Martin:** -----and there is no doubt that he read and studied them. The confidential recipient says, "I know he did". He read them and he knew their gravity. What happened? Nothing happened.

**Deputy Bernard J. Durkan:** The Deputy knew about them four years ago.

**An Ceann Comhairle:** Would you please put your question?

**Deputy Micheál Martin:** All of this ran into the sand. These are very serious issues. The bottom line is that there simply must be a commission of inquiry into these matters of grave public concern. The Minister did not answer the questions I asked her. Does she not think the Minister should come here today and address the House on the gravity of the assertions and allegations that have been made? The House is being treated with contempt on this issue. There has been silence about this transcript and the issues contained it for the last two weeks and there has been a minimalist response from the Minister, so far, in respect of these very serious issues matters. Does the Minister, Deputy Burton, not agree that he should come to the House to exonerate the whistleblower and withdraw the misleading remarks he made about his not co-operating with a Garda inquiry? All of that is wrong, and if the Minister cannot see that it is a significant indictment of her and her judgment.

**Deputy Joan Burton:** I will respond, if the Deputy is interested in a resolution of these issues. Why are we interested in a resolution of these issues and why ought they to be important to Fianna Fáil and the Opposition, as well as to the Government? It is because they go to the heart of the matter in respect of the security of the State and individuals in the State, which is looked after by An Garda Síochána. Second, in a modern democracy, the Garda Síochána or policing authority must be overseen by an appropriate oversight commission. I have read to the House, at length, the appointment, under very broad and detailed terms of inquiry-----

**Deputy Micheál Martin:** That is a different issue.

**Deputy Joan Burton:** Hold on, Deputy.

**Deputy Micheál Martin:** We did not raise that issue this morning.

*(Interruptions).*

**Deputy Micheál Martin:** The Minister is answering on an issue about which she was not

asked.

**Deputy Joan Burton:** The Deputy came here this morning-----

**Deputy Micheál Martin:** The only reason the Minister is answering on that matter is to avoid answering the question she was asked.

*(Interruptions).*

**An Ceann Comhairle:** Deputies, please. There is no point in being sorry. This is not a shouting match. It is a serious issue. The Minister has one minute to answer. Will she please do so and we can move on to the next speaker?

**Deputy Joan Burton:** The Deputy sent a letter to the Taoiseach last night. I have just told him in all seriousness, although he does not appear to be able to take it on board-----

**Deputy Micheál Martin:** Get to the point.

**Deputy Joan Burton:** -----that the Taoiseach is considering that letter. That is a proper and appropriate response.

Second, the Deputy has now waved another blizzard of paper. One would think one was in a snowstorm the way he is producing paper at this point.

**Deputy Micheál Martin:** The Minister is trivialising it.

**Deputy Joan Burton:** The Deputy has produced more paper and said that he made it available this morning. I have not received it. I take the Deputy sufficiently seriously that I will do him the courtesy of reading the material when I receive it and have the opportunity to do so. I wish to say to the other Members of the House that if there is more information or material, it is extraordinarily important to bring it forward. The Deputy has only brought that material forward this morning.

*(Interruptions).*

**An Ceann Comhairle:** Will you take your tablets, please? I call Deputy Pearse Doherty.

**Deputy Pearse Doherty:** We have reached the eleventh day of a scandal in which the Minister, Deputy Shatter, has been at the epicentre. First, there was the alleged bugging of the GSOC offices. Then there was the rubbishing of those claims as baseless innuendo by the Minister. He misled the Dáil last Tuesday regarding the report he received from GSOC. Now, there is new information in the public domain as a result of documents which have now gone to the Taoiseach - it is new information to the Taoiseach but not to the Minister, Deputy Alan Shatter - that a whistleblower within the Garda has used every opportunity to bring to the attention of the appropriate authorities misconduct, malpractice and destruction of documents within the Garda Síochána regarding serious abuses up to the highest level of murder. The Minister says the Taoiseach is looking at the letter he received yesterday, but does she acknowledge that the Minister, Deputy Alan Shatter, received this complaint in 2012? Can she acknowledge that the Minister, Deputy Shatter, spoke to the Garda Commissioner and furnished a three-letter

response to the confidential recipient, Mr. Connolly?

Mr. Connolly's is the only head that has rolled in this scandal. Why was it his head that rolled? In the GSOC bugging controversy, the fact that the whistleblowers were rubbished, the penalty points debacle and the issue of the cover-up of alleged malpractice within the Garda, why was it Mr. Connolly's head that rolled? It was clear from the justice spokesperson on "Morning Ireland" this morning that it is because he made derogatory comments about the Minister, Deputy Shatter. That goes to the crux of the matter. It is about protecting the Minister and the Garda Commissioner at all costs. Forget about the alleged bugging of GSOC and the fact that a whistleblower has tried to bring this evidence into the public domain and to the proper authorities for many years. The head of Mr. Connolly, who made comments about Deputy Shatter, had to roll.

Let us look at the comments he made, some of which have been put on the public record.

**An Ceann Comhairle:** The Deputy's time is up. Will he put his questions?

**Deputy Pearse Doherty:** He said the Garda Commissioner had made a serious error of judgment and that he knew, or should have known, about the malpractice. He also goes on to suggest that the Garda Commissioner should stand aside. He also said:

I think the Commissioner has a case to answer. I think you have the evidence they destroyed you. A man has only got his reputation. You were just standing up for what is right if you ask me.

The appropriate thing to do as a result of the shattering of confidence in sections of the Garda Síochána, right up to the level of Garda Commissioner, is not for the Taoiseach to start studying these documents but to immediately set up an independent commission of investigation to find out what happened. The Minister, unfortunately, is in the dock because he did not respond appropriately to these allegations in 2012.

**Deputy Joan Burton:** Obviously, the Deputy failed to notice that yesterday the Government established an independent inquiry under one of the most highly regarded retired judges in the country, with the terms of reference drawn up by the Government on the advice of the Attorney General.

*(Interruptions).*

**Deputy Joan Burton:** If the Deputy is interested, as he claims, in having a functioning Garda Síochána which protects the security and the people of the State and which is, importantly, overseen by an ombudsman commission that can carry out its job, the Government has just commissioned such an independent inquiry to be carried out. If the Deputy wishes to rubbish the establishment of an independent inquiry, as he is suggesting, under one of the most respected retired judges in the State, that is up to Sinn Féin and Fianna Fáil. I believe they are wrong. The important issue for the State and for both Fianna Fáil and Sinn Féin ought to be that we have a Garda Síochána which functions with the full support and confidence of the public. The gardaí are the people who put their lives in danger every day for our citizens-----

*(Interruptions).*

**An Ceann Comhairle:** Please, Deputies.

**Deputy Joan Burton:** -----and the Deputy should show some concern that the Garda Síochána should be fully supported in the State and, second, that the Garda Síochána should be properly overseen by the Garda Síochána Ombudsman Commission. That is precisely what the Government has set out to do, having given an independent power of inquiry to one of the most respected retired judges in the State.

I wish to make a point to Sinn Féin and other Opposition Deputies if they have more material. I understand that Deputy Martin met the Garda whistleblower last weekend, which is about five days ago. He chose to send the material to the Taoiseach last night. Sinn Féin might have more material. In the interests of-----

**Deputy Timmy Dooley:** It was a little quicker than two years.

*(Interruptions).*

**An Ceann Comhairle:** Please be quiet.

**Deputy Joan Burton:** This is not about politicking but about the Garda Síochána commanding the respect and support of every citizen and party. It is also about having a proper oversight commission for the Garda. That is what we set out to do. Last night the Minister for Justice and Equality addressed the committee for about four hours.

**Deputy Dara Calleary:** Not on this issue.

**Deputy Joan Burton:** The Opposition, including Sinn Féin, now seems to have a problem with the Taoiseach taking time to have a look at documents.

**Deputy Micheál Martin:** No one mentioned that.

**Deputy Joan Burton:** That is the correct response.

**Deputy Dara Calleary:** The Minister had two years in which to address it.

**Deputy Joan Burton:** I do not want to suggest one would make a political football out of something as important as the Garda Síochána and the Garda Síochána Ombudsman Commission, but an important and appropriate mechanism has been established and it is to report back within a relatively short period. That is the proper way to do it.

**Deputy Charles Flanagan:** On a point of order-----

**An Ceann Comhairle:** I am sorry, but the Deputy cannot make a point of order during Leaders' Questions.

**Deputy Charles Flanagan:** On a point of order-----

**An Ceann Comhairle:** The Deputy cannot do so during Leaders' Questions.

**Deputy Charles Flanagan:** I wish to draw your attention to a very serious and unaccept-

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able remark made in this House by Deputy John Halligan.

**Deputy Finian McGrath:** The Deputy cannot raise that matter during Leaders' Questions.

**An Ceann Comhairle:** I am sorry, but I did not hear anything.

**Deputy Charles Flanagan:** It was made yesterday by Deputy Finian McGrath who cast a slur on a member of the Judiciary. I call on you to ask the Deputy to withdraw the remark.

**Deputy Finian McGrath:** There are no points of order during Leaders' Questions.

**An Ceann Comhairle:** I am trying to manage a session and I did not hear what was said.

**Deputy Paul Kehoe:** Repeat the remark outside the House.

**Deputy Charles Flanagan:** If the Ceann Comhairle did not hear what was said, I ask him to check with the Clerk. A very serious and unacceptable remark was made, and not for the first time.

**An Ceann Comhairle:** Will Members, please, be quiet?

**Deputy Simon Harris:** If the Deputy is so brave, repeat it.

**Deputy Mattie McGrath:** The Deputy should not wag his finger.

**Deputy Charles Flanagan:** A charge was made against a member of the Judiciary by Deputy John Halligan and it was made earlier by Deputy Finian McGrath.

**An Ceann Comhairle:** Will the Deputy, please, resume his seat?

**Deputy Finian McGrath:** What did I say?

**Deputy Charles Flanagan:** The Deputy should check the record of what he said yesterday.

**Deputy Finian McGrath:** The Deputy must have-----

*(Interruptions).*

**An Ceann Comhairle:** Deputy Pearse Doherty should, please, put his question.

**Deputy Charles Flanagan:** I ask the Chair not to let this matter go without a reply.

**An Ceann Comhairle:** I will check the record.

**Deputy Pearse Doherty:** I am sure there will be plenty of opportunities to correct the record, including by the Minister, Deputy Alan Shatter, who made a complete and inappropriate slur against the whistleblower in October-----

**Deputy Charles Flanagan:** That is not true.

**Deputy Pearse Doherty:** -----and has still failed to correct the public record.

**Deputy Charles Flanagan:** The Deputy knows that is not the full story.

**Deputy Pearse Doherty:** The Minister should be informed that the review set up has nothing at all to do with the confidential recipient, the transcript of that conversation or the file the Taoiseach has received. I am sure the Minister, Deputy Joan Burton, is aware of this and, if she is not, she must make herself aware of it. I am sure that what the Government is trying to do is to confuse the public, if it can do so, by stating it is dealing with the matter appropriately.

**Deputy Mattie McGrath:** It is like a scatter-gun.

**Deputy Pearse Doherty:** The Minister, Deputy Joan Burton, asked us for additional information. We have no additional information, but she should ask the Minister for Justice and Equality because in 2012 he received a document which showed there was widespread abuse in small sections of the Garda in connection with various serious matters. He failed to investigate them at an appropriate level. He said-----

**An Ceann Comhairle:** Will the Deputy, please, put his supplementary question, as he is over time?

**Deputy Pearse Doherty:** The person who had the full information, the confidential recipient, said the Commissioner should be asked to stand aside as he had a vested interest. He said he should stand aside during the investigation as he was investigating himself again. What is required for public confidence to be restored in the Garda at all levels is an independent commission of investigation. The Government cannot hide from the issue. It is not a new issue; it is something that was presented to the Minister, Deputy Alan Shatter, two years ago. Why does the Government deem it appropriate, after all of the allegations of corruption, the destruction of material, cover-ups, malpractice, cases going missing up to the level of murder-----

**An Ceann Comhairle:** Will the Deputy, please, resume his seat?

**Deputy Pearse Doherty:** -----alleged bugging within GSOC, and inappropriate or misleading comments being made in the Dáil, that the only person held accountable in all of the scandals in the past 11 days is the confidential recipient who, as Deputy Charles Flanagan outlined, had to go because he had made comments that were considered inappropriate against the Minister for Justice and Equality, Deputy Alan Shatter? Given the gravity of the allegations, does the Minister, Deputy Joan Burton, believe there is a need for an independent commission of investigation and that the Taoiseach is not the appropriate person to investigate his own Minister's conduct in this matter?

**Deputy Arthur Spring:** We need Judge Smithwick back again.

**An Ceann Comhairle:** The Minister should be allowed to respond without interruption.

**Deputy Joan Burton:** That is an extremely confused contribution. To start with-----

**Deputy Pádraig Mac Lochlainn:** Did the Minister listen to herself? She look at the video afterwards.

**Deputy Micheál Martin:** The Minister should get the transcript.

**Deputy Peadar Tóibín:** Everyone in the country understands it, except the Minister.

**An Ceann Comhairle:** Would Members mind not interrupting?

**Deputy Joan Burton:** Deputy Pearse Doherty has thrown out a whole series of events and

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happenings over a protracted period and at the end of asked for a commission of inquiry. In case he missed the news yesterday, I draw his attention to the announcement that the Government has appointed a High Court judge, Mr. John Cooke, to conduct-----

**Deputy Pearse Doherty:** The Minister might as well sit down. That is a pathetic response which disrespects those who want transparency in the system.

**An Ceann Comhairle:** Will the Deputy, please, allow a response to be given to his question?

**Deputy Pearse Doherty:** On a point of order-----

**An Ceann Comhairle:** Please, Deputy.

**Deputy Micheál Martin:** Mario Rosenstock will have a field day.

**Deputy Joan Burton:** The Government has appointed Mr. Cooke to conduct an independent inquiry, the terms of reference for which were agreed to by the Government on the advice of the Attorney General. The judge was consulted on the terms of reference and has agreed to them.

*(Interruptions).*

**Deputy Joan Burton:** Hold on, please.

**An Ceann Comhairle:** The Minister should please respond.

**Deputy Joan Burton:** In terms of the Dáil and Opposition parties, there is a level of common agreement across the House on what we want-----

**Deputy Mattie McGrath:** We want the Minister to go.

**Deputy Joan Burton:** We want the Garda Síochána to carry out its duties-----

**Deputy Aengus Ó Snodaigh:** We want new terms of reference.

**Deputy Joan Burton:** -----in protecting the people of the State and to enjoy the confidence of the public. I know that view is not shared by everybody in the House.

**Deputy Aengus Ó Snodaigh:** The terms of reference do not include what has been raised today.

**An Ceann Comhairle:** The Deputy should, please, stay quiet.

**Deputy Joan Burton:** That is a priority in any democracy.

**Deputy Aengus Ó Snodaigh:** It is not a priority.

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

**Deputy Aengus Ó Snodaigh:** It is not included in the terms of reference.

**Deputy Joan Burton:** Second, independent oversight by the Garda Síochána Ombudsman

Commission is absolutely important. The matters to which Deputy Pearse Doherty referred - he was making comments about transcripts in the public media and discussions various people had had-----

**Deputy Dara Calleary:** The Minister has had them for two years.

**Deputy Joan Burton:** -----in terms of all of the material and documentation available and the power of the retired judge to hear evidence and call and speak to those involved, are all covered by what he has laid out.

**Deputy Aengus Ó Snodaigh:** It is not.

**Deputy Joan Burton:** Why then does Sinn Féin want another independent inquiry?

**Deputy Pádraig Mac Lochlainn:** For God's sake, the Minister signed off on it.

**Deputy Joan Burton:** Will Sinn Féin Members not let the judge proceed with his work?

**An Ceann Comhairle:** Will the Minister listen to me? Will she, please, resume her seat? We are six and a half minutes over time.

**Deputy Ciarán Lynch:** On a point of order-----

**Deputy Micheál Martin:** We will now get the point of view of a Government backbencher.

**An Ceann Comhairle:** Will the Deputy, please, resume his seat? There is no point of order during Leaders' Questions.

**Deputy Ciarán Lynch:** A remark was made that cast aspersions on the competence of the Judiciary to carry out an inquiry.

**An Ceann Comhairle:** If the Deputy does not resume his seat, I will suspend the sitting.

**Deputy Ciarán Lynch:** If Members of this House have no confidence in the Judiciary, they should say so and we can debate the matter.

**An Ceann Comhairle:** I will suspend the sitting if the Deputy does not resume his seat.

**Deputy Ciarán Lynch:** The matter should be debated in the House.

**An Ceann Comhairle:** Does the Deputy hear me?

**Deputy Ciarán Lynch:** All of the Opposition Members who are contesting-----

**An Ceann Comhairle:** Will the Deputy, please, respect the Chair?

**Deputy Ciarán Lynch:** -----or casting aspersions-----

**An Ceann Comhairle:** The Deputy will find himself outside the Chamber. He is the Chairman of a committee and knows that one should respect the Chair. If I stand up, he should sit down. I will not tell him a second time.

**Deputy Mattie McGrath:** Maith an fear.

**An Ceann Comhairle:** That applies to all Members. I am sick of what is going on here

today.

**Deputy Patrick Nulty:** We are sick of it every day.

**Deputy Eric Byrne:** Repeat the allegation.

**Deputy Seamus Healy:** Last year marked the 100th anniversary of the 1913 Lock-out, a struggle for workers' rights. The previous year marked the 100th anniversary of the foundation of the all-Ireland Labour Party by James Connolly and Jim Larkin in Clonmel. In a few short years we will remember the sacrifice of James Connolly and his comrades in 1916. It is more than 125 years since Michael Davitt initiated the Land League campaign against rack-renting landlords. All of these were movements for the rights, freedom, independence and self-determination of the Irish people. Today the Government is prepared to sell the roofs over the heads of 13,000 Irish people to the modern equivalent of rack-renting landlords, foreign vulture capitalists. A total of 13,000 Irish Nationwide mortgage holders face the appalling vista of their mortgages being sold to these foreign vulture capitalists. These companies are not subject to the Irish regulations put in place to protect distressed mortgage holders. The mortgages are expected to be sold at huge knockdown discounts. Performing mortgages will be discounted up to 30% while distressed mortgages will have discounts in excess of 50%. These companies will be able to squeeze Irish Nationwide mortgage holders, increase interest rates, repossess homes and make obscene profits. The mortgage holders are being thrown to the wolves by the Government.

**Deputy Mattie McGrath:** Hear, hear.

**Deputy Seamus Healy:** They are not even being allowed to bid for their own mortgages.

**An Ceann Comhairle:** I thank the Deputy and ask him to put a question.

**Deputy Seamus Healy:** Media reports, rightly in my view, have described this sell-off as pure financial treason and an act of outrageous vandalism. Will the Government reverse the decision to sell these mortgages? Will the Government instruct the IBRC liquidator, as it is entitled to do in law, to stop these sales?

**Deputy Joan Burton:** Special liquidators have been appointed to oversee the liquidation of the IBRC. This is in law for the benefit of all the creditors of the institution, including the State. The special liquidators, as with any liquidator, must maximise the return, and to do otherwise would leave it open to legal challenge. The process involves the special liquidators conducting a valuation and sale process for all the assets of the IBRC, including the residential mortgage portfolio. They are obliged to ensure they maximise the price obtained.

I understand and respect the Deputy's concern for the people who have mortgages with the institution. A number of such sales have been carried out and quite a number of Deputies have asked this question of the Taoiseach and the Minister for Finance. In those cases a number of the purchasers, although they are outside the State, have adhered to the code of conduct and the guidelines set down by the Central Bank.

**Deputy Mattie McGrath:** What about Danske Bank?

**Deputy Joan Burton:** This is exactly what I would expect to happen in this case. Unfortunately, because of the collapse of the banks and what Fianna Fáil bequeathed to us, we have a situation in which quite a number of financial institutions have collapsed.

**Deputy Mattie McGrath:** The Government is in charge.

**Deputy Joan Burton:** To get the economy working again fully - we have started the recovery - we must sort out the issues arising from liquidation. I am very confident the mortgage holders will find that, as has happened in previous cases in this respect, the advice and codes of conduct established by the Central Bank will be adopted. Nothing else makes sense, if I may say so, for the purchasers of the mortgages, whoever they may be and whether they are from Ireland or from abroad, because at the end of the day they will want to recover their money. If, as the Deputy suggests, they will buy some of the mortgages at a discount, it will make sense for them to treat their customers very well because it will ensure they recover the money they invest in the deal. This is what has happened in Ireland and other jurisdictions where unfortunately there has been this type of bank collapse followed by liquidation of financial institutions.

**Deputy Seamus Healy:** Quite clearly, these families are being thrown to the wolves by the Government, because that is what the reply means. It means the Government is reversing the gains made by Michael Davitt and James Connolly, who called for the reconquest of Ireland from foreign landlords and foreign capitalists. The Government is restoring the modern equivalent of the rack-renting foreign landlord and providing them with the modern equivalent of the battering ram. Will the Government extend Irish legal protections to all mortgage holders? Will it allow householders to bid for these mortgages? Will the Government allow the special liquidator, KPMG, and its advisers, PricewaterhouseCoopers, both companies that were highly complicit in the banking crisis, to decide the future of Irish families? The Tánaiste and leader of the Labour Party accused the former Taoiseach, Brian Cowen, of economic treason regarding the bailout of Anglo Irish Bank. The Government is knowingly prepared to sell the roofs over the heads of Irish families to these international vulture capitalists. Is this not also economic treason?

**Deputy Joan Burton:** The economic treason was probably by the people who brought in the bank guarantee resulting in the disastrous collapse-----

**Deputy Mattie McGrath:** The Minister's colleagues in government voted for it.

**Deputy Barry Cowen:** The Government extended it.

**Deputy Joan Burton:** -----of a number of banking institutions, as happens, unfortunately, in banking collapses. It gives none of us any pleasure to have to recall very sad history of the party opposite when it ruined the economy and the livelihoods and jobs of more than 250,000 people.

**Deputy Dara Calleary:** You could do with recalling your own history.

**Deputy Mattie McGrath:** What about the Labour Party?

**Deputy Barry Cowen:** And you turned it around. You are doing a great job.

**Deputy Seamus Healy:** Will the Government allow the people to bid for their own mortgages?

**An Ceann Comhairle:** Do you mind? Thank you.

**Deputy Joan Burton:** I am perfectly aware - I understand and I sympathise with people-----

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**Deputy Dara Calleary:** Crocodile tears.

**Deputy Joan Burton:** -----who are affected by the fact they took out a mortgage, maybe 15 or 20 years ago, with a solid-as-a-rock building society, perhaps specialising in mortgages for teachers or gardaí, but suddenly all of the certainty collapsed with the bank guarantee.

**Deputy Seamus Healy:** Will the Government protect these mortgage holders?

**Deputy Joan Burton:** What the Government is doing is sorting out the legacy we inherited.

**Deputy Michael McGrath:** You are selling them down the Swanee.

**Deputy Joan Burton:** The Department of Finance is aware of this. We have two previous examples of groups of mortgages being sold-----

**Deputy Michael McGrath:** It is unenforceable. That is the point.

**Deputy Joan Burton:** -----and where the interest of the mortgage holders has been treated absolutely consistently with the code of conduct and the other advices of the Central Bank. This is what I anticipate will happen again this time.

**Deputy Bernard J. Durkan:** Hear, hear.

### Order of Business

**Minister for Social Protection (Deputy Joan Burton):** It is proposed to take No. 8, motion re the proposed approval by Dáil Éireann of the Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2014, back from committee; No. 23, Roads Bill 2014 - Second Stage (resumed); and No. 1, Health Identifiers Bill 2013 [Seanad] - Second Stage.

It is proposed notwithstanding anything in Standing Orders, that No. 8 shall be decided without debate. Tomorrow's fortnightly Friday business shall be No. 45, Thirty-Fourth Amendment of the Constitution (Judicial Appointments) Bill 2013 - Second Stage; and No. 9, report on organ donation by the Joint Committee on Health and Children.

**An Ceann Comhairle:** There is one proposal to be put to the House. Is the proposal for dealing with No. 8 agreed to?

**Deputy Micheál Martin:** It is not agreed. Given the statement and the announcement by the Taoiseach yesterday stating that the confidential recipient, Mr. Oliver Connolly, has been relieved-----

**An Ceann Comhairle:** Hold on a second. This has nothing to do with this motion.

**Deputy Micheál Martin:** It actually has.

**An Ceann Comhairle:** No, it has not.

**Deputy Micheál Martin:** If the Ceann Comhairle would just let me-----

**An Ceann Comhairle:** Well-----

**Deputy Micheál Martin:** I beg the Ceann Comhairle's pardon. I am opposing this on the grounds-----

**An Ceann Comhairle:** Yes but it is a motion re proposed approval of the Finance Act.

**Deputy Micheál Martin:** Yes.

**An Ceann Comhairle:** It has nothing to do with the-----

**Deputy Micheál Martin:** How does the Ceann Comhairle know? Will he let me finish?

**An Ceann Comhairle:** Listen Deputy, would you mind respecting the Chair please?

**Deputy Micheál Martin:** I do respect the Chair. I always respect the Chair.

**An Ceann Comhairle:** Yes, well I am telling you to stick to the motion.

**Deputy Micheál Martin:** May I just say, the Ceann Comhairle is too restrictive.

**An Ceann Comhairle:** I am not too restrictive.

**Deputy Micheál Martin:** I have been in this House for a long time. The Ceann Comhairle needs to respect the Opposition's role as well.

**An Ceann Comhairle:** Excuse me Deputy, I respect everyone in this House and I expect you to respect the Chair and to respect the rules of the House.

**Deputy James Bannon:** Insult.

**Deputy Micheál Martin:** And I do. I oppose this and I am entitled to make a statement on the opposition to this.

**An Ceann Comhairle:** That is fair enough, but stick to the motion.

**Deputy Micheál Martin:** That is what I was saying but I had not even finished my sentence when I was interrupted.

**An Ceann Comhairle:** We are not entering into another debate about the confidential-----

**Deputy Micheál Martin:** The reason is I find it extraordinary that time has not been made available by the Government for the Minister for Justice and Equality, Deputy Shatter, to come into the Chamber today to make a statement on this issue and to answer questions.

**Deputy Róisín Shortall:** Hear, hear.

**An Ceann Comhairle:** But that is an entirely separate issue to the-----

**Deputy Micheál Martin:** It is an extraordinary situation that the Order of Business-----

**An Ceann Comhairle:** Resume your seat please.

**Deputy Micheál Martin:** ----- does not allow for a debate-----

**An Ceann Comhairle:** You are making a joke out of the business.

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**Deputy Micheál Martin:** I am not making any joke.

**An Ceann Comhairle:** Of course you are.

**Deputy Micheál Martin:** It is the Order Paper that is making a joke out of it.

**An Ceann Comhairle:** Will you resume your seat please?

**Deputy Micheál Martin:** With the greatest of respect, it is the Order Paper that is making a joke of this. He should be in here today.

**An Ceann Comhairle:** I will suspend the sitting unless the Deputy resumes his seat. This is codology.

**Deputy Micheál Martin:** But he should be in here.

**An Ceann Comhairle:** Sit down and resume your seat.

**Deputy Micheál Martin:** It is the greatest bar. A special notice question was tabled yesterday-----

**An Ceann Comhairle:** Are you opposing this motion?

**Deputy Micheál Martin:** ----- and it was not accepted.

**An Ceann Comhairle:** I will now put the question.

**Deputy Micheál Martin:** I have been in this House for a long time-----

**An Ceann Comhairle:** Listen, would you mind-----

**Deputy Micheál Martin:** ----- and on matters of this gravity, Ministers always have come in.

*(Interruptions).*

**An Ceann Comhairle:** The House is suspended for ten minutes.

*Sitting suspended at 12.42 p.m. and resumed at 12.52 p.m.*

**Deputy Charles Flanagan:** A Cheann Comhairle, may I raise a point of order-----

**An Ceann Comhairle:** No, you cannot. The Deputy cannot raise a point of order on the resumption of the House. I am putting the question now.

**Deputy Micheál Martin:** Can we have a reply from the Minister first?

**An Ceann Comhairle:** I do not know to what the Minister is being asked to reply.

**Deputy Joan Burton:** I reassure Deputy Martin that this is a technical motion in regard to the roll-over of approximately €132 million of capital relating to a number of Departments, which money is already in the Central Fund. This is a purely technical matter which, I am sure, the Deputy will approve of.

**Deputy Dara Calleary:** Nothing to see, move on.

**An Ceann Comhairle:** I am now putting the question.

**Deputy Charles Flanagan:** A Cheann Comhairle, may I raise a point of order now?

**An Ceann Comhairle:** On what?

**Deputy Charles Flanagan:** On the issue that was discussed earlier.

**An Ceann Comhairle:** Sorry, I am in the middle of putting a question to the House.

**Deputy Charles Flanagan:** May I do so when the Cheann Comhairle has disposed of the question?

**Deputy Róisín Shortall:** Would Deputy Flanagan like to correct the record himself?

**An Ceann Comhairle:** Deputy Flanagan cannot be jumping up and down in the middle of my putting a question.

**Deputy Charles Flanagan:** I will treat the Ceann Comhairle with the utmost respect. I really need the matter that was discussed earlier-----

**An Ceann Comhairle:** Sorry, Deputy. Would you please resume your seat?

**Deputy Mattie McGrath:** They are all getting tetchy.

**Deputy Dara Calleary:** They are hungry.

**Deputy Eamonn Maloney:** They are following Deputies opposite.

**Deputy Joan Burton:** I understand.

Question, "That the proposal for dealing with No. 8 be agreed to", put and declared carried.

**An Ceann Comhairle:** On the Order of Business, Deputy Martin.

**Deputy Micheál Martin:** Will the Minister ensure that the Government makes time available for a debate on the grave issues that have arisen consequent on the confidential recipient, Mr. Oliver Connolly, being relieved of his duties? Some serious issues have been raised in that context and it is appropriate that Members of this House on all sides would have an opportunity to contribute to such a debate and that the Minister would come into the House and answer questions in that regard. This is a basic request in respect of which there is plenty of precedent. I ask that the Government commit to the provision of time for such a debate.

**Deputy Joan Burton:** The issue of a debate is a matter for the Whips. I suggest the matter be dealt with at a Whips' meeting.

**Deputy Micheál Martin:** It is a matter for Government.

**Deputy Joan Burton:** The Minister has always been willing to come into the House and to attend any committee of the Houses. In fairness to the Minister, he has attended various committees for lengthy periods. The Minister is currently away on EU business.

**Deputy Bernard J. Durkan:** He was at a committee meeting all day yesterday.

**Deputy Barry Cowen:** Not on this issue.

**Deputy Dara Calleary:** He has not said anything.

**Deputy Bernard J. Durkan:** He dealt with it in committee yesterday.

**Deputy Barry Cowen:** The Deputy needs to get up to speed on matters.

**An Ceann Comhairle:** Would Deputy Durkan like to take the Chair?

**Deputy Bernard J. Durkan:** No. I am sorry.

**Deputy Colm Keaveney:** The Deputy is not sorry.

**Deputy Pearse Doherty:** The Minister's response to a call for a debate on this matter in the House is that that is a matter for the Whips. Will the Minister support that debate in the context of it being about a person in a key position in relation to a major scandal having been sacked?

**An Ceann Comhairle:** I think we have dealt with that matter.

**Deputy Pearse Doherty:** Will Deputy Burton as Minister and speaking on behalf of the Labour Party support the holding of a debate at the earliest opportunity next week?

When will the National Treasury Management Agency (Amendment) (No. 2) Bill relating to the management of State claims agencies and third party legal costs arising from the tribunals, which I assume is being introduced as a result of the many contested costs as a result of the Moriarty tribunal, be published and will there be pre-legislative consultation on it at committee? It is important that the Taoiseach outline to the House whether he accepts the full findings of the Moriarty tribunal. The Taoiseach has never informed the House that he does accept those findings. It is important in the context of informing the debate on that legislation that he do so.

We are aware that Denis O'Brien has lobbied the Taoiseach-----

**An Ceann Comhairle:** Sorry, would you please-----

**Deputy Pearse Doherty:** -----and the Minister, Deputy Rabbitte, in relation to not accepting the findings. It is important the Taoiseach informs the House of his position and that of the Government on the Moriarty Tribunal findings.

**Deputy Joan Burton:** As I said earlier, a debate on the matters raised by the Deputy is a matter for the Whips. An esteemed judge has been appointed to carry out an independent inquiry. I am sure Sinn Féin has confidence in the judge. Perhaps Deputy Doherty would like to make clear as would, perhaps, Fianna Fáil and the Independents that they do have confidence in the judge and the Judiciary in this country.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Joan Burton:** The National Treasury Management Agency (Amendment) (No. 2) Bill is not expected before Easter. As the Deputy will be aware as part of the reformed process in relation to legislation debate on all heads of Bills takes place in committee. On the issue of the Moriarty tribunal findings, the Deputy can raise that issue during the debate, as I am sure he will do.

**Deputy Pearse Doherty:** Does the Minister accept the findings?

**Deputy Joan Burton:** I have spoken on that issue on many occasions. The Deputy can refer to my record in the House on it.

**Deputy Dominic Hannigan:** What is the status of the workplace relations Bill, which was expected a couple of years ago?

*(Interruptions).*

**Deputy Joan Burton:** I understand work on that Bill is well advanced and that it is expected to come before the House later in this term.

**Deputy Ciarán Lynch:** First, I apologise for any disrespect I may have cast on the Chair earlier this morning. Also, comments were made earlier this morning-----

**An Ceann Comhairle:** Sorry, Deputy we are not dealing with comments now. We are dealing with the Order of Business.

**Deputy Ciarán Lynch:** -----that cast aspersions-----

**An Ceann Comhairle:** If the Deputy has anything further to say he should do so to the Committee on Procedures and Privileges.

**Deputy Michael P. Kitt:** The waiting list for social housing is now very lengthy. In this regard and in the context of the Government's commitment to end homelessness by 2016, when will the housing (miscellaneous provisions) (amendment) Bill be introduced? There is an urgent need to have that legislation enacted.

**Deputy Joan Burton:** I understand we will come back to that in the second part-----

**Deputy Dara Calleary:** The second part of what?

*1 o'clock*

**Deputy Charles Flanagan:** Before agreeing to the Order of Business, it is entirely appropriate that we would refer to the matter referred to earlier. I thank you, a Cheann Comhairle, for replying to my correspondence in this matter. You have quite rightly referred the matter for consideration to the Committee on Procedure and Privileges. Can a meeting be convened for today?

**An Ceann Comhairle:** Not possible.

**Deputy Charles Flanagan:** These remarks will go unwithdrawn-----

**An Ceann Comhairle:** It is not possible to call a meeting today.

**Deputy Micheál Martin:** Are they more important than the other issues we discussed today?

**Deputy Charles Flanagan:** ----- in a way that undermines the committee.

**An Ceann Comhairle:** The matter has been referred to the committee to be dealt with.

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**Deputy Patrick O'Donovan:** On the same issue-----

**An Ceann Comhairle:** What issue?

**Deputy Patrick O'Donovan:** On the same issue of the impugning of the reputation of a Member-----

**An Ceann Comhairle:** No, we are not dealing with that. It is a matter for the Committee on Procedure and Privileges.

**Deputy Mattie McGrath:** Is the Deputy the watchdog?

**An Ceann Comhairle:** If the Deputy also wants to make a complaint, he may do so. Because of all the shouting, I did not hear anything.

**Deputy Mattie McGrath:** He is the new terrier of Fine Gael, the Jack Russell of Fine Gael.

**An Ceann Comhairle:** Therefore if the Deputy has a complaint I ask him to refer it to the committee.

**Deputy Patrick O'Donovan:** I will refer it to that committee. In your capacity as Ceann Comhairle, you might afford the Member opposite the opportunity to withdraw the remark now.

**An Ceann Comhairle:** I do not know what remark the Deputy is talking about. I am sorry; I did not hear it. That was my problem. I tried to-----

**Deputy Bernard J. Durkan:** A Cheann Comhairle-----

**An Ceann Comhairle:** I ask Deputy Durkan to resume his seat, please.

**Deputy Bernard J. Durkan:** I will.

**An Ceann Comhairle:** I thank the Deputy. I call Deputy Mattie McGrath.

**Deputy Bernard J. Durkan:** I wish to raise a point of order.

**An Ceann Comhairle:** We are not making a fool out of this House.

**Deputy Bernard J. Durkan:** I am sorry, a Cheann Comhairle, I ask you to please listen.

**An Ceann Comhairle:** Deputy Durkan was not called.

**Deputy Bernard J. Durkan:** The Deputy sitting opposite has repeated the remark since the House resumed.

**An Ceann Comhairle:** I did not hear the remarks the Deputy is talking about.

**Deputy Bernard J. Durkan:** I heard the remarks.

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

**Deputy Bernard J. Durkan:** Those remarks are undermining-----

**An Ceann Comhairle:** I will need to suspend the House again if the Deputy does not sit down. I am not putting up with this.

**Deputy Bernard J. Durkan:** A Cheann Comhairle-----

**An Ceann Comhairle:** Will you sit down?

**Deputy Bernard J. Durkan:** A Cheann Comhairle, you are not being fair to the House.

**An Ceann Comhairle:** Will you resume your seat? I told you the matter will be dealt with in the proper fashion.

**Deputy Bernard J. Durkan:** I wish to have that matter addressed now.

*(Interruptions).*

**Deputy Mattie McGrath:** I refer to the geothermal Bill. A situation in Tipperary has arisen on payment of charges.

**An Ceann Comhairle:** What Bill?

**Deputy Mattie McGrath:** The geothermal Bill.

Under the Animal Health and Welfare Act 2013 it has come to my notice that despite requests by many Deputies over the years to have slurry spreading dates changed to non-calendar months-----

**An Ceann Comhairle:** This is the Order of Business.

**Deputy Mattie McGrath:** ----- it has never been brought to Europe by Government.

**An Ceann Comhairle:** What Bill is the Deputy discussing?

**Deputy Mattie McGrath:** I am talking about the animal welfare Bill because animals are affected by this.

*(Interruptions).*

**Deputy Mattie McGrath:** Talk to the Jack Russell of Fine Gael.

**Deputy Patrick O'Donovan:** If we all stay quiet Deputy Mattie McGrath's colleague might repeat his remarks.

**Deputy Joan Burton:** I am delighted that Deputy Mattie McGrath is so concerned about the animals. At least someone in the House is concerned about some living creatures. That seemed to be absent from the debate earlier.

**An Ceann Comhairle:** Can the Minister please get on with it?

*(Interruptions).*

**An Ceann Comhairle:** I ask the Deputy to sit down.

20 February 2014

**Deputy Joan Burton:** I understand the geothermal Bill will be later in the year. The Deputy referred to animal welfare legislation; the Animal Health and Welfare Act 2013 was enacted last May.

**Deputy Mattie McGrath:** Tá a fhios agam.

**Deputy James Bannon:** The HEA is totally at odds with the agency's stated aims regarding enhancing the skills and competence of individual enterprises. We need to develop Ireland as a competitive knowledge-based economy.

**An Ceann Comhairle:** While that is all very interesting, about what Bill is the Deputy talking?

**Deputy James Bannon:** The Minister, Deputy Quinn-----

**An Ceann Comhairle:** This is getting worse.

**Deputy James Bannon:** When will we have the Higher Education Authority Bill before us?

**An Ceann Comhairle:** Ballymagash has nothing on it.

**Deputy James Bannon:** You are out of order completely today, a Cheann Comhairle.

**An Ceann Comhairle:** What Bill is the Deputy talking about?

**Deputy James Bannon:** You are losing your cool. Keep your hair on.

*(Interruptions).*

**An Ceann Comhairle:** What Bill is the Deputy talking about?

**Deputy James Bannon:** I inquired about the Higher Education Authority Bill.

**An Ceann Comhairle:** That is grand.

**Deputy James Bannon:** We need hearing aids for many people in this House.

**Deputy Ann Phelan:** Should have gone to Specsavers.

*(Interruptions).*

**Deputy Joan Burton:** I understand the heads of the HEA Bill have been drafted and it should be before the Dáil next year.

**Deputy Bernard J. Durkan:** To assuage the fears of some Members of the Opposition, it might be helpful to bring in the criminal justice corruption Bill to consolidate and reform all the legislation currently cited as the Prevention of Corruption Acts 1889 to 2010. That should cover the period in question to which the Opposition has been referring. Have the heads of that Bill been approved in Cabinet? When will it be brought before the House?

I also ask about the legislation to provide for the exchange of criminal records information

with other EU member states and other designated states. It is the criminal records information systems Bill, which should be very interesting. I am sure all Members of the Opposition will take particular interest in that.

**Deputy John Browne:** Why is Deputy Durkan interested?

**Deputy Bernard J. Durkan:** In order to assuage the fears and worries of the Opposition, is it intended to bring that Bill to the House as a matter of urgency?

**Deputy Joan Burton:** The heads of the criminal justice corruption Bill were dealt with in July 2012. The pre-legislative committee meetings will take place, but we do not have a date as yet.

I understand that the second Bill should come in April.

**Deputy Tony McLoughlin:** When will we see the trusts Bill, to reform and consolidate the law relating to trustees so as to deal better with and protect trust assets?

**Deputy Joan Burton:** There is no date for that legislation.

**Deputy Ann Phelan:** The Mahon report recommended the establishment of a planning regulator to be charged with carrying out investigations into the planning process where required. This office was approved by Cabinet last year. When will the legislation be published?

**Deputy Joan Burton:** There is a planning Bill proposed, which will deal partly with the implementation of the recommendations from the Mahon report. I do not have a date for that.

**Deputy Ray Butler:** When is the family law Bill, to make provision for pension adjustments in the context of separation agreements and certain other reforms in family law, expected to be published?

**Deputy Joan Burton:** I understand that will happen next year.

**Deputy Brian Walsh:** Regarding the health transport Bill, work is under way in the Department of Health to replace motorised transport scheme and the mobility allowance scheme which was suspended late year. When is that Bill expected to be published?

**Deputy Joan Burton:** I understand that will happen later in the year.

### **Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2014: Motion**

**Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe):** I move:

That Dáil Éireann approves the following Order in draft:

Finance Act 2004 (Section 91) (Deferred Surrender to the Central Fund) Order 2014,

copies of which have been laid in draft form before Dáil Éireann on 27th January,

2014.”

Question put and agreed to.

### **Roads Bill 2014: Second Stage (Resumed)**

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

**Deputy Catherine Murphy:** Only in Ireland could we have a Bill entitled the Roads Bill where the subject matter is almost exclusively railways. It says something about how we collectively think about transportation - it is all about moving vehicles rather than moving people and goods. That is not just a recent pattern; it has been the traditional pattern, but it needs to change. It has certainly been evident from the 1960s onwards. If we really studied it we would see that it is part of the problem in respect of how we develop and the additional infrastructure that we require as a consequence of a very scattered settlement pattern. Transport is very important. The merger of the Railway Procurement Agency, RPA, and the National Roads Authority, NRA, will be significant. There has been disproportionate expenditure over the decades on road, as opposed to rail transport. I hope that the merger will inject some new thinking but we cannot take that for granted. The Government and the Department of Transport, Tourism and Sport must give a lead.

The renaming and amalgamation of the RPA and NRA to form the transport infrastructure service will hopefully go some way towards creating new thinking but it would be useful to reflect on the present culture of the NRA. I have some concerns about that. Anyone who has tried to deal with the NRA knows that it is an impossible organisation to penetrate and very difficult to hold to account. It is a Teflon organisation. I hope there will not be added responsibility in the new organisation without the kind of accountability we require. A change in culture is essential, with the merger. An example of my concern is the shadow tolling clause on the M3 in 2006. This was withheld from public consultation. In effect, the NRA guaranteed the vehicle numbers on the motorway but when they did not materialise up to €30 million of taxpayers' money was paid to the developers of part of the road. For them it was a win-win-win situation. They won the contract, the profit from building the road and they won again from the taxpayer when the vehicles did not materialise. That, unfortunately, is just one example. We have to do things differently. The NRA was at the helm, making that type of decision. The RPA has suffered over the years from having a great deal of expertise but very little capital to develop critical projects. Will there be a scrap between road and rail within the new agency? Where will the balance lie?

In the early 1990s I was a member of the Dublin Transportation Initiative, which was set up to develop several models for land use and transport planning. The model ultimately developed was the worst case scenario and was not one of the well thought-out and fleshed-out models that would have matched land use and transportation planning. That is part of the reason for the dispersed settlement pattern in which people travel great distances to work and land banks were held by a few. European funding was sought at the time because the greater Dublin area was seen as being at a huge disadvantage due to the serious problem of traffic congestion. We were told it made us very uncompetitive. The greater Dublin area was the driver of much of the industrial development in the country and it was critically important to deal with that. More than

20 years since that initiative and since European funding was leveraged to assist in dealing with that congestion, we do not have the vital piece of infrastructure, the interconnector that would be the game-changer. If the National Transport Authority has the upper hand and continues to be dominated by the roads lobby and to spend money on roads that deficiency will continue and we will have an uncompetitive arrangement.

The big amalgamations of the railways took place from the 1920s on. Prior to that, the system had developed from private funds throughout the nineteenth century when it was seen as the biggest form of investment. We ended up with three railway headquarters, Broadstone, Kingsbridge and Amiens Street. That was illogical then but it is even more illogical now, given the numbers who need to use it. Connecting it would not only be of significant benefit to the city but would have a national benefit, particularly for the counties on the periphery of Dublin, of which Meath, Kildare and Wicklow are the nearest. We need to develop a transport system that is efficient and makes us competitive. We talk of being competitive in respect of wages but the waste of valuable time when people sit in traffic jams needs to be factored in too.

When we consider the total investment in transportation initiatives we must look at the whole picture, which is not confined to cost but includes impact on air and noise quality and on accident rates. A good rail-based public transport system would bring serious improvements because it would take people off congested roads, assuming we produce a high quality rail infrastructure. The Department of Transport, Tourism and Sport produced some figures on the cost of a fatality. It does cost-benefit analyses all the time. The cost is approximately €1.5 million per fatality, without speaking of the human cost.

This merger may reduce the number of quangos but what is its object in re-balancing how we move people and goods? Our system should not have a disproportionate bias towards the NRA, at the expense of investment in public transport, in whatever guise that takes. I have concerns about that and about the culture within the NRA. It will not be acceptable to proceed in such a way that something like the shadow tolling can happen, at gigantic cost. The cost of introducing the free medical card for children under six was calculated at €37 million but when one sees the amount of money transferred from this State into the pockets of developers through shadow tolling one sees the opportunities lost. We must make sure that does not happen in future.

**Deputy Luke ‘Ming’ Flanagan:** When a railroad is built and someone suggests that a service be developed the first thing the people who want rail ask is, when was the last time any of these things made a profit. Apart from tolled roads, when did a road last make a profit? No one ever asks that question. The road from Castlerea to Galway has never made a profit. It is not possible. On the basis of what many people say about rail, therefore, we should rip up that road and forget about it. We need to adopt a different attitude towards rail and ask about the social dividend and people’s ability to get from A to B in an efficient, sustainable way. That does not appear to have been examined, which is taking a blinkered view.

People talk about the infrastructure of our rail network. The greatest pieces of infrastructure are the stations, but all I have seen throughout my lifetime is the architectural rape of these buildings. At the prettiest little stations one could find - they are a tourist attraction - one would get out not knowing what was in the town just to see them, but nobody will get out at these stations to look at PVC windows that have been put in these old buildings. Will people get out at any of the stations that used to have beautiful cast-iron bridges that have now been replaced with brushed aluminium? Are the people who have been running this country that devoid of

class that they cannot see beauty when it stares them in the eye?

I see numerous buildings around the country near railway stations that are owned by the State being ripped apart, with ivy growing through the roofs. I saw that happen to two buildings in Castlerea. They solved the problem with one of them by knocking it down and crushing the cut limestone; I do not know where it ended up. That was probably one of the most beautiful buildings in the town. Who makes these silly decisions? We cannot get these buildings back.

When I was mayor of Roscommon we had a celebration at Castlerea train station for the 150th anniversary of rail coming to our area. At the time I was considering what a remarkable change that was for a post-famine town where thousands of people had died in the workhouses. We went from a situation in which the fastest way of getting from A to B was probably on foot or, if one had a few quid, on a horse, to one in which people could travel tens of miles an hour. I thought it interesting that 150 years down the line, if one will pardon the pun, from the establishment of the most modern transport system on the planet at the time, the day we celebrated the 150th anniversary of its arrival in town, we had broadband communication that was a thousand times slower than that in South Korea. At the time I thought we had not progressed very far.

I hope people might learn from the fact that years ago, even though we were not ruling the country ourselves, the people running it seemed to be confident enough to say that we could have the best in the world. My fear about what is happening here is that it will be a way of burying the idea of rail even further below the big priority of road networks and that eventually we will end up with nothing.

Governments attempted to close our railway station in Castlerea in the 1980s and those the entire way down to Westport. They did not succeed. The fear is that in what the Minister is intending to do, rail will be forgotten - the plan does not have any real mention of rail - but whatever happens in the future, I ask that whoever is running the system learn from the fact that what is left will not be replaced if we get rid of it, because we no longer seem to be able to produce phenomenal architecture. We only need to look at Athlone, which had a very pretty station on the Roscommon side. If it was on the Westmeath side that would have been fine also. This is not a "Roscommon is more important than Westmeath" argument. They built what I consider to be an architectural abomination on the Westmeath side. In terms of what they did with the original station, they did not even board up the windows in a pretty way. They put in bare concrete blocks in the windows. They might as well have sprayed graffiti on it as well and said, "We don't care. Who's going to stop us?".

**An Leas-Cheann Comhairle:** The next speaking slot is shared by Deputies Noel Harrington, Peter Fitzpatrick and Andrew Doyle. I call Deputy Harrington, who has ten minutes.

**Deputy Noel Harrington:** I welcome this Bill and I am pleased to speak on it. It is a confirmation of general Government policy to consolidate many of our State agencies where it makes sense to do so. I stand to be corrected but I believe that since this Government came to office we have abolished approximately 40 agencies to save costs. That is prudent governance, and I welcome all those moves. This is a welcome addition to those moves that will not only save money but make sense. It is also appropriate in an era when we do not have the same capital investment in our transport infrastructure that we had in the late 1990s and from 2000 to 2007 and 2008. Much of that capital investment was very welcome and it resulted in many of the infrastructural projects we see today, particularly in our motorway and rail infrastructure, but it

has come at a huge cost. It is fair to say that from 1997 to 2007, from figures provided by the Comptroller and Auditor General and from elsewhere, the cost overruns and the management issues around the delivery of our national primary routes meant that the expenditure came in at €3.5 billion above the projections. That is a scandalous figure from our recent history, on which we should reflect, because if we had that kind of money available to us now, we could deliver much more on capital investments. One would think over that period that nobody else in the country or in the world had ever built a road. We completely mismanaged the delivery of these projects, and we are still paying for that mismanagement.

Thankfully, since 2007, the NRA has done an extraordinary job in delivering projects, ahead of schedule in almost all cases and ahead of budget. That must be welcomed. It has stepped up to the mark in that regard in recent years.

The next step is the amalgamation of the functions of the NRA and the Railway Procurement Agency, which makes sense because of the huge overlap in terms of procurement, design, IT and different specialties. The new agency will benefit enormously from the shared knowledge and expertise these two agencies will bring to the table, aside from the fact that in the medium term we will see annual savings of between €3 million to €4 million. That is a welcome initiative. I note that there will be some initial costs as a result of this amalgamation, but they will be greatly outdone by the annual savings.

We do not have a rail infrastructure in my constituency of Cork South West. We have not had a rail infrastructure in Cork South West since the 1950s, and there is an important lesson to be learned from that. I listened to Deputy Luke ‘Ming’ Flanagan’s contribution. I do not often agree with the Deputy but I agree with him that where rail infrastructure, for example, needs to be replaced or even removed, a corridor should be left in place. When the rail infrastructure in west Cork was removed it was a narrow-minded decision to allow the corridor be returned to landowners. That corridor would be an invaluable resource today and would, if the analysis stacks up, allow for the delivery of a rail infrastructure back to west Cork. The only national road infrastructure in the entire west Cork area is the national secondary route, the N71, which has been starved of investment. It is a single carriageway running from Cork city along the coast to Bantry and south Kerry. It has to contend with tourist traffic, construction and agricultural vehicles, day-to-day traffic and pedestrians. One simply cannot make a safe journey along it at speeds that could reasonably be expected on national routes in other parts of the country. I urge the new agency to seriously consider a targeted investment programme to improve the N71.

The Department of Transport, Tourism and Sports has undertaken a major initiative in respect of the wild Atlantic way which will be vital to the future of tourism in this country. I would like to see a single agency playing a decisive role in the development of this route by assessing its usage by visitors and locals alike in the various local authority areas. Depending on one’s point of view, it starts either in Fanad or Kinsale and passes through the various local authority areas along the west coast. Much of the road infrastructure is local or regional roads but other parts consist of national routes. I foresee problems in managing what will be one of Europe’s most iconic tourist routes and hope the new body will play a supervisory role in the maintenance and development of the route.

Public-private partnerships are increasingly important in delivering transport infrastructure. The relationship between the State and private companies has evolved and we would be naive not to learn lessons or change policies, when appropriate. It is worth considering one project

now coming to an end, namely, the East Link toll bridge. It is far from my constituency, but it is relevant to consider whether it has achieved the best possible value for money. The bridge cost approximately £6.1 million to construct, but in the past 30 years commuters have paid between €60 million and €80 million in tolls to National Toll Roads, Dublin City Council and Dublin Port. Have we learned lessons from the project that can help us to better manage PPP projects in a period in which funding is challenging? Similar questions arise about the Limerick tunnel. I understand a subsidy will be required for the tunnel because traffic volumes are not as large as expected. I hope we will see greater volumes of commercial and other traffic as the economy picks up and that the subsidies can be clawed back as volumes increase.

This is a significant Bill that forms part of a wider Government policy to amalgamate and consolidate agencies. I hope the new agency will benefit from the pooled expertise of the NRA and the RPA and look forward to much improved investment along the N71 in my constituency.

**Deputy Peter Fitzpatrick:** This Bill provides for the dissolution of the RPA and the transfer of its functions, staff, property and liabilities to the NRA. The newly expanded NRA will be renamed the Transport Infrastructure Service to reflect its expanded functions and the fact that it is the result of a merger of two bodies rather than a takeover. This change is consistent with the Government's plans for public sector reform and, in particular, its programme for rationalising State agencies. Implications of the Bill include the prospect of at least €3 million in savings.

The new organisation will benefit considerably by having access to a range of specialist and technical expertise. The technical areas of expertise include project management, transport planning, negotiation and management of PPP contracts, engineering design and advice, environment procurement and property acquisition and management. There will be scope for greater efficiencies in procurement and the new body will be encouraged to seek opportunities to provide technical support, advice and services for other bodies on a commercial basis. The RPA has already generated an income of €1 million through the international contracts it has won.

The merger will deliver a streamlined organisation that will be a leader in the planning, delivery and management of transport infrastructure and will be able to demonstrate the best and most efficient use of scarce public resources. The need to restructure the institutional framework in the transport sector is recognised, particularly in the light of the reduced capital investment programme. However, the merger will allow core technical staff and professional experts to be retained in the public sector to support the future development of transport infrastructure. A number of projects are proceeding within the context of the Government's five year capital plan for 2012 to 2016.

The primary functions of the RPA are to secure the provision of such light railways and metro railway infrastructures as may be determined by the Minister for Transport, Tourism and Sport; monitor and publish regular reports on the safety of light railway and metro infrastructure; enter into agreements with other persons to secure the provision of such railway infrastructure, whether by means of concessions, joint ventures or public partnerships; acquire and facilitate the development of land adjacent to railway works, subject to an application for a railway order under the relevant Acts, where such acquisition and development contributes to the economic viability of the works; and pursue commercial opportunities in offering advisory services, particularly in the international market. The primary functions of the NRA are to secure the provision of a safe and efficient network of national roads; exercise overall responsibility for planning, construction and maintenance of national roads; prepare or arrange for the

preparation of road designs, maintenance programmes and schemes for the provision of traffic signs on national roads; secure and carry out construction and maintenance works on national roads; allocate grants in respect of national roads; and carry out training and research or testing activities in regard to any of its functions.

This merger has been recommended for financial and other reasons. The Minister for Transport, Tourism and Sport has stated the merger will allow the new organisation to become a leader in the planning, delivery and management of transport infrastructure in Ireland. The 2009 McCarthy report on public service numbers and expenditure recommended that the RPA and the NRA be merged into a single entity in the light of a significant overlap between the two bodies in terms of the services they delivered on behalf of the State and the scale and expertise of their staff in capital project management, procurement procedures and PPP contract management. The merger of the two bodies will create a single entity with responsibility for the procurement of all major rail and national road infrastructure.

**Deputy Andrew Doyle:** I welcome the opportunity to speak about this important Bill which continues the work that started with the McCarthy report on finding efficiencies in the operation of national agencies and authorities which are also known as quangos. It merges the NRA and the RPA into what essentially is a new national roads authority which will be called the Transport Infrastructure Service, which makes sense. Given that the 2010 budget for the administration of both agencies was of the order of €25 million, the projected saving of at least €3 million annually, presumably, mainly in administration, is significant.

The ability of an enlarged authority to be a significant player in the public private partnership market is of greater relevance because there will be collective in-house expertise in the areas of public transport and the provision of the road network. With an improving economy, as we have seen in the case of the N11-Newlands Cross bundle, it was possible, after many years of trying, for which I commend the NRA for its perseverance, to secure funding for public private partnership work which, as far as I am aware, is on schedule in both cases and progressing. These are two vital pieces of national infrastructure and both Deputy John Browne and I share an interest in the piece along the east coast, the N11.

I seek clarification on the additional functions of the NRA. On the amendments to the Roads Act 1993, the Bill looks at the conferral of additional functions on the NRA by the Minister. Specifically, it looks at the NRA specifying standards and by-laws on road maintenance, grants, court proceedings for unpaid tolls and the accountability of the chief executive. Perhaps the Minister might clarify whether this will be in his gift by way of statutory instrument.

Deputy Noel Harrington made a valid point on the wild Atlantic way. An opportunity arises from time to time, the potential of which is evident in the Greenway in County Mayo, to make use of disused railway lines which are ideal for walking and cycling for tourism and leisure purposes. People are increasingly in favour of using such amenities. There are instances where old railway lines are no longer in use and what was Irish Rail more or less handed over the property to whoever the adjacent landowner was. I refer, for example, to the Woodenbridge to Coolattin Estate where the Earls of Wicklow were based and where it is intended to put in place a walk-cycle path from Arklow to Coolattin. At one end of the estate there is the Tomnafinnoge oak wood and there are in existence many walkways, but there is an issue with ownership in that the property has been transferred and is no longer the property of the State. Is there potential for the new agency to look at acquiring the land ceded by CPO in the public interest? It is on the register and, for various reasons, people are hesitant to give it back or to allow wayleave on it. This

is something that should be looked at because there is significant potential for its development.

My first speech in the Dáil was on a roads Bill and I was advised to be parochial. I ask that the new agency look at the N81 on the western side of the county. It is the route that has been neglected, although it is a busy one. Admittedly, it is not as busy as the N11 or many others, but many parts of it are way below standard for a national primary route.

**Deputy John Browne:** I welcome the Bill. Given the potential to reduce costs and streamline infrastructure planning, as a party, we support this legislation. However, we must look at the background to it. There has been a 17% cut in the funding for regional and local road maintenance works this year at a time when motorists are contributing €4 billion in taxes to the Exchequer. The Minister must outline the savings achieved. A figure of €300 million has been mentioned. I would like the Minister to outline how he intends to save that money by the amalgamation of the Railway Procurement Agency and the National Roads Authority.

I always felt the Railway Procurement Agency was one of the better quangos. We saw how it delivered the light rail and metro infrastructure in Dublin. The Luas was an excellent and successful project. The RPA is also dealing with the Luas cross-city project which will connect and expand Luas services at a cost of €368 million and which is to be operational by 2017.

Whereas I always felt the Railway Procurement Agency was worthwhile, successful and doing a good job, I would have had serious reservations about the National Roads Authority. I always felt the condition of road infrastructure and the way the National Roads Authority was operated depended on who was Minister at the time. Generally, the county or region from which the Minister for transport came benefited. In the south-east region we did not benefit in the way we should have, given the expanding population, having regard to the port of Rosslare and all of the advantages of the region. We are still waiting for the bypasses around Enniscorthy and New Ross which we are told will be provided by way a public private partnership. Recently the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, stated work might start in 2014. Certainly, that would be welcome because both Enniscorthy and New Ross have become traffic bottlenecks. This has been an ongoing issue for many years. The Gorey bypass project was successful. Other than that, there has been little expenditure by the NRA in the south-east. I hope that, following the amalgamation, we will see the major road projects about which I have spokem get under way as quickly as possible.

The cuts in the allocations for regional and local roads will have a serious effect on how local authorities operate in 2014. In rural areas of Wexford and other counties many secondary roads are full of potholes and breaking up at an alarming rate and the reduction of 17% will cause serious problems for local authorities. We are also told that revenue collected through the local property and water taxes will not benefit local authorities until 2015 or 2016. As a result of the damage done to roads by flooding in recent weeks and months, it is important that the Government make additional funding available to deal with problems faced by the local authorities in road maintenance.

There has been much talk recently about the reduction in the number of quangos. The Minister, Deputy Brendan Howlin, has stated 46 were done away with. If one looks at the amalgamation of VECs across the country which accounts for most of the quangos that have been done away with, there has been little real change. In recent weeks there was the setting up of Uisce Éireann which will probably become the biggest quango of all. It is overstaffed, costs are too high and it will be full of bureaucracy and red tape. We have had dealings with it, both in the

House and at committee level, in recent weeks. The operations of Uisce Éireann leave a lot to be desired, including how the company was set up, how it will be funded and the future costs of running that body. I would like to see more quangos being done away with, along with more amalgamations. I would also like to see some of the better structures being retained. It would be better, however, if some of them could either be amalgamated or completely abolished.

Section 17 allows the NRA to engage in the procurement of goods and services for regional and local roads. The Minister should clarify whether this Bill is signalling the end of local authority control of local and regional road maintenance. Local authorities have already been divested of refuse collection, water infrastructure, roads, driving licences and road tax functions. I would like to know what the Minister feels about the future role of local authorities and local government in general. Councils will be top heavy with members and staff. Given all the infrastructural elements that have been taken from them in the last two years, they will become no more than glorified talking shops.

In other countries more and more power is being devolved to local authorities yet we have gone in the opposite direction. We have withdrawn many valuable services that such authorities used to provide very well. For some reason, however, such services are either being privatised or allocated to existing or new quangos.

The Bill itself is worthwhile and we certainly support the overall structure of what the legislation intends to achieve. I do not know what effect it will have on railway infrastructure around the country, however. Earlier, a colleague from Cork mentioned the closure of railway lines in his area. In the past 18 months, the Wexford to Waterford railway line has been closed, which cuts off the rail network linking us to the south west. It was a major mistake to close that line.

Rosslare is one of the most important ports in the country and has often been described as the gateway to Europe. Its structure is unusual in that Iarnród Éireann and certain UK firms are involved in running the port. Some years ago, when it was envisaged that the port would be taken over and re-established under a port authority, the late Séamus Brennan stated that not alone would legislation have to be passed in the Oireachtas but also in the UK Parliament to facilitate the changes at Rosslare.

Some time ago, the Minister for Transport, Tourism and Sport, Deputy Varadkar, established a group to examine the future of Rosslare port. It is an important port for the country and for the south east in particular. More important, it needs to be upgraded to meet present day requirements. A number of additional shipping companies have come to Rosslare in the past year and are now operating to France, Spain and the UK. We hope to see more ferry companies operating from Rosslare. A major investment is needed for the port to provide all the modern facilities that large vessels require.

The Minister should clarify how €300 million in savings can be achieved. Where will the local authority fit in under section 17 of the Bill? Will the council have any future role in local and regional road maintenance, or will it all be taken over by a new body? If councils lose such services there will be very little left for them to do.

I welcome the Bill, however, and we will table amendments to it on Committee Stage. I am sure the Minister will be only too willing to take them on board.

**An Leas-Cheann Comhairle:** The next speaking slot includes Deputies O'Reilly, Kyne

and Eoghan Murphy. I call Deputy O'Reilly first and he has ten minutes.

**Deputy Joe O'Reilly:** I welcome the opportunity to speak on this Bill and congratulate the Minister for Transport, Tourism and Sport, Deputy Varadkar, on bringing the legislation before the House. It is another effort to use public moneys more efficiently and thus become more cost effective.

The move to merge and rebrand the NRA and the RPA as the transport infrastructure service, or agency, will greatly increase efficiency and reduce costs by avoiding a duplication of resources and the in-house expertise of both agencies.

The new transport infrastructure agency is a merger of two existing, well functioning bodies. Their merger represents the most efficient use of our financial resources. In addition, it is a clear illustration of the Minister's, and this Government's, commitment to abolish the proliferation of State agencies and enhancing their democratic accountability.

It is expected that the pooling of resources and expertise will increase in-house capabilities and reduce the agency's reliance on external consultants, thereby saving on costs. That is a critical point. I admire the highly qualified and independent Civil Service in this country, including local authority staff. They are people of the highest calibre who are independent of all political parties. I am always amazed by the degree to which consultants have to be brought in to supplement their work. Any effort to reduce that bill is welcome.

The McCarthy report, which recommended this merger in 2009, predicted it would generate savings in the region of €3 million to €4 million, as well as an overall reduction in the level of Exchequer funding. It is a significant saving for very necessary services. The McCarthy report was independent of any Government party so it provides a good benchmark. The merger will follow other largely successful efforts by the Minister to increase the efficiency and democratic accountability of State agencies. These include the merger of Dublin Tourism into Fáilte Ireland and the amalgamation of Dundalk and Dublin ports.

There are currently 40 fewer State agencies than three years ago. This is something to be commended and this particular piece of legislation represents an addition to the list. I agree with the last speaker that we need fewer such bodies. Given the considerable savings involved, this is an important starting point in achieving such efficiencies.

I welcome the inclusion of section 13 of the Bill, which ensures that the staff of the dissolved body will be retained with no threat to their remuneration or superannuation scheme. All their conditions therefore will remain in place, which is only as it should be. I also welcome the Minister's reassurances on that point.

Section 17 provides that the NRA will undertake procurement of goods and services on behalf of road authorities, in relation to regional and local roads, at the request of the Minister. In that context, it is vital that the expertise and knowledge within our local authorities remain at centre stage. The expertise of local authority engineering staff should be used to the maximum extent.

This section will also allow the agency, which will be armed with a combination of specialist skills and technical expertise, to compete for external contracts on a commercial basis.

*2 o'clock*

I welcome the clause providing that the Minister has the final say on when and where the procurement will take place, ensuring an important level of accountability and transparency. Section 18 follows on a similar theme to the previous one, whereby it gives the new agency the additional capacity to interact with local government in the provision of services and in an advisory capacity on various issues such as planning and traffic management. The roads section in the Cavan local authority has an excellent service record and I know it will embrace this new change and collaborate successfully with the new transport infrastructure service. Having said that, I want a ministerial assurance in the concluding remarks that there will be no diminution of the input of the local authority and the in-house expertise it has accumulated. That should be the foremost resource in dealing with roads.

In part 4, section 25 states that the Minister has the power to request that the NRA make grant assistance from money sanctioned by the Oireachtas available to local authorities for local and regional roads. This year, County Cavan received €9,137,150 from the Department in funding for regional and local roads. When compared to last year's figures, there is a small reduction in the overall figure. I am anxious that the Minister give an assurance that Cavan will receive an additional allocation later in the year, as was received in previous years. Cavan County Council has an excellent track record of the good use of these resources and the efficient development of services. I will refer later to the absence of a railway and other means of transport. Cavan County Council has an excellent track record in appropriating an adequate amount of resources towards various road projects throughout the county. However, the recent inclement weather has impacted upon road conditions throughout the county and it strengthens our case for a top-up or a second allocation this year.

In addition to the weather, we just do not have rail. The railway systems in the county were dismantled. Recently, successful agribusiness and intensive farming have emerged, and while they are very welcome, they place an extra strain on the road structure which must be factored in. It is important economic activity from the point of view of the creation of employment and it should be supported.

The NRA is currently engaged on a number of key projects under the Government's capital investment programme and I know that the Minister is committed to them. The east-west link, which would link Greenore, near Dundalk, to Sligo, is dear to my heart. County Cavan is the lead authority for the development and delivery of the project. It is a 75 km project and is estimated to cost somewhere in the region of €150 million. It has received a significant level of Government investment since 2007, over €2 million, and this has brought the project up to preliminary design stage. This year it received an extra €100,000, but I would like a commitment in the Minister's reply that the infrastructure, which is critical to industrial and regional development in the area, will be given priority and that funding will be granted to the east-west link when it is available. It is vital to Abbott Ireland in Cootehill and Carton Brothers in Sherrcock, County Cavan, an employer of over 600 people. These employers are critical in an area that does not attract inward investment as easily as larger metropolitan areas. For that reason, I consider it vital expenditure and I would like to hear the Minister comment on the prospects for the east-west link in his final reply.

I welcome this Bill as it will create efficiencies and savings of up to €4 million in administrative costs. I hope that within this the local authorities play a vital role, as they have to date, and that it will be in no way diminished. I hope that in the ministerial reply there will be good news for County Cavan and the constituency of Cavan-Monaghan in respect of further allocations during the year and the vital infrastructural project that is the east-west link. It was so sad

that we lost the railway network. The only way we can make do until we restore it is to get the infrastructural support we need.

**Deputy Seán Kyne:** I welcome the publication of the Bill. There is a clear commitment in the programme for Government to reduce the number of State agencies or quangos. I never liked the term “quangos” because I understand that these State agencies play a role, but there can be cost savings and a more efficient use of public money from their amalgamation. The Government has a good record in ensuring that we have around 40 fewer State agencies. I welcome the Bill to dissolve the Rail Procurement Agency and to subsume its role into the NRA. The projects on the NRA website are all Dublin-based, which is fine, so it is a Dublin-oriented agency. We must look nationwide in terms of whether we need the agency to focus only on Dublin projects.

The future of rail is important and I acknowledge it as a vital part of our public transport infrastructure. Hindsight is wonderful and some decisions are taken that the State regrets. An example is the closing down of the old Connemara railway in the 1930s. If it was with us today it would be a major tourism asset in the region. The decision cannot be reversed, but there are plans for a greenway, which is an exciting cycle and walkway project, along the old railway from Clifden to Oughterard. It has gone through the planning process and the development of the line. The plan is to develop it to Moycullen and into Galway city. It is an exciting plan and we hope to emulate the Achill to Mulranny route.

West on Track is a body that strives to promote the old western rail corridor. A colleague of mine, Councillor Peter Feeney, was at the founding meeting of West on Track. It is heartening to see the increase in support to 38% for the use of the railway line. This is due in part to online ticketing, cheaper prices when booking online and the minimal increase in the journey time. We must look at what is possible through increasing the speed of rail, better marketing and better online booking. There is also potential to remove some freight from the Dublin area and to encourage the use of rail for freight to and from Foynes and Waterford ports. It may also be possible in Galway with the port expansion plans. There are also reports that the Athenry to Tuam line could be reopened for passenger use. This can be examined.

Section 12 states the NRA may use the new name “Transport Infrastructure Service”. It does not roll off the tongue, and perhaps the Minister will consider a new name such as Transport Ireland, which is more memorable. I agree with the comments of Deputy Joe O’Reilly with regard to the role of the local authorities and their continued important role in road allocation, given the greater powers for the NRA planned in the Bill.

The Galway city outer bypass is a vital piece of infrastructure for my region and it will open up the west of Galway city and the Connemara area. It is hugely important to tourism, business and the people who reside in the area. It will remove unnecessary journeys through Galway. It will improve the quality of life for the residents of Galway city as well, which is very important. I also acknowledge the ongoing work on the planning of the Moycullen bypass and tendering for the N59 upgrade on the approach to my village of Moycullen. It is a very important piece of infrastructure that I have been trying to push since I first came to the county council in 2004. It is near enough to my house and I hope the project will be included in a stimulus fund this year if there is to be one. I am confident that will happen. I commend the Minister, who visited Moycullen during the autumn and met residents along the road. I hope we can make progress this year.

**Deputy Eoghan Murphy:** I will pick up where the last speaker left off with regard to the major potential for rail in this country, including passenger services and especially freight. I hope when the new agency is up and running it will focus as part of its work programme on how we can expand and improve that area of transport infrastructure in our economy. I very much welcome the Bill, which is important legislation that furthers our reform programme by rationalising two State agencies, finding greater efficiencies and ultimately reducing the burden on the State, which is to be welcomed.

Part of the rationale behind this merger is the reduced capital investment programme we have seen in the past number of years. It is important to take that into account but it is also important to realise that this will not always be the case and in the coming years there will be a rationale, calls and funding to increase our capital expenditure, and we must have the right resources in place if we are to do that. In one sense I caution that we should not lose the people we may need in the coming years because current levels of capital expenditure are so low. For example, light rail is the future for Dublin city and I would hate to see our expertise in the area go because there will be less expenditure once the Luas cross-city project is finished. I remain to be convinced by metro north and the DART underground, and light rail is the way to go for a small medieval city like Dublin. I hope the new agency will work in that direction.

When the merger taking place now is completed, I expect to see a reduction in staff numbers as the agencies should be able to find efficiencies and resources by removing certain duplication that would have existed if there were no redundancies. The redundancies are offered on a voluntary basis, of course, and it will be interesting to see the final figure for this new agency after the merger. I hope the number of staff employed will reflect the needs of the agency.

There is a difficulty in merging agencies like these but projects are still being implemented. We are seeing that now in Dublin city, as Deputies coming to Leinster House will have noticed the changed traffic management plan around St. Stephen's Green, Dawson Street and Kildare Street and how there is an impact on the area. It is an excellent project and the Minister is absolutely correct in proceeding with it, as it will be very important for Dublin city, all the businesses and the people who come to the city, as well as tourists. It is important we maintain a strong communications plan throughout with local businesses so they are aware of the phasing for this project, as it is happening over a number of years and it is having a big impact on the area around the city. Equally important for us is to give the message to the public that the city is open for business and despite these works, which will bring very big improvements in future, today, tomorrow and for the coming two years the city is open for business. Dublin city centre will remain a place to come to eat, drink, meet people, do tourist activities, shop and all the other activities that can be done in the city.

There are other aspects of the Bill that deal with collection of tolls. In Dublin city the East Link will move into the ownership of Dublin City Council soon and there is a question regarding maintaining the toll rate for people crossing the Liffey. There are different ways of looking at this, and as the payment of a toll at the bridge is already accepted, perhaps it might be foolish to remove the toll. There is potential scope to reduce it but if it is to remain at any level, the funding should be ring-fenced for transport projects. Immediately, I can think of dublinbikes, as we are seeking funding to expand that project south and north of the canals. The dublinbikes scheme is a massive improvement to the city and every bit of money we can spend on it will save the city and individuals money in the long run. If the East Link toll is to remain, we should invest the money in projects like dublinbikes, cycling infrastructure and road maintenance. With the change of ownership for the East Link, I hope there will be scope to improve traffic

patterns over the Samuel Beckett bridge, which are not necessarily convenient to all people crossing the Liffey at that junction.

As we are discussing a roads Bill, I will mention the Smarter Transport Bill I published in 2011, which relates to the use of car clubs, parking on public streets and the ability to provide parking designated only for electric vehicles where there are charging points. I understand from the Minister that those regulations are being drafted and it would be excellent if they could be expedited and put in place as quickly as possible. We are seeing more electric vehicle charging points around the city but spaces are being blocked by people who do not have electric vehicles, which is a waste of infrastructure. If we want to continue the roll-out of electric vehicles in the city, we must ensure that our policy and by-laws are joined up and make sense.

**Acting Chairman (Deputy Marcella Corcoran Kennedy):** I understand Deputy Anne Ferris is to share time with Deputies Seán Kenny and Maloney.

**Deputy Anne Ferris:** That is correct. In so far as this legislation will consolidate the intellectual resources of the Railway Procurement Agency, RPA, with the National Roads Authority, NRA, I welcome it. There is a natural synergy between the agencies; they are employers of engineering professionals and other people of experience in the area of infrastructural development. There is a case for having a single authority for the oversight of all of Ireland's strategic infrastructure development and there is already a basis for the argument in that the planning legislation for such development falls under the umbrella of the Strategic Infrastructure Act applied by An Bord Pleanála. That is an idea for future consideration.

Before us today is a proposal that will see the amalgamation of key resources of two of the State's infrastructural development agencies in a manner that could concentrate professional expertise and facilitate increased efficiencies. The Bill facilitates the application of procurement expertise currently available in the offices of the RPA and the NRA to local authority procurement. There are significant efficiencies to be gained through the management of single national procurement contracts for materials like road salt for the winter de-icing programme or stone chippings for surface dressing of roads.

I am also looking forward to the rejuvenated road design programme that can now proceed because of the potential amalgamation of design resources. The delay currently encountered in the mornings by traffic on the N11 travelling from County Wicklow to Dublin and in the evenings on the return journey is nothing short of scandalous. The money and earning potential wasted because workers and business owners must crawl through traffic jams is certainly not assisting economic recovery. I look forward to seeing the application of the super engineering resource to the much-needed revival of infrastructure projects that seem to have been sitting on the backburner in the aftermath of the economic collapse in 2010.

There are a number of projects I expect to be given priority by the new service in the development of the design programme, and a strengthening of the rail service to County Wicklow is overdue. The much awaited extension of the Luas to Bray and connection with the DART line would have economic benefits for retail and residents along the line. It would also facilitate the transfer of tourists to County Wicklow. Most tourists in Dublin never leave the capital city despite the stunning mountain landscape available just a few miles away. The proposed transport links to County Wicklow will grow national tourism and increase efficiencies in the national and local economies.

I welcome the progress on the N11 public private partnership contracts for the widening of the route to four lanes between Arklow and Rathnew. Given the additional engineering and design resources that will be in place as a result of this Bill, I also expect progress on the N11 upgrade from Dublin to County Wicklow. Key bottlenecks, like Fassaroe and Kilcroneys junctions, must be addressed as a matter of priority. The N11 was developed over the years in a piecemeal fashion and significant stretches are non-compliant with current design standards and cannot deal with current traffic volumes. The growth of Bray and Greystones over the past ten years or so, together with increased long-distance commuting to Dublin from towns further south like Arklow, Wicklow and Gorey, has generated very large traffic volumes on the N11. Traffic demand on the route is at saturation point and there have been too many accidents on the N11 through Wicklow, and not all are connected to speed. To resolve the problem we will need road and rail design and procurement, with the provisions for staffing before us today.

The problem of increasing capacity on the N11 from Dublin to Wicklow will also necessitate an enhanced bus service to several Wicklow towns. Before any further office and industrial development is feasible in Sandyford, Cherrywood and Bray, the necessary capacity improvements to the N11 must come about through road works, increased rail links and new bus routes. Without these improvements, there is just no additional capacity on the N11 at peak hours. The amalgamation of natural engineering resources is a fine idea as long as it results in increased efficiencies and the effective delivery of necessary national infrastructure. There is clearly scope for achieving further efficiencies in this regard. I await with anticipation the output of the new service in its first year and I and others will be watching this closely.

**Deputy Seán Kenny:** The proposal to merge the National Roads Authority, NRA, and Railway Procurement Agency, RPA, is consistent with the Government's plans for public sector reform and, in particular, its programme for the rationalisation of State agencies. The amalgamation is being implemented through the dissolution of the RPA and the transfer of its functions and staff to the NRA. The merger will add one more body to the 43 State agencies already merged or amalgamated. It is expected that there will be over 100 fewer State agencies and public bodies before the term of the Government ends. This will lead to a more efficient public sector that can deliver real developments for the betterment of the country.

The merger of the NRA and RPA will create a new organisation that will be a leader in the planning, delivery and management of transport infrastructure, demonstrating the best and most efficient use of public resources. The need for restructuring of the institutional framework in the transport sector is recognised. However, through the merger, core technical and professional skills will be retained in the public sector to support the future development of transport infrastructure. The body comprising the merged NRA and RPA will remain a non-commercial State body and it will be given the operational title Transport Infrastructure Service, TIS, to reflect better its expanded functions. The new organisation will benefit from combining the technical expertise and experience available in both the NRA and-or the RPA.

Section 6 of the Bill provides the main function of the legislation, namely, to transfer the RPA to the NRA. The section also provides that any reference to the RPA that relates to a function transferred under the section is to be construed as a reference to the NRA.

Section 10 sets out provisions to ensure continuity after the transfer to the NRA is completed with regard to functions, assets and liabilities of the RPA. Anything related to the transfer of the functions of the RPA not completed on its dissolution can be carried on or completed by the NRA. Every instrument and document made by the RPA before dissolution will be made

by the NRA. Any reference to the RPA in the memorandum and articles of any company will be construed as a reference to the NRA.

Section 13 is an important provision that provides for the transfer of the staff from the RPA to the NRA on the dissolution day. Staff will not have less favourable terms and conditions of service relating to remuneration than they enjoyed in the RPA before its dissolution. I welcome that.

Section 14 provides that a transferred person's superannuation arrangements will continue in accordance with existing RPA pension schemes, as applied before the dissolution day. Sub-section (2) is a technical provision to prevent circumstances where RPA staff could inadvertently become members of the single pension scheme introduced by the Public Service Pensions (Single Scheme and Other Provisions) Act 2012.

I hope the fact the legislation is referred to as the Roads Bill does not mean the NRA's functions will be prioritised over those of the RPA. Rail infrastructure is still underdeveloped, much more so than road infrastructure. I would like to see an amendment to the legislation that ensures a balance between the NRA and RPA components of the TIS to ensure road investment will not dominate over investment in railways. Simply put, we need to build more railway infrastructure, particularly in urban areas.

The recent storms affecting the entire country brought home to us the reality that climate change is happening. I am not dismissing at all the need to maintain our road network or invest in new roads but it does not make much sense to invest everything in the road network when there are other means of transport that people need and want, such as rail transport. In that light, I am very pleased the initiative has been taken to merge the two Luas lines in Dublin. I will be watching that project with interest. I hope progress is made on the DART underground interconnector when capital expenditure is reviewed. This large project would revolutionise public transport in Dublin and improve the road network around the city because it would relieve traffic congestion, reduce carbon emissions and address the question of climate change. I support the Bill.

**Deputy Michael McNamara:** I welcome this technical Bill, which transfers the Railway Procurement Agency, RPA, and all its functions to the National Roads Authority, NRA. There will be one less quango as a result of it. A policy objective of the Government was to reduce the number of quangos. In that regard, I welcome the Bill. I hope the NRA will now have scope to be adventurous in devising transport solutions for the 21st century. I understand from some colleagues in Dublin that the suggested rapid bus transport initiative could be a very cost-effective alternative to rapid rail.

This Bill seeks to amend the Roads Act 1993, which outlines the responsibility of road authorities for the maintenance and construction of public roads. As the House will know, there has been considerable damage to roads across the country because of flooding, including in north Tipperary and Clare. It seems the Government devolves funding annually to local authorities to fix roads. The roads are fixed but they are not fixed with any particular regard, or sufficient regard, to drainage, thus causing problems when it rains. It is not entirely unexpected that it might rain in Ireland. It rains every year; it is just a question of how much. When it rains, the same roads need to be repaired again the following year, largely because the drains were not repaired.

Two issues arise from this. First, section 13 of the Roads Act 1993, as amended, sets out the responsibility of road authorities for the maintenance and construction of public roads. It is stated that it is the function of a local authority to maintain and construct all local roads. Section 76 empowers the roads authorities to maintain and install drains etc., but it does not require them to do so. This might be an opportune time to consider requiring road authorities to maintain drains beside roads. Much money could be saved by requiring the opening of drains at the same time as a road is being fixed. I am not suggesting wording for an amendment at this stage but the Department might look into it. Perhaps we will revert to it on Committee Stage.

I am aware that the Department gives considerable grants to local authorities to repair roads, as I mentioned. An inspectorate in the Department used to carry out inspections. Guidelines are issued by the Department on the camber of roads, and a minimum of 3% is stipulated therein. I am not referring to County Clare or north Tipperary specifically. As Members, we travel a lot around the country and note places where there is no drainage whatsoever and where water pools on the roads. Considerable moneys have been spent on these roads. I understand the NRA said it would carry out the functions of the inspectorate but it is no longer doing so. In effect, therefore, there is nobody inspecting local authorities after they receive the money to ensure they carry out the works properly and ensure the proper camber and appropriate drainage. If this were done, considerable State moneys might be saved.

**Deputy Michael Creed:** I welcome the opportunity to say a few words on the amalgamation of the Railway Procurement Agency, RPA, and National Roads Authority, NRA. They are a good fit in terms of critical infrastructure delivery. Over their relatively short periods of existence, both have acquitted themselves in a reasonably efficient manner. In so far as they are a good fit they also complement the Government's endeavour to reduce the number of quangos. The term "quangos" has often been used as an almost pejorative term, and my political party is somewhat culpable in this regard although I do not believe it was used in any way to undermine the dedication or professionalism of people working in those bodies. However, there has been significant progress on that policy initiative. Of the 46 or 48 authorities identified originally, more than 90% of them have been progressed to amalgamations, abolition or being subsumed back into their parent Department. That is reflective of where we are in terms of demanding the maximum efficiencies. We much acknowledge that the public service, which has been much maligned in many respects during the downturn, has worked with this agenda and has embraced change in a very significant way with regard to work practices, organisations and so forth. That is to its eternal credit and I thank the public servants individually and their leadership in their unions.

In the context of amalgamating and abolishing these bodies, we have also not been averse to establishing new ones, and it is important to acknowledge that. They have been established on a case-by-case basis for good reasons. It is not as if we are implacably opposed to the principle. We should proceed with it where it makes good sense, but for a long period of time there was certainly scope for efficiencies.

With regard to this amalgamation, my colleague, Deputy Seán Kenny, said he hoped the Railway Procurement Agency would not be diminished in its standing relative to road expenditure. I wish to make a case in the other direction. It probably depends on where one comes from. If one is in the Pale, critical infrastructure is rail, DART, Luas and so forth. In my area roads are of primary importance and I am sure the Minister of State, Deputy Alan Kelly, will bring that relative balance to the Department in respect of the consideration of budgets in the future. Everybody wants the best possible infrastructure that is efficient for their area, but in

rural areas roads are the life blood of commerce, social engagement and so forth so we must ensure those budgets are not disproportionate relative to each other.

I wish to acknowledge the progress being made on the N22 in my constituency by the NRA in respect of engaging with landowners for the Macroom bypass. I thank the Minister for his intervention in approving the goodwill payment to the landowners. These landowners were caught up in a legal case which lasted over two years and delayed progress, so that is very welcome. I hope that it is now full steam ahead and that the Macroom bypass can be progressed in the next road building programmes, possibly in connection with the Dunkettle interchange. I realise there is a degree of catch-up required to get to that position and to get all the ducks lined up in a row in terms of a public-private partnership. That is a challenge and, hopefully, the new authority will waste no time in bedding down and getting stuck into that. I acknowledge what has been done by the staff in the NRA to date.

Roads are critical to employment opportunities. I agree with the point made by Deputy McNamara. A great deal of work could be done, not necessarily on national primary or secondary roads but on the more minor roads. When one considers the amount of potential labour that currently cannot find useful employment and the amount of work that must be done, it should not be beyond the ingenuity of our leaders to devise a system to match the two.

Finally, many Members will be familiar with the tragic crash that happened in Devon approximately 18 months ago in which Mr. Con Twomey, his son Oisín and his unborn daughter lost their lives and in which his wife was seriously injured. I thank the Minister for Transport, Deputy Varadkar, for meeting recently with Elber Twomey, the wife of Con Twomey and mother of the aforementioned children, in respect of a campaign she is trying to organise regarding the manner in which the authorities, be it the Garda or the Road Safety Authority, devise strategies to deal with suicidal drivers. Unfortunately, the circumstances in this case were that the pursuit of the driver resulted in the carnage and casualties.

The Minister has agreed to pursue with the Road Safety Authority and all other relevant bodies, particularly the Garda, a means of having best practice for dealing with drivers who are suicidal. I appreciate the Chair's indulgence in allowing me to make that point and I appreciate the signals the Minister has given about working with the Road Safety Authority and with the Minister for Justice and Equality, in respect of working with the Garda, to work out appropriate protocols.

**Deputy Thomas P. Broughan:** I welcome the opportunity to speak on this important Bill as I have a number of serious concerns about it and the proposed merger of the RPA and the NRA. For a start, the Bill's Title is a concern. It is the Roads Bill, not the transport infrastructure service Bill or the transport infrastructure authority Bill. Any further attempts to promote public transport and to move away from car dependency will be hampered because the main body, the NRA, will naturally be more focused on road-based transport options rather than trying to develop the State's light and heavy rail infrastructure.

I commend the staff of both the NRA and the outgoing RPA on the work they have done for the State over the last decade or so. Inherently, however, the NRA and RPA have competing interests. In fact, both agencies have always been direct competitors and I believe their competing interests will be impossible to reconcile in a merged body. Road-based projects will surely take precedence. One need only listen to earlier contributors to the debate in that regard. In that context, there is a potential that the merger of the RPA and the NRA, as proposed under the Bill,

could be in breach of the Competition Act. Did the Minister, Deputy Varadkar, even remotely consider that? Any element of competition that currently exists between public mass transport and personal car transport will now effectively be eliminated by this Government.

There is also grave concern that no new light rail projects will be realised in the medium to long term because of the horrendous bailout mortgage the country now has on its back. Indeed, many people wonder what impact this merger will have on the Luas cross-city project, despite the assurances given to us by the Minister, Deputy Varadkar. When that Minister spoke in the House to introduce this Bill he spent a great deal of time talking about reducing and eliminating quangos, which is the classic Fine Gael and troika type of tripe that he and his colleagues have given us over the last five or six years. The result will be bad for public transport in the State.

The existing functions of the RPA will transfer to the NRA, which is provided for under section 6. However, the provisions regarding the functions of the merged authority are weak. Section 16, for example, provides that additional functions may be conferred on the merged authority by the Minister for Transport, Tourism and Sport with the consent of the Minister for Public Expenditure and Reform. That is not a mandatory obligation on the Minister, and the functions of the merged body will be at the total discretion of the Minister in the future. Again, this provision points to the intended restriction of the merged body's functions primarily or exclusively to the road-based transport option. Section 17 relates to the potential for the Minister to request the authority to arrange for the procurement of goods and services in respect of regional and local roads, but there is no mention of light rail or other transport options. Interestingly, there is no mention of light rail in any of the provisions concerning the functions of the new authority. Perhaps the Minister of State, Deputy Alan Kelly, who has responsibility for commuter transport, will explain why there is no specific reference in this regard. I note that "transport infrastructure service" might be the name of the body after the dissolution of the RPA, but I believe the merged authority will still be referred to as the RPA.

The House must bear in mind that this Bill is being introduced against a background of savage cuts in the public service obligation, PSO, and in existing rail and road-based public transport. The National Transport Authority, NTA, recently provided me with figures on the distribution of the available subvention between Dublin Bus, Irish Rail and Bus Éireann. This was in response to a parliamentary question I tabled for the Minister, Deputy Varadkar, last January. The total PSO in 2011 was just under €265 million. That has been slashed to €209 million this year. Effectively, there has been a 20% cut in an already small PSO budget for public transport. That must be seen in the context of what happens in most other jurisdictions and in great cities such as Amsterdam.

Incidentally, the direction of this Bill and of the Minister, Deputy Varadkar, is very anti-Dublin. It is a ferocious attack on the people of the Dublin region, in particular, and is very anti-urban centres. It is a device designed to promote the lack of public transport in the State in the future. The share of the PSO for Dublin Bus has also been slashed - from €73 million when the Government took office to €60 million in 2014. It is a disgraceful situation in which people who pretend to represent labour, trade union and public sector interests are involved in a Government that would do such a thing. The share of the PSO for Irish Rail was also slashed from €149 million in 2011 to €117 million in 2014. The share of the PSO for Bus Éireann was also slashed from €43 million in 2011 right down to €32 million in 2014. The real effects of the huge cuts to the PSO are being borne out every day in terms of poorer services provided to passengers around the country in both urban and rural areas and very difficult conditions for employees of Dublin Bus, Irish Rail and Bus Éireann.

It has been reported in recent weeks that workers in Irish Rail, Iarnród Éireann, might go on strike because of further pay cuts proposed by the company following the Labour Court's recommendations and following the cuts in the PSO. Iarnród Éireann management is under huge pressure because of the terrible cuts to the PSO. Five or six years ago we had begun to get movement in the development of rail-based transport in this country but all of that has now been lost. We already have a public transport service creaking at the seams and we are still heavily car dependent. According to EUROSTAT figures from 2002 to 2011 the modal split of passenger transport was between 84% on car-based transport compared to the remainder on public transport.

The neoliberal agenda of the Minister for Transport, Tourism and Sport, Deputy Varadkar, has always been the Fine Gael agenda. The rubbish about quangos and references to other important public service bodies and agencies shows clearly that he and Fine Gael do not believe in public transport services. His agenda is to privatise those services. We only have to look across the sea to the neighbouring jurisdiction in the United Kingdom to see what happens following the privatisation of important public transport services. It proves the old adage that the only thing worse than a public monopoly is a private monopoly. One only has to look at the bus market in the United Kingdom where companies such as Stagecoach, Arriva and FirstGroup have carved up the market between them on geographical grounds and produced lucrative regional private monopolies. One sees the same type of situation in Scotland. It is no wonder there is now strong support for the renationalisation of railway networks and operators following the disastrous performance of private sector companies.

The impact in this important area of the policies of Fine Gael and the troika are disastrous for public transport in the future. That is my concern following the elimination of the RPA. I remember, for example, the tremendous battle when Pdraic White was the chairman of the RPA. He fought with the chief executive of the RPA to extend the Luas into Connolly Station to create an integrated DART-Luas network which Dublin so badly needed.

The Government has totally shelved major projects such as metro north in my constituency and metro west. Despite the necessity based on the huge economic fulcrum of Dublin Airport metro north did not proceed. We had already spent €165 million on enabling works and a further €19 million was spent on metro west. All that work has been abandoned by the Government. The Bill gives a legislative framework to the abandonment of the policy. I note that in the context of metro north the distinguished transport engineer, Cormac Rabbitte, recently gave a presentation to members of Dublin City Council based on his own detailed independent research that a project with a similar route to the one previously identified for metro north could be built for less than €2 billion. Transport planners should now examine public transport solutions for the 2025 to 2031 period for the 2 million plus people who will be living in the greater Dublin, north Leinster and Meath area, according to a recent Central Statistics Office analysis for 2031. The NTA rejected Mr. Rabbitte's research due to the biased approach of favouring road-based transport solutions. The NTA took issue with the cost of boring machines. The reality is that it did not disprove the fundamental approach the engineer offered as a possible solution to developing quickly the kind of public transport network which the capital city and Cork city require. When I was the Minister of State, Deputy Alan Kelly's, predecessor as spokesman on transport for the party I proposed a Luas network for the cities of Cork, Galway and Limerick. Such development has, unfortunately, now been abandoned under this short-sighted Bill. I urge the Minister to examine the Bill carefully before the Dáil finally gives approval to it. I am concerned by the Bill which is geared towards road-based transport solutions rather than public

transport. It is anti-urban Ireland and it does not do what is necessary for public transport in the future in this country.

**Deputy Patrick Nulty:** I am very pleased to have an opportunity to comment on the Bill. When it was published at the start of the year the Minister, Deputy Varadkar, spoke about the Bill in glowing terms. He said the merger of the NRA and the RPA would create a new streamlined organisation which would be a leader in planning, delivery and management of transport infrastructure in Ireland, demonstrating the best and most efficient use of scarce public resources. He talked about the restructuring providing a new institutional framework in the transport sector in the context of a reduced capital investment programme. It is reasonable for Members discussing the merits of the Bill to put that assertion to the test and to put the Bill in the context of the overall transport policy being pursued by the Government. That is what my contribution will do. I do not think we can look at any Bill that deals with roads and rail without looking at the overall macro strategy for transport. A number of issues come into that framework.

A number of speakers referred to getting rid of quangos and the undermining of them. It is worth examining the quangos that have been removed since the start of the crisis in this country in 2008. The previous Government abolished the Combat Poverty Agency and the Equality Authority has been undermined. Important bodies that were established by previous Governments have been abolished. Simply calling for the abolition of quangos - as they are so derisively referred to - as a good idea is an ideological position rather than examining each body on a case by case basis. I accept one could make a case for rationalisation in certain cases, but only if it will improve service to the citizen and increase people's quality of life.

In the debate about rail, road and the development of public transport across the country and in Dublin city, I remind the House that prior to the general election in February 2011 the Minister for Transport, Tourism and Sport, Deputy Varadkar, delivered a leaflet to every resident in the River Valley area of Swords stating clearly that the Fine Gael Party was absolutely committed to the delivery of metro north and that it would be delivered if one voted Fine Gael. One of the first decisions taken in the first 12 months in government was to suspend metro north. That is a fact. The Minister is welcome to come to the House and contradict what I say. It is a bit like the letter the Minister for Health, Deputy Reilly, delivered to the people of Roscommon when he said vote Fine Gael and we will protect your accident and emergency service. That proved to be incorrect. The description is due to my use of polite language. Poor Deputy Naughten had to resign from his parliamentary party in order to honour that pledge. People were hoodwinked.

North and west Dublin have not received the same degree of investment in public transport infrastructure as other parts of the city. The local development plan for the Fingal County Council area is based on the delivery not only of metro north but also in the long term of metro west. I could take the Minister of State, Deputy Kelly, through the list of where the stops were intended to be located. It is also worth noting land within the development plan was rezoned for residential development based on the delivery of metro north in particular. Very serious questions must be asked about the legitimacy of the Government's transport strategy, as a clear commitment was given to people metro north would be delivered. There has been no apology from the Government for this misleading information. As the Minister, Deputy Rabbitte, stated on RTE television, "is this not what one says during an election?"

Road tolls are pseudo-privatisation of the road infrastructure. Increasing tolls is a stealth tax. Any charge which does not take account of people's income is regressive. It is like an increase in VAT and the introduction of water charges and the household charge. The best,

most efficient and fairest way to fund public services is through progressive taxation based on people's wealth and income and not through the introduction of charges and the commodification of the use of services.

It is not only cars which use roads as we also have a bus network. Several aspects of public policy on buses are very striking. We have seen draconian and dramatic increases in bus fares since the Government took office. When Fine Gael and the Labour Party took office the average bus fare for the shortest commute in the Dublin area, which is often used by pensioners, those carrying shopping and people with disabilities, was €1.20. It is now €1.80 which is a 50% increase. Fares for between four and seven stages have seen a 42% increase and fares for between seven and 13 stages have been increased by 40%. Fares for more than 13 stages have been increased by 33%. For a school child, bus fares have increased by 38% under the Labour Party and Fine Gael with a 33% increase for travelling between one and seven stages. Under the Government it has become more expensive to use the bus. If we want an integrated transport system we should encourage people to use public transport. All of the international evidence shows people on middle and lower incomes, pensioners, young people and people with disabilities use public transport more, but their charges have been increased.

We have also seen an attack on Dublin Bus and an attempt to demonise it. Several years ago Deloitte conducted an efficiency review of the bus network and examined subvention by the State to the public bus network in a number of European capital cities. In Brussels the subvention was 68% of total revenue; in Amsterdam it was 62% of total revenue; across the water in London it was 39%; but in Dublin it was only 29%. These figures are indicative of a commitment for many years, under Fianna Fáil, the Progressive Democrats and continued by Fine Gael and the Labour Party, to undermine public transport. We are seeing an attempt to turn a public service into a for-profit service alone.

In my constituency of Dublin West a number of bus routes will be put out to competitive tender. In my view this will undermine the public service provisions of the bus network. Will the workers of private companies which tender for these routes have the same level of pay and conditions as those in Dublin Bus or will the companies be allowed to undermine Dublin Bus? We know this happened in refuse collection. Local authorities were bullied out of the market because private sector operators could tender for the service. The Government can state the public sector and local authorities could have tendered for it, but the overheads of the private companies were less.

The Bill must be seen in the context of a transport policy which is about the private sector being good and the public sector being bad. This would be a disaster in the long term for Dubliners and the country. On this basis unless there is serious change and reform of transport policy I will not be able to support the Bill. The local elections are in May. In the previous local elections Labour Party councillors were elected on the basis of a bus fare freeze in Dublin and opposition to water charges. These have been abandoned by the Government. This is why I raise serious questions about the Bill. I invite the Minister of State, Deputy Kelly, and the Minister, Deputy Varadkar, to address the issue of metro north, in particular the dodgy leaflet put out by the Minister. He should come here to explain his position.

**Deputy Heather Humphreys:** I welcome the opportunity to speak on the Roads Bill 2014 which will allow for the merger of the Rail Procurement Agency, RPA, and the National Roads Authority, NRA. The Bill provides for the dissolution of the RPA and the transfer of its functions to the NRA to form the new transport infrastructure service. I welcome this move. The

reduction in the number of State agencies was a key commitment of the Government and the fact we have 40 fewer State agencies is evidence progress is being made. This is a significant reduction in the space of just three years. It is worth noting the serious efforts made to reduce staff numbers in the NRA and the RPA in recent years. This has led to a combined reduction from 435 to a staff level of 290. This is a significant reduction in staff numbers of almost one third which leads to reduced costs and increased efficiency.

With regard to quality delivery of service to the public, the one-stop shop model is the way to go. It will lead to a streamlined and more effective service in future. In this regard the new transport infrastructure service will benefit by having a range of skills, technical expertise and experience in a range of areas including transport planning, project management and engineering design and advice. The merger will result in long-term savings of €3 million to €4 million per annum to the Exchequer. In the current climate this is very welcome.

The Bill will see the dissolution of the RPA. Unfortunately it has no relevance in my constituency of Cavan-Monaghan because we do not have a rail service. There is no rail service in any part of Monaghan. The question still remains whether the railways could have survived. The Great Northern Railway, which operated the rail service, was dissolved in 1958 and its assets were divided between the Ulster Transport Authority and Córas Iompair Éireann. The bulk of the Great Northern Railway network was closed and only the Dublin to Belfast line remains. Following this move, by 1960 various towns such as Clones, Cavan, Carrickmacross and Monaghan lost their rail services. Many are of the opinion the services emanating from Clones, Dundalk and Dublin could have survived, as with little change the track could have been altered to create a through line between Dublin and Clones via Cavan. The Clones to Dundalk section could have been as viable as some of the services to parts of the west of the country, but the political opinion of the day was there was no future in the railways, and lifting the permanent way was more or less completed by December 1959.

The majority of the original track has been subsumed into agricultural land but the numerous railway bridges, stations and unused track dotted throughout the County Monaghan landscape are reminders of what we have lost. Visitors to the region regularly comment on the unusual situation that there is no rail service to Cavan or Monaghan and that it is a great pity the service is gone. Will the Minister of State consider carrying out a feasibility study on the viability of extending the rail network to include counties Cavan and Monaghan? In this regard I ask them to liaise with his Northern Ireland counterpart because the railway line would have continued to Donegal through the North of Ireland.

*3 o'clock*

The lack of a rail network to this Border region obviously means people there are hugely dependent on the haulage industry for the export of goods. In this regard, I am greatly concerned that the new lorry road user charge that will come into effect on 1 April in the United Kingdom and Northern Ireland will have a significant effect on those Irish road hauliers who use roads in Northern Ireland. I raised this matter with the Minister earlier this week and I welcome his intention to raise the issue again with his counterpart in the United Kingdom, Stephen Hammond. This charge will have particularly serious consequences for the hauliers in counties Cavan, Monaghan and Donegal who cross the Border on a daily basis and hopefully, a satisfactory solution can be found on an all-Ireland basis.

In conclusion, I again welcome this Bill, which marks a further step in the Government's

reform agenda of tackling the proliferation of State agencies and quangos.

**Deputy Patrick O'Donovan:** I welcome the opportunity to speak. It must be me, but it is becoming something of a habit that the Opposition is tripping over itself to contribute. It probably is not a Standing Order but if ever there was an opportunity to pass a motion of no confidence in an Opposition, it probably is long overdue. I will not include Deputy Terence Flanagan in the Opposition, as he is more in transition than in opposition. At the outset, I welcome the Bill because it fulfils a commitment given in the programme for Government to reduce the number of State bodies and organisations. I find it ironic that Deputy Broughan has been bemoaning it, because he has no problem in voting for it in the programme for Government in the first place. As for the showering of doom, gloom and negativity spewed out by Deputies Broughan and Nulty, they finished as they started. It was the most negative drone I have heard in this Chamber for a long time. The Government is attempting to streamline agencies into particular areas of expertise and no area is more important for the country's infrastructure than the rail and road authorities that currently are *in situ*. It is worth asking whether this is the opportune time to do it, given the improvements made to the motorway networks, as well as to the rolling stock and rail networks with the development of Luas and so on. The answer of course is it is. While one would love to be in a position in which the Government was able to deal with some of the issues raised by Deputy Nulty, the Alice-in-Wonderland-type economics from which Sinn Féin suffers appears to have streamed across to the benches occupied by Deputies Broughan and Nulty and all the Members there appeared to be suffering from it. While they criticised the Minister of State and the Minister for Transport, Tourism and Sport in respect of the proposals before the House today, at no stage had they a suggestion about from where the money would come to reverse all the bad things about which they were talking. Neither would I expect them to so do. However, to be any kind of responsible Opposition, they first should take responsibility for what it is they are suggesting.

The Bill before Members provides an opportunity to raise a number of issues. While it merges the Rail Procurement Agency, RPA, and the National Roads Authority, NRA, I have found an issue, in consultation with the Minister for Transport, Tourism and Sport, regarding a constituency matter, namely, the Adare bypass and it is an issue the Minister should bear in mind. At present, the Rail Procurement Agency is allowed to engage with An Bord Pleanála in a type of pre-planning consultation, for want of a better expression. The Transport (Railway Infrastructure) Act 2001 that established the RPA provides for that. Basically it states that "within 28 days of acknowledging such an application, the Minister shall, after consultation with An Bord Pleanála, appoint a person to be an inspector to hold the inquiry referred to" elsewhere in the Act. This provision is not available in respect of the National Roads Authority, which essentially is precluded at present from engaging in a pre-planning consultation. This leads to a fundamental problem that has arisen in Dingle, Slane and recently in Adare, whereby vast sums of money are spent on plans that do not materialise into anything but plans. An Bord Pleanála is statutorily allowed to turn down applications for major road infrastructure projects without providing a rationale to either the planning authority or to the National Roads Authority. The result is the latter are working in the dark and must then submit a further set of plans, which may or may not take the conditions the board has raised.

While I intend to raise this matter on Committee Stage by way of an amendment, I note that Part 4 of the Bill as construed at present refers to amendments of the Roads Acts 1993. The Minister of State should specifically consider an amendment of section 18 of the 1993 Act, which allows for preparations of plans by the NRA and similarly, an amendment of section 22

of the Act, which would allow for pre-planning consultations to take place between the NRA, the planning authority and An Bord Pleanála. The reason I seek to have this done is to ensure one avoids situations such as in Adare at present, where it is not known whether another planning application for another route for the Adare bypass will avoid falling on the same hurdle as did the first one. It makes absolute sense that pre-planning consultation would be allowed, particularly in respect of strategic infrastructure. Moreover, such pre-planning consultation should be forwarded to the local authority in order that the local authority members could deliberate on it, because it may mean, for instance, that a variation in the development plan from which they are working is required. It is a simple thing and as I noted here in the Chamber recently on a Topical Issue I had tabled to the Minister, one would not build a house without a pre-planning meeting with one's local authority yet at present one potentially can build a motorway without such a pre-planning consultation and this is absolutely bizarre.

The national primary roads running through my constituency are the N21, N24, N69 and N20 and like every other constituency, they are in dire need. This is true in particular in the context of their linking of Limerick to Waterford, Galway, Cork, Tralee and Foynes on the Shannon Estuary. In the context of the Rail Procurement Agency being merged with the National Roads Authority, progress should be made on the reopening of the Foynes railway line for freight. I acknowledge the monopoly position to convey freight on rail has been lost by Irish Rail and a competition element now exists but there probably is no better location in the country for the future development of rail than between Limerick and Foynes. The latter is the deepest port in the country and conveys a huge amount of bulk cargo. As matters stand, a rail line runs directly into the middle of the port, there is future mining potential in east County Limerick and reopening the line would remove a huge number of heavy goods vehicles from the N69 through villages such as Kildimo and Clarina, as well as Foynes village itself. Moreover, it would allow for proper infrastructural development in the region and would constitute joined-up thinking. I urge the Department of Transport, Tourism and Sport, through the Minister of State, to make every effort to ensure that Irish Rail is on board regarding the work that must be done.

Earlier, I mentioned the planning issues confronting Adare with regard to the N21 but that is only half of the problem. Were the Minister of State to travel tomorrow to Killarney, Kerry or anywhere in Limerick, there is a huge problem that is not limited to Adare but which moves on to Newcastle West and to Abbeyfeale.

**Deputy Alan Kelly:** I know that only too well.

**Deputy Patrick O'Donovan:** Essentially, a motorway terminates in the middle of the village of Adare. The motorway from Dublin to Limerick, that is the M7 and M20, terminates in the middle of the village. This project must be prioritised. I acknowledge that times are tough and that constraints exist but I have demonstrated the point previously in this Chamber that road projects are starting in the south east, in Deputy John Paul Phelan's part of the country, albeit in a neighbouring county. However, the same traffic volumes are not being experienced there as on the roads in my constituency, which appear to be left behind. I do not know how this happens and would not care to even imagine but this is an absolute priority at present. The position is getting much worse and I refer to interim urban relief works, such as those carried out in the town of Roscrea, close to the Minister of State's home base. For many years, the Roscrea relief road solved a difficult problem for that town until the arrival of the motorway. For towns such as Newcastle West, Adare and Abbeyfeale, similar solutions must be considered because they are being choked with cars and traffic. Moreover, although the aforementioned road conveys the bulk of the tourist traffic from Dublin and Shannon airports into County Kerry and the south

west, it is not inviting and is proving very difficult for business to take place.

I will conclude by stating it is my intention to table amendments that would make the Bill more workable in respect of pre-planning. Finally, I concur with some remarks made some time ago on the existing Roads Act 1993 and specifically with regard to section 76. I honestly do not believe that local authority members are aware of the power local authorities have in respect of drainage. At present, there are roads that resemble canals throughout the country. Local authorities have the power, without any major rigmarole, to remove water from the roads. The reality, however, is that there is a reluctance on the part of some local authorities to do this because of the work involved. The powers laid down in legislation in this regard are not being invoked. Our local authority members need to take responsibility for this matter and ensure that their county managers, senior executive engineers and engineers are removing water from the roads. There is no excuse for their not doing so. While I acknowledge that water levels are currently high, what is being allowed to happen around the country is, to put it mildly, dangerous.

I commend this Bill to the House. I believe it is a good Bill that will streamline two agencies that have served us well. While staff of the NRA and the RPA have done a good job, it is time to move on. The proposed amalgamation of these agencies into the transport infrastructure service is the next step in this regard. I reiterate my intention to propose a minor amendment to the Bill on Committee Stage.

**Deputy John Paul Phelan:** I would like to reassure my colleague, Deputy O'Donovan, that the road works in train in the south east on the N11 and, more specifically, on the N25 via the New Ross bypass are of the most essential nature. I am familiar with Adare, where I have from time to time found myself caught in traffic. I have the utmost sympathy with the residents of that beautiful town, who at particular times of the day are unable to go about their business because of the volume of traffic there. With regard to the work on the N25, I can assure him that the residents of Rosbercon, which is on the Kilkenny side of the bridge in New Ross, have for many years been virtually prisoners in their homes at particular times of the evening because of the volume of traffic that builds up on the euro-route, which is the route between Rosslare and Cork, which runs via New Ross, Waterford city and Dungarvan. Given the volume of traffic on this road, the New Ross bypass is a much welcome and overdue piece of necessary infrastructural development in my part of the world.

I agree with the sentiment expressed earlier in the week by Deputy O'Donovan that a person building a rural house should be encouraged to speak to the planning authorities in advance of making an application in that regard. In terms of the construction of major infrastructure, such a facility should exist. I agree also with the views expressed earlier by Deputy Heather Humphreys in regard to the need for a debate with the Minister prior to the introduction in April of the road user charge in Northern Ireland and the potential impact of that on hauliers in this part of the world. Certain actions need to be taken in this regard.

I welcome that this legislation provides also for a reduction in quangos. I found the contributions of some earlier speakers who were complaining about the abolition of quangos very interesting. The word "quango", which stands for "quasi-autonomous non-governmental organisation", is a term that derives largely from British politics of the 1980s and applies all over the world, not least in Ireland. There was a huge proliferation of these agencies during the past 15 years, particularly during the Celtic tiger era, although not particularly in the transport area. Much of the time these were agencies behind which Government could hide in terms of decisions not made or decisions with which it did not wish to be associated. More often than not

they provided an opportunity for patronage, with the appointment of people who were close to the particular parties in government to boards, for which they were suitably rewarded. I welcome that Departments are examining on a case-by-case basis what agencies might be abolished. That many of them are to be abolished is to be welcomed. There has already been some progress in this regard. Deputy Nulty referred earlier to the need for the Government to examine the abolition of these quangos on a case-by-case basis. Clearly, this is what is happening. It makes absolute sense that there would be only one agency in the transport area, particularly in the context of the huge investment over the past 15 years in our road infrastructure and the unlikelihood of investment in this area into the future given that most of the motorways have already been built.

The amalgamation of the NRA and the RPA makes sense. For this reason, I support this legislation.

**Acting Chairman (Deputy Marcella Corcoran Kennedy):** The next speaker is Deputy Terence Flanagan, who I understand is sharing time with Deputy Mattie McGrath.

**Deputy Terence Flanagan:** Like previous speakers, I welcome the Minister of State, Deputy Kelly, to the House. I too welcome this Bill, which is essentially a cost-saving measure. While it will initially result in additional costs, it will result in a saving of €3 million per annum in the future, which I am sure will be welcomed by taxpayers. It will also result in a reduction in the amount spent on consultancy. A bugbear of mine, and, I am sure, of other Deputies, is the amount of money spent by the State on consultancy on a yearly basis when there is a level of that expertise already available in the public service. I welcome the proposed reductions in this regard and in the procurement area as a whole.

Under this Bill, the RPA, RPA, will be dissolved, with its property and lands, rights and liabilities being transferred to the National Road Authority, combining the knowledge of both organisations to lead the way in the future delivery of transport infrastructure in Ireland. Since the coming into office of this Government, efforts have been made to rationalise and reduce the number of quangos and agencies. I am aware that the ambition of Government in this regard has not been successful owing to legal restrictions and other difficulties. However, the aim is to keep costs down and reduce staff numbers, which is what the public demands.

The RPA was established in 2001 under the Transport (Railway Infrastructure) Act 2001. Since then, its main task has been the construction of the Luas network in Dublin city. The city centre is currently experiencing some turbulence due to the construction in Dawson Street of infrastructure to connect the two existing Luas lines. I acknowledge that this Bill will not create any difficulties in that regard, but perhaps the Minister of State would update us on that project. I note that 105 staff are employed in the NRA and 180 in the RPA. I presume all of these staff will transfer to the entity. Will that entity and all of those staff be housed in one building? Also, will the NRA and RPA brands cease to exist following the merger? As the title of the new entity will be the transport infrastructure service, will a rebranding exercise be required and, if so, how much has been budgeted in that regard?

On national roads, which is not an issue that arises often in my constituency of Dublin Bay North, my main concern is about overgrown shrubbery and trees and littering on the motorways, not only in my constituency but in general. Is it the responsibility of the NRA or the local authorities to maintain the shrubbery, trees and everything else on the motorways? I find it frustrating that the issue is not being addressed adequately and it sometimes falls between the

two stools.

I commend the NRA on the construction of the Dublin Port tunnel, which has made a huge difference in taking heavy goods vehicles off the roads, particularly at rush hour. At the time it was constructed it was the largest urban tunnel in Europe, at a length of 4.5 km. The opening of the tunnel has had a positive effect on air quality and traffic movement in the city centre. Dublin City Council's heavy goods vehicle management strategy, banning such vehicles from entering the city centre between 7 a.m. and 7 p.m. without a permit, is bearing fruit.

In 2006 the NRA announced that it would provide for more rest and service areas along the main motorways. However, there is a complete lack of such service areas. There might be fewer accidents if people had more opportunity to break their journeys, get refreshments and resume their journeys after a period of time. I ask the Minister of State to comment on the matter.

What accountability will the new authority have to the Oireachtas regarding parliamentary questions? Will there be a dedicated unit in the new commercial State body to deal with parliamentary questions? Will we have a service level agreement to ensure we get responses in a timely manner?

Deputy Nulty spoke about tolled roads, which is a big issue for motorists who use the motorways frequently. It depends on the road being used, because there are no tolls on most roads. However, it can be very expensive, and we need to watch the increase in tolls. The matter needs to be kept under ongoing review because things are tight, and excessive increases will not go down well with the public.

While bus fare increases were mentioned, DART fare increases were not. However, I have raised the issue with the Minister of State in the past. I am also concerned about the lack of carriages on DART services, particularly during peak times. I know the Minister of State has looked into the issue directly with Irish Rail to ensure that customers get the high-quality service they demand and expect, given the amount they are paying to use it. I would like the Minister of State to confirm that the Department is monitoring the issue of increases in such fares.

I welcome the Bill. Any measure that will save taxpayers' money is welcome. Obviously it will take some years before those savings are realised. I note that the RPA is also engaged in overseas consultancy work, because it does not have the same level of work to do here given that we are not investing as much in capital infrastructure in the rail network. It is good that its expertise is being used in a positive way. I support the Bill.

**Deputy Mattie McGrath:** I thank Deputy Terence Flanagan and his colleagues for sharing their time. I welcome the Bill. I hope the amalgamation of the RPA and the NRA will save money. Over the years we have seen amalgamations and suggested amalgamations of agencies, accompanied by promises of considerable savings and change. However, we never really get a chance to examine the impact of these changes, whether the savings were achieved and whether the amalgamation and integration really happened seamlessly.

The RPA oversaw the introduction of the Luas and other fascinating and good developments for the country. All of its functions will now be transferred to the NRA and they will become one authority. All land currently vested in the RPA will move to the NRA without any conveyance. I have not had many issues with the NRA in recent years. I had many battles with it concerning motorways, on which it did a fine job in the main. However, it was pretty ruthless in dealing with people regarding CPOs and the powers it had. It was very hard to deal with it

when it reached the stage of introducing a notice to treat. I understand that CPOs are necessary in some cases, but I felt they were used crudely and excessively. In some cases we ended up paying considerably above the odds for parcels of land and in other cases not enough. Those worst affected were the people living adjacent to the motorway, just as we will now have people living adjacent to the proposed power lines if the project happens. They may not be in any line of vision, or the land may not be touched, but they have to live with constant noise and they are affected. They got no hearing, good, bad or indifferent.

The RPA has been in existence for a long time and has done a considerable amount of work, some of it very good. Section 20 of the Bill provides that the chief executive of the new agency will be accountable to the Committee of Public Accounts and to the Houses of the Oireachtas, which is very important. Heretofore, as with the HSE, we keep getting the answer that an item is a matter for the NRA and the Minister has no function. That was something the Government inherited from the previous Government. I railed against it many times during the term of the previous Government, because it was wrong that even though was dealing with such big projects, involving vast amounts of money and affecting people's livelihoods, it was not accountable to the Oireachtas, with the line Minister just passing matters back to the NRA.

I often found it difficult to get answers from the NRA. Many of the motorways went through County Tipperary. I could never believe how it was allowed to design, plan and construct a motorway from the Border to Cork, which is a fabulous road, without proper service areas. They are coming now incrementally afterwards, but they should have been part and parcel of that project. It was unfair and unsafe. How did the Health and Safety Authority and other agencies stand over forcing people to drive these roads without any proper facilities to stop and rest? Imagine being the parent of a small child, as I know the Minister of State is, and trying to travel those roads. It was disgraceful that the NRA was allowed to bulldoze them through without having integrated service areas at least every 40 or 50 miles. They are coming now in places and there are planning applications. People in my constituency are looking to build another one but they are not having much success. They should have been built initially.

There was a difficulty on the M8 last year. The contractor had to come back a few years ago to redo it but there is a problem on part of it in my constituency, south of Cahir. There is continuous ponding to the extent that there are yellow warning signs up warning that the road is dangerous in wet conditions. That is outrageous on a new motorway. The contractor, with whom I worked and whom I respected, should not have been allowed to walk away from that. It should not have been signed off. I think he had to maintain it for only a year. It is treacherous. Cars are overturned, the emergency services are called out and it will be only a matter of time before there are fatalities. Water is pooling, which causes aquaplaning. This is a new motorway. I am sure the Deputies who travel here from Cork see that for themselves. It is treacherous. There have been too many accidents on it. I have contacted the engineering section of the South Tipperary County Council, which does investigation after investigation. It is a newly built motorway and it should have been drained properly. It is not acceptable and it is dangerous. No one is being held accountable. Worse, the contractor, who in the main did a good job, should have repaired that bit of the motorway, where the work is faulty, at the sections north of Cahir and the Mitchelstown junction. I do not have their numbers with me but everyone knows where they are because flashing lights alert them to the fact that this is a newly constructed motorway.

Previous speakers have mentioned that the roadside is unkempt. There is litter at the rest areas, which is not the fault of the NRA. Filthy people decide to pollute it because they will not

take away their rubbish. At the rest points there is not even a place to stand. If one stops for a rest one needs some kind of shelter to stand in and maybe have a cigarette. I do not smoke but one might want to eat a bar of chocolate, have a cup of tea or stretch one's legs to get some fresh air. There is nothing like that to restore one if one is tired. There is nothing there, just a bare slip road, no shelter of any kind and no rubbish bin provided. There is an issue between the county council and the NRA as to who maintains it. That does not matter. Surely if people have rubbish they are entitled to dispose of it in a litter bin. I am not talking about household rubbish but what they would have after eating a take-away.

I condemn out of hand the building of tunnels that are too low. In this country we are in line with everything in Europe and everything has to satisfy European laws, yet we built tunnels that are lower than the European average, and now the NRA and the RSA and everybody else are forcing hauliers to lower their loads, making it less competitive for them to travel and more difficult to compete internationally. More important, it makes it less competitive for them to transport food and fodder from the east to the west, as we did successfully last year during the fodder crisis. It will add at least 33% to the cost of a load of fodder when it is scarce in March, April and May, due to the patent nonsense of somebody asleep at the wheel who allowed these tunnels to be designed and constructed too low. It beggars belief. Nobody is held accountable for it. Mention has been made of how good they are, which they are, but there are only a few of them and they are all too low. The ordinary taxpayer, the farmer or the housewife who needs anything delivered has to pay the price. It is unacceptable. The Minister is talking about it. I ask my colleague from Tipperary, the Minister of State at the Department of Transport, Tourism and Sport, Deputy Kelly, who is here today, to consider giving an exemption for the high loads. I am not talking about reckless or unsafe loads but about the three bales of silage or straw that are properly and adequately checked and tied.

The Minister of State is well aware that we have tried to get funding for the Tipperary town bypass. It is badly needed and has been promised for a long time. There have been several accidents at Duggan's bends on the N24. That stretch of road from Pallasgreen to Cahir should be completed. It cannot be left on the back burner because it costs too much in economic terms and too many lives. One stretch of that road is at Duggan's bends near Kilmoyler. There are only ten beds for the whole country in the National Rehabilitation Hospital in Dun Laoghaire, and two are occupied by victims of serious accidents at Duggan's bends outside Cahir. These are two out of five acute beds. The council is doing its best to realign the road but there are problems with the surface, the acute bends and buildings. Something must be done before there are more fatalities. There have been many there over the decades. At the moment it is particularly dangerous. They tell us that after prolonged dry weather the material that comes off the tyres of the trucks makes it greasy. Cars are turning over. I appeal to the Minister of State to visit the road in the interests of safety.

**Deputy Jerry Buttimer:** I welcome the opportunity to speak on this Bill and the fulfilment of the commitment in the programme for Government. When the Members opposite, who have mysteriously vanished again, criticise expenditure they should reflect on the expenditure by this Government, the Minister of State, Deputy Kelly, and the Minister for Transport, Tourism and Sport, Deputy Varadkar. We must prioritise how we spend money and the role and remit of agencies. The Minister of State's legacy in this Department will be that he prioritised spending and will have left a lasting legacy in the agencies under the Department's remit. That is to his credit. So often we hear of Ministers refusing to take on sacred cows or vested interests, but this Minister of State has done that. He has done it diplomatically, although his Department

might not have been so diplomatic. He has been a breath of fresh air, and I do not say that just because I served with him in the Seanad.

There are legacy issues. Deputy O'Donovan spoke about the contributions from Deputies Broughan and Nulty. What planet do they live on? I would love to come in here and say we will open light rail in Cork and spend millions of euro on reopening the West Cork railway line and put trams back in Cork city, but we cannot do that. Fianna Fáil made the mistake of getting rid of them. It had no forward planning. That is one of the legacy issues - lack of planning by the party that was in government for so long.

How are we to spend the money? It must be spent wisely and properly. I hope the role of the NRA can be reconsidered. I fully agree with Deputy O'Donovan. It must engage with people in planning routes, creating motorways and obtaining planning permission. Although I do not want to agree too often with Deputy Mattie McGrath, who supported the previous Government for long enough, he is right about rest areas on motorways. It is wrong that between Cork and Dublin there is no recognised service stop, apart from the one at junction 14 or the one at Cashel. That should never have been allowed to happen. This Bill may well be about the dissolution of the RPA but it should be the launch pad for a discussion about the future usage of infrastructure, motorways, roads - whether secondary or national roads - and road users, and about how, when and why we use roads. If we are to create a transport infrastructure service, it must have a real remit that goes to the heart of our business here: to get more people to cycle or use public transport and to get out of the car more often. There must be real engagement with stakeholders. There cannot be obfuscation, which is so often the case when one rings some of these people. I welcome the merger of the boards and the elimination of some of the quangos, some of which are completely unnecessary. We must consider what is best for the road user. The Minister, Deputy Varadkar, was right: we must prioritise the maintenance of what we have already. Where possible, we must look at creating new outlets, which I will come back to shortly.

Many speakers spoke earlier in the debate about the roads infrastructure being the lifeblood of commerce, and they are right. In my constituency of Cork South-Central there is a major debate regarding the N28, the relocation of the Port of Cork and so on. In that regard what we must do, and we do not always do it well, is listen to the local people. Obviously, we have to differentiate between the vested interests and the genuine concerns of local citizens, be they commercial interests or homeowners.

A situation has arisen in Cork South-Central with the N28 where a Part 8 planning notice was put up. Anyone listening to or watching this debate should envisage the Shannon Park roundabout and Shanbally, in Cork. The N28 is the gateway from the harbour industries, which are predominantly pharmaceutical industries, to the Jack Lynch tunnel one takes to leave Cork. It is a hugely important road network. It is critical to the pharmaceutical industry but also important to infrastructure be it in terms of the relocation of the Port of Cork or the terminal for the ferry in Ringaskiddy.

Engineers sometimes baffle me. They are the experts, and we always defer to the experts whom we believe know best, but I do not understand the reason they are proposing the signalisation of the Shannon Park roundabout, which operates effectively. Measures that will increase capacity and improve traffic flow are welcome but I do not believe this proposal will do that. It does not achieve those twin aims. I am concerned that these proposals will adversely affect the flow of traffic at peak times and the use of the infrastructure by industry. Also, during peak

morning traffic a signalised roundabout will result in a significant build-up of traffic towards Carrigaline, which will have a profound impact on traffic at a key junction that facilitates the movement of people out of Carrigaline, be it for school or work. There is also a move now to replace the Shanbally roundabout.

The N28 project is important because having spoken to locals, this roundabout works effectively and facilitates both commercial and local traffic, and it will have a profound impact on the lives of people in the locality.

What are the considerations in putting forward a Part 8 planning application in terms of the role of the council and the National Roads Authority? On whose behalf do they act? Who serves on behalf of the residents who find themselves faced with a huge dilemma? Who serves on behalf of the principal of a school or in this case the parish priest of a church where there is not adequate car parking or an alternative route? That is my concern regarding some of the issues we have to engage with in the NRA and, in this case, Cork County Council.

The relocation of the Port of Cork to Ringaskiddy makes economic sense given the vibrancy of the harbour area and the huge importance of Cork Harbour but I will stray from the topic briefly to refer to the completion of the Bandon Road-Sarsfield Road roundabout and the contractor going into financial difficulty. I hope the Department and the NRA will play a proactive role with Cork City Council and Cork County Council in ensuring the ancillary works, that is, the continued erection of the noise prevention barrier for local residents and some of the works on the side of that motorway, are finished. It is a fantastic project delivered on time and will serve hugely to allow for the flow of traffic around Cork.

The investment this week by the Minister of €8.5 million in sustainable funding for Cork is to be commended and welcomed. It is a positive story to which some of the Members here should listen. It is an investment of €8.5 million in key infrastructure development in the city of Cork, continuing on the theme of ensuring that our road and rail networks are key to the life-blood of commerce and to creating and sustaining jobs.

Since I was a child the Cork train station has been the source of much commentary. I will not repeat some of the commentary but I welcome the Minister's decision and that of his Department to fund the redevelopment of Kent station, and in particular to make Kent station more amenable to Cork city. We are on the threshold of developing a new conference centre in Cork. Wherever it is located, and I have a preference in that regard, one of the central planks in terms of getting people into and out of Cork will be the train station. The Minister's decision to open that out into Horgan's Quay is a good one and is to be welcomed. I hope the works will be commenced this summer and will be concluded some time in 2015. That is important. It is the idea of a Department working with the local authority and seeing the bigger picture in terms of Cork developing a new conference centre and recognising the train station as being important.

We must consider how we can develop the synergy between the airport and the train station. I would be failing in my duty if I did not say that many of us have concerns regarding Cork Airport. I met with the general manager, Niall McCarthy, who is a very good person with a plan for the airport, but in terms of the competitive stakes involving Cork, Dublin and Shannon there is a view, rightly or wrongly, that Cork city is losing out in terms of its airport. The Minister, Deputy Varadkar, has appointed a new consultative board but we need to see real action regarding Cork Airport because that, too, is a central plank in bringing people to the Cork area. I also make the point, and it might be contentious, that Cork Airport is the metropolitan capital

of the south. One can drive from Portlaoise to Cork faster than one can drive from Portlaoise to Dublin, get on a plane and fly to Barcelona, Paris or elsewhere. I cannot understand why the Dublin Airport Authority does not sell Cork better because the Minister can leave his home in Tipperary and be on a plane out of Cork faster than he would if he drove to Dublin and flew out of Dublin Airport, and I am not being parochial.

**Acting Chairman (Deputy Joanna Tuffy):** The Deputy is straying beyond the scope of the Bill.

**Deputy Jerry Buttimer:** It is linked because it is infrastructure in terms of transport, and the airport is central. It is probably the pivotal piece of infrastructure we must get right in terms of Cork. We created 1,000 jobs in Cork in the past month but we need to encourage people to come to Cork and stay in the city and in the region of Cork.

I come back to a comment the Minister made reference to earlier in the week when he was in Cork, namely, that only 7% of Cork city commuters use a bus or a bike to get to work. That has been an indictment of public policy for a long time. The Department allocated moneys to Cork City Council earlier to try to improve that figure but I can tell him, and I would like him to go back to Cork City Council, that one of the major mistakes it made, and I do not know who the engineer was nor do I want to know, was the Washington Street realignment, which is a disaster. This is the most important west bound thoroughfare out of the city heading towards Macroom and Killarney but it has become congested; it is a nightmare. I am happy that Cork City Council has parked the scheme for the moment but nobody is happy, be it taxi drivers, motorists, cyclists, pedestrians or business people. If we want to encourage more people to avail of bus services, which have increased in Cork, and we have seen significant investment in bicycle lanes and bus corridors in Cork, that defies logic. I realise the Minister of State, Deputy Kelly, cannot get involved directly but perhaps his officials will liaise with Cork City Council in regard to the bus corridor on Wilton Road and the lack of joined up thinking on that busy thoroughfare, which is a gateway to Cork University Hospital, the Sarsfield Road and Bandon Road roundabouts and on to the city and the county. If we are serious about getting people out of their cars we must provide meaningful bus corridors.

We will probably not see the return of light rail in our lifetime but there is potential for a tourism bonanza with the viaduct outside Cork city. I hope the Department and the local authorities will consider an initiative in this regard. Mistakes were made in getting rid of the trams in Cork city and closing the west Cork railway line but there has also been significant investment in the Cork-Midleton and Cork-Cobh lines. People are critical of Government expenditure but during the lifetime of this Government we have seen work identified and almost completed on the Cork city centre movement strategy. New traffic management plans have been put in place and an appropriate balance has been found between the needs of the respective transport modes, with resulting improvements in reliability and journey times for buses and enhancements for pedestrians, cyclists and other road users. It may now be appropriate to develop a new Cork area strategic plan, CASP. I was involved with developing the current CASP while I was a councillor. It was a fantastic project and the steering group did great work on it but we need to modernise the way in which we manage our roads and other infrastructure.

I welcome the investment of almost €250,000 in sustainable transport intersections in Douglas. If one includes traffic calming measures on the old Carrigaline Road, the total investment comes to €330,000. These investments will improve journey times not only for motorists but also public transport users, walkers and cyclists. Safety and accessibility for pedestrians and

cyclists must be central to projects in the parts of the city that require enhancement. With the Cork metropolitan cycling network, we must build on previous work done to ensure the overall cycling plan for Cork is enhanced and that we encourage awareness amongst all road users.

I welcome that we are spending money strategically and wisely. Speaking from a Cork point of view, there might be a concern that we are concentrating too heavily on bicycles when the figures do not indicate much movement in this regard. Long term investment will be needed if we are to get more people cycling. The cycle route between University College Cork and the city centre will help in this regard, as will the Carrigaline green route on which a further €850,000 is being spent to bring the project to its final stage. The green route will make Carrigaline more accessible to the city and help to deal with the horrific traffic congestion that people in areas like Maryborough Hill and Rochestown have faced for years. This congestion is partly due to the lack of joined up thinking when we built thousands of houses without providing bus routes, schools or playgrounds. Even though we are playing catch-up, at least this Government is committed to constructing green routes and key infrastructure.

The Minister, Deputy Varadkar, does not have a big pot of money but he has done a good job. His legacy will be one of change, particularly in the case of Cork city, and I hope Cork City Council will engage with his Department in reversing the bad decisions made in areas like the Washington Street intersection. I commend the Bill to the House.

**Deputy Luke ‘Ming’ Flanagan:** On a point of order, I spoke on this Bill earlier today, as did two other Members of the Technical Group and I have since been following the debate from my office. I understand there is a sense of urgency among Government Deputies that more Opposition Members come to the House. If the Chair could facilitate us by providing a potential list of speakers, Members would be able to plan their day around their speaking slots. I remind the House that two thirds of the Members of this House are in Government parties. It is inevitable that the Government side would be able to provide more speakers. This has happened on numerous occasions, including during the debate on a European elections Bill. I recognise that the Government is frustrated with the Minister for Justice and Equality but this will not work as a smokescreen. If we were provided with a list of who is speaking, we would be able to arrange our time. When it comes to bad opposition, we are in our current hole because the parties now in Government wanted the previous Government to spend even more money than it already had spent.

**Acting Chairman (Deputy Joanna Tuffy):** That is not a point of order but the Deputy can raise it with the Ceann Comhairle and the Whips. The next slot is for an Opposition speaker

**Deputy Luke ‘Ming’ Flanagan:** I spoke earlier.

**Acting Chairman (Deputy Joanna Tuffy):** As there are no other Opposition Deputies in the Chamber, I call Deputy Stanton, who is the next Government speaker.

**Deputy Luke ‘Ming’ Flanagan:** Does the Acting Chair not realise that as there are twice as many Government Deputies as Opposition Deputies, it is inevitable there will be more Government speaking time?

**Acting Chairman (Deputy Joanna Tuffy):** It is not for me to comment on the matter.

**Deputy Luke ‘Ming’ Flanagan:** Please do not manipulate that reality. I am going back to

my office to work. I apologise for doing that.

**Deputy David Stanton:** I have been a Deputy for 17 years and I recall that Opposition Deputies always used to be in the Chamber for debates. I have never seen the Chamber abandoned by the Opposition.

This Bill will amalgamate the National Roads Authority and the Railway Procurement Agency. In 2001 I was involved in the deliberation on the legislation that established the RPA. Those were different times.

The amalgamation of the two bodies was recommended in the McCarthy report and in 2010 the then Minister for Transport set up a steering group to bring about this merger. I am pleased it is happening now. However, I have a slight issue with the proposed name of the new agency, the transport infrastructure service.

**Deputy Alan Kelly:** It is a working title.

**Deputy David Stanton:** I acknowledge that but I suggest the name should reflect the road and rail elements of its function. Perhaps the “national road and light rail agency” would be a preferable name. The current name could lead to confusion with the National Transport Authority.

I recognise the importance of developing and integrating public transport. The Luas transported 30 million passengers last year. It has been a huge success and trams are packed much of the time. Will the new agency investigate the feasibility of constructing light rail lines elsewhere? I do not want to be too parochial but Cork city is ripe for such a project. Given the success of Luas in Dublin, I am sure light rail will be similarly successful elsewhere in the country.

I note there will be additional costs in the establishment of the new agency but there will also be long-term savings of approximately €3 million per annum. The merger of the agencies will bring their respective expertise and experience together in a complementary fashion.

*4 o'clock*

I emphasise that light rail must be on an equal footing with road. That is important. We need to look at that.

In establishing large national agencies like this, we must be cognisant of local needs. I suggest to the Minister that he set in train a way so the agency would consult and meet local representatives at least once a year and tell us what it is at. That happens with the HSE, it should happen with the local authorities - I do not know that it happens everywhere - but I suggest it should happen here. Possibly, it should be built in somewhere that the agency would meet in a local forum with local elected representatives, in particular Deputies and councillors, to fill people in as to what they are doing and to get feedback as to the issues regarding the service. I note, for instance, that the RPA has a good website and makes public consultation an important part of it. That is not as clear in the NRA as it stands. We need to be cognisant of that need.

Like Deputy Buttimer, I welcome the plans to upgrade the train station in Cork and other such works that have been announced recently. The rail link to east Cork that opened a couple of years ago is working well. The fact that there are no parking charges in the stations is quite important because it has meant that commuters are using the service. We must encourage people to use public transport more often. I suggest to Iarnród Éireann and this new agency that

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they have some method whereby customers could lodge complaints and raise issues that they might have with the service. Currently, that is not easily done. Recently, I rang Iarnród Éireann about a complaint and received no response. I am a Member of Dáil Éireann and nothing came back. I might have well have been talking to the wall.

**Deputy Alan Kelly:** Deputy Stanton might give that to me.

**Deputy David Stanton:** This is the issue. If I cannot get a response, how can a member of the public expect a response? We need such a facility. We need to have these engaging with local elected representatives. One could probably make a telephone call to the Pope easier than one would to some of the staff in Iarnród Éireann and other places. We need such a facility.

When this agency comes together, it needs to look, for instance, at the town of Cobh in my area. There are 14,000 or 15,000 people living on the island but with the recent floods, it was cut off. The R624 was flooded on both sides and emergency services could not get in. This new national agency needs to look at that. The N25, from Midleton to Youghal, needs to be upgraded. There were plans to upgrade it in the past and it has not happened. We need, at least, to start the plans at some stage. Earlier mention was made of the road to Ringaskiddy. The road to Aghada, where there are two power stations, the oil refinery etc., also needs to be looked at and, possibly, needs to be taken over as a national road by this authority.

As I am on my feet, I will mention local roads. This authority will look after national roads and secondary roads, but what about local roads? I refer to roads in the countryside that in many areas are full of potholes. Such roads are causing frustration for those who have paid their road taxes when they hit a pothole full of water and hundreds or thousands of euro in damage is done to their car. I suggest that this new agency should have some role. I note that already the NRA is involved; it has a research strategy. We should also be looking at these minor roads because they are causing terrible frustration and additional costs. I heard one of my colleagues mention earlier about taking water off roads, and that is crucially important. We need to treat this seriously. Could the Minister of State, Deputy Kelly, tell us is there any way that even local people themselves could be allowed fill potholes-----

**Deputy Alan Kelly:** It is there.

**Deputy David Stanton:** -----and open drains? At present, if they do that, and if somebody falls or has an accident, they are liable.

**Deputy Alan Kelly:** The local improvement scheme.

**Deputy David Stanton:** That is different altogether.

**Deputy Alan Kelly:** It is not.

**Deputy David Stanton:** That is where they work with the local authority, they pay money in and they do a road up, but I am talking about where a pothole opens up on the road, there is a complaint made, and three weeks later when it is a crater someone comes along and fills it. If it was filled when it appeared first, the job would be done and it might not turn into a mini-volcano on the side of the road. These are the kinds of issue to which I am referring. We need to think outside the box when one does not have the resources and manpower. Currently, local authorities do not have the manpower to do the work.

**Deputy Alan Kelly:** LISs does not only have to be about money.

**Deputy David Stanton:** I know it does not have to be about money but, invariably, that is what happens. Is there any scheme in the country where it is not about money? At some stage, the Minister of State might send me examples of LISs so we could tell local authorities and owners that they can do it in a different way. Initially, it was the case that it was not only about money but, recently, it is almost invariably the case that one makes a financial contribution, the local authority will match it with so much and they will get the work done, and I am aware of areas where that has happened. I refer to a small pothole appearing in a road somewhere that gets bigger where a small amount of work could have sorted the problem on day one, and a local person could do it if he or she was allowed to do it. On this matter, one should think outside the box.

This new agency should also have a role in looking at the economics of transport, in particular, in small towns. Many small town high streets are dying because of out-of-town shopping centres. There are parking charges in the town and no parking charges in the out-of-town shopping centres. It is difficult to park in towns and people are going to out-of-town shopping centres. Many such towns are dying and shops are closing. We need to ask this new agency to identify how the transport policies and research impacts on this big problem that is happening all over the place.

It is good to bring these agencies together but we also must be cognisant of using this legislation and this new agency in a positive way. We must ensure the agency does not become remote from the people. It must have some way of interacting and being close to the people. We are giving the new local authorities being established a new role. This new agency should set up structures to engage with the councillors and the local Deputies at least once a year and tell us what they are at, and have a website, email or portal so they can take suggestions, complaints and ideas from the public and from others.

**Deputy Bernard J. Durkan:** I thank the Ceann Comhairle for the opportunity to speak on this Bill. Road transport is an important part of the communications system. The proposal to merge the NRA and RPA is a good idea. I hope it will bring about an integrated thinking. In order to ensure that the best possible, most efficient and cost-effective service is delivered to the public, it is essential that people are thinking in the same direction - like travelling in the same direction, the thinking has to be in the same direction - and, hopefully, at the same time.

While I agree with commentators who state regularly that we need industrial development throughout the country spreading the economic progress, in order to do so we need the basic transport infrastructure, whether it be road and-or rail, but they need also to be complementary to each other. There are countless instances where that can take place in the future, particularly under the aegis of this new proposal. I refer to the road transport needs in particular of the mid-west and the north west. Cognisance should be taken of their requirements in this industrial era with a view to ensuring that people are in a position to get to and from employment over relatively longer distances than normal because of the difficulty of spreading industry evenly throughout the regions. I hope that can be done. The particular issue I want to raise in this context is the need to regularly upgrade our thinking in terms of the capacity of existing roads to deal with current traffic volumes. The M50 is a case in point. Like most Members of the House, I regularly use the M50 and it strikes me that the road is full to capacity. Quite a number of minor traffic accidents occur because the traffic is so tightly packed on that motorway at peak times. In fact, there have been some more serious accidents also. The Minister of State will recall that I have tabled questions about this matter previously. Particular attention should be drawn to the fact that some roads have reached their maximum capacity, given the increasing

traffic volumes. How can we deal with this problem in advance? We seem to have difficulties in anticipating future requirements and only seem capable of a panicky response. Can some thinking be generated in that area to find out if there are alternatives, including investing in increased road capacity? These matters should be considered urgently.

My colleague, Deputy Stanton, said that local authorities were more accessible than national bodies, which they are. Recent road planning appears determined to prevent vehicles from entering towns and villages. Shoppers and business people are thus forced to go to major retail centres run by multinational chain stores. That takes business away from towns and villages, and people complain about the lack of footfall brought about by making it so difficult for people to trade locally. I ask the Minister of State to encourage those who are planning road improvements to bear in mind the business requirements of such areas. One should not always channel traffic away from town centres because it has a negative economic impact.

A co-ordinated and integrated approach is required in planning for road and rail services, as well as maritime and air transport. It is not beyond the realm of possibility, nor is it rocket science, so we should be able to do that. Other countries did so many years ago. In light of the proposed merger, an opportunity should be seized to have a fully integrated transport system incorporating road, rail, air and sea travel in one fell swoop.

**Acting Chairman (Deputy Joanna Tuffy):** As there are no further speakers, I call on the Minister of State to reply.

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):** I thank Deputies for their contributions, including Deputy Durkan in particular for his modest and short contribution.

As Deputies will be aware, the merger of the NRA and the RPA is being implemented under the Government's plans for public sector reform and, in particular, its programme for rationalisation and restructuring of State agencies. This is an ambitious reform programme and significant progress has been made to date. The Government expects that all measures identified under the restructuring programme will be delivered later this year, apart from a small number of measures with which the Government decided not to proceed. These have been well documented.

A successful implementation of the merger of the NRA and the RPA will deliver a new streamlined agency which will be lean and efficient. It will be also be a dynamic, flexible organisation, capable of responding to changed circumstances as they arise. The merged body will benefit from combining the technical expertise and experience already available in both bodies. Although we are dissolving the RPA, the core specialist, technical and professional skills developed by agency's management and staff over the years will continue to be available to support the development of transport infrastructure in Ireland into the future. The Bill also provides a timely opportunity to update existing provisions in the Roads Acts, having regard to current requirements with regard to the public road network and the functions of the NRA.

I will now deal with the issues raised during the debate on Second Stage. A number of Deputies raised human resource and industrial relations issues associated with the implementation of the merger. I wish to confirm that the draft legislation provides that all staff transferring from the RPA under the merger will not have less favourable terms and conditions of service relating to remuneration than they held in the RPA before its dissolution. This means that no RPA staff

member transferring over to NRA will be any worse off as a result of this merger.

The amalgamation of two separate entities is never easy. In this instance, we are merging a commercial State body into a non-commercial body, and this brings with it a unique set of challenges and opportunities that need to be carefully managed. I would encourage all parties to engage constructively and openly with a view to reaching agreement on any outstanding issues or practical difficulties involved in the implementation process.

Deputy Dooley and others expressed concern that section 17, relating to the procurement functions of the NRA, may be designed to remove powers from local authorities. It is rather, as the Deputy suggested, an opportunity to operate shared services and reduce costs - for example, through bulk buying in the case of procurement of salt on behalf of road authorities for the treatment of regional and local roads. This should ensure greater certainty in terms of supply when it is procured at an early date and will provide better value for money when bought in bulk. This procurement provision is for the benefit, or on behalf of, road authorities. This will only arise where the Minister considers it more convenient, expeditious, effective or economical for the authority to arrange such procurement. It will not take away any existing powers from road authorities. It will simply facilitate road authorities by providing that goods and services may be procured at national level by one body - i.e., the NRA - on behalf of road authorities when requested to do so by the Minister.

Deputy Doyle asked about the level of savings and efficiencies from this merger. It is expected that there will be €3 million in savings over three years as a result. The Deputy also raised a query about section 22. The purpose of this provision is to enable the NRA to maintain as it sees fit national roads in respect of which it has taken over responsibility from the relevant road authority. To this end, a new power to make by-laws is being conferred upon the NRA. Examples in which NRA would need to make by-laws include the erection of signage and parking on the side of roads.

Deputy McNamara suggested a technical amendment to give the NRA responsibility for cleaning drains along the roads it maintains. We will certainly consider this amendment, the technical nature of which is welcome.

Deputies Broughan and Nulty raised a number of issues concerning the Bill. They were particularly concerned about the name. The naming of the Bill is a result of its being a change to the NRA. It comes from a long line of Roads Bills, hence the name on the Title of the Bill. The name of the agency - the transport infrastructure services agency - is a working title that is being considered by the Department at the moment. I want to assure both Deputies that road-based projects will not get priority over public transport projects. There have been a substantial number of announcements in the media recently concerning sustainable transport projects across all cities. There have been a number of provisions dealing with sustainable transport in recent times and great success with bicycle schemes.

Deputy Mattie McGrath said there should be analysis of whether mergers are successful. For once I agree with the Deputy from my county; we should analyse whether mergers that have taken place have been successful. In a previous life I was part of the Bord Fáilte organisation that was merged with another organisation, CERT, which became Fáilte Ireland. Tourism Ireland was set up after a merger between that body and the Northern Ireland Tourist Board. The analysis should consider whether this is the right thing to do and whether it has worked. It should happen with all mergers done by different Governments.

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This is a unique situation in that I agree with Deputy Mattie McGrath on three points. Motorways have been set up without adequate service stations, facilities and rest areas. I regret that this was done and it should have been provided for in a better manner. As a father of young children, I know how difficult it is to travel on a motorway without these services.

Deputy Patrick O'Donovan asked about a proposal to allow the NRA to engage in pre-planning consultation with An Bord Pleanála. There is merit to the proposal, which has arisen from discussions on the future of the Adare bypass. It has been noted that the promoters of the Luas can engage in pre-planning consultation with An Bord Pleanála but the relevant roads authority cannot do so in the case of a new road. This must be examined.

Deputy Terence Flanagan asked whether there would be one premises for the organisation. An implementation group is currently looking at different options and that is the desired outcome. It may not happen immediately. He also asked about accountability arrangements for the new body. The new body will be a non-commercial State body and will be bound by statutory arrangements for accountability to the Oireachtas. There are no plans to change it under the Bill, save for formalising the arrangement for the CEO to appear before the Committee of Public Accounts and other relevant committees.

I thank Deputy Buttimer for his comments about the recent announcement in Cork city. I have taken up the issues he raised in respect of Washington Street with the relevant local authorities. Deputy Stanton asked about the Bill and suggested another name for the authority. It is a welcome suggestion and might not be far from the Department's thinking. The name needs to say what the organisation will do. I also asked the Deputy to refer the Irish Rail issue and the local improvement scheme, LIS, to me.

A number of Deputies raised issues with regard to local authorities' budgets and the maintenance and improvement of local and regional roads. Last month my Department announced a total of €331.9 million to be provided to local authorities for maintenance and improvement of regional and local roads in 2014. We are also giving local authorities significantly increased flexibility this year. We have reduced the number of grant categories and increased the amount allocated under the discretionary grant heading, and we will facilitate the transfer of funds between key grant categories where local authorities need it. Local authorities can also re-prioritise their road strengthening programmes. This flexibility will help local authorities to tackle the damage done to roads by recent storms on top of the extra funding given as part of the allocation from the Government in recent weeks. Regarding the storm damage, the Government recently considered a report on the severe weather that affected Ireland from the middle of December. Given the exceptional nature of the damage, the Government has given €70 million in additional funding, with €16 million for roads. This will help local authorities in their endeavours and the increased flexibility my Department has given on how to spend the roads allocation will give them greater capacity to deal with it.

I recently announced that funding of €5 million would be provided towards repairing Iarnród Éireann's infrastructure and equipment which was damaged by the recent bad weather. Approximately €2.8 million will be allocated to repair the roof at Kent Station in Cork. Plunkett Station will receive over €1 million to clear up rock falls and protect against future similar occurrences. There will also be funding for remedial repair works at Pearse Station and other stations. In recent days, I announced €15.5 million in sustainable transport grants across the regional cities in Ireland. Almost €3 million will go towards additional work in realigning Kent Station and reconnecting it with Cork city.

Finally, if any Deputies intend to bring forward amendments to the Bill, as some have suggested, I ask that they give the Department's officials sight of the amendments at an early stage so that, where possible and where appropriate, the amendments can be considered on their merits and accepted rather than being rejected for technical reasons or because there was not sufficient time to consider them fully. I commend the Bill and thank all Deputies.

Question put and agreed to.

### **Roads Bill 2014: Referral to Select Committee**

**Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly):** I move:

That the Bill be referred to the Select Sub-Committee on Transport, Tourism and Sport pursuant to Standing Order 82A(3)(a) and (6)(a).

Question put and agreed to.

### **Health Identifiers Bill 2013: Second Stage**

**Minister for Health (Deputy James Reilly):** I move: "That the Bill be now read a Second Time."

I am pleased to address the House on the Health Identifiers Bill. The Bill was received very positively by Members of Seanad Éireann and I look forward to further constructive debate in this House. The Health Identifiers Bill provides the legislative framework for a national unique identifier for patients and for health service providers for use across the health service, both public and private. Unique identifiers for patients have general support and a unique identifier system for patients was recommended by the Commission on Patient Safety and Quality Assurance and also by HIQA in the 2009 paper "Recommendations for Unique Health Identifiers for Patients". More recently, HIQA advocated identifiers for providers in their paper "Recommendations for Health Identifiers for Health Care Practitioners and Organisations". As I set out in the Seanad, the fundamental purpose for individual health identifiers, IHIs, for patients is to improve patient safety. IHIs are designed to make sure that the right information is associated with the right patient at the point of care. However, identifiers also have a part to play in advancing the e-health agenda. Moreover, the identifiers will help in better managing our health system and will support health reform initiatives including the money-follows-the-patient model. A system of unique identifiers is a critical feature of modern health care delivery systems.

Under the Bill, an individual health identifier for patients is to be used by health service providers on their patient records and in relevant communications. A national individual health identifier register will be established containing the IHI and other identifying particulars relating to the individual. These identifying details are set out in the Bill. There are two key privacy points here. The first is that an IHI will be a number which, in itself, will contain no personal

data whatsoever. The second is that no clinical information whatsoever may be contained in the IHI register.

A national register of health service provider identifiers will also be established. The Bill sets out how the registers may be seeded and maintained. In the case of the IHI, this will involve using information already in the system or asking the patient to provide the information. One matter to stress is that a health service cannot be refused just because an individual does not have an IHI or does not provide information to help assign an IHI.

The Bill sets out who may access the national IHI register and also the processing of identifying details contained in the register. Access to the national IHI register is mainly for health service providers and other specified persons set out in the Bill. The Bill says that the Minister must put measures in place to help ensure that the national IHI register is accessed only for relevant purposes and by people who are permitted to access it. There are offences in the Bill on inappropriate accessing.

Some health service providers in other EU countries may be allowed to use the IHI and access the register. This will be tightly controlled and will be subject in each case to a detailed agreement between the Minister and the provider, and that agreement would be only after the Minister has consulted with the Data Protection Commissioner. As I indicated earlier, health service providers - health professionals, organisations and some employees - will also have a unique identifier. Again, providers will have to use their identifiers on their patient records and in relevant communications. This will clearly identify the person and organisation involved at each stage of care. We all know how sometimes writing may not be completely legible and lead to confusion about who owns a particular signature. The individual health identifier, IHI, will certainly cover this. The national register of health services provider identifiers will contain the provider identifier, name, business address and other relevant details. The register will be publicly accessible. Assigning identifiers and establishing and maintaining the related registers are functions of the Minister for Health under the Bill. For operational reasons, the Bill allows for the possible delegation of these functions to the HSE.

To sum up before getting into the detailed provisions, the principle underpinning the Bill is to facilitate the delivery of safer, more efficient services through the use of unique identifiers and with the right checks and balances. Deputies will wish to note that the issue of governance generally was discussed with the Office of the Data Protection Commissioner with a view to addressing privacy considerations and I am grateful for the input of that office.

I will now turn to the details of the Bill. The Bill divides into seven Parts and there are two Schedules. Sections 1 to 4, inclusive, are in Part 1 and the standard provisions dealing with the Short Title, commencement, interpretation, regulation making powers and provisions for expenses incurred by the Minister for Health or any other Minister of the Government.

Definitions are included in section 2. Some important definitions are “specified person”, “authorised disclosee” and “relevant purpose”. Specified persons are health service providers and the bodies listed in Schedule 2. Specified persons may access the IHI register and process the IHI and other identifying data on it for a relevant purpose. Authorised disclosees do not have access to the IHI register, but they are persons to whom a specified person or the Minister may disclose an individual health identifier and other identifying particulars for a particular secondary purpose. Authorised disclosees are listed in Schedule 1. The Minister can add to the list of authorised disclosees and specified persons by regulations where doing so is in the public

interest and after consultation with the Data Protection Commissioner. The IHI can only be used for a relevant purpose. A relevant purpose is a primary purpose and a secondary purpose. “Primary purpose” is defined as the present, past or future provision of a health service to an individual. A secondary purpose is the promotion of patient safety, including clinical auditing and the investigation and reporting of patient safety incidents; the management of health services, including the planning, monitoring, delivery, improvement, auditing and evaluation of health services; the investigation and resolution of complaints relating to health services; the management of national health systems; the carrying out of certain health research; the provision of health or health-related insurance schemes; or processing of personal data in accordance with the Data Protection Acts 1988 and 2003. The Seanad amended the definition of “secondary purpose” to also include the identification or prevention of a threat to public health. Subject to legal advice, I may be bringing a further amendment to the definition of “secondary purpose” on Committee Stage.

Part 2 comprises sections 5 to 12, inclusive, which sections deal with individual health identifiers and the national register of individual health identifiers, the IHI register. Section 5 is about the assignment of individual health identifiers. The Minister may assign an IHI to a living individual, whether he or she is ordinarily resident in the State, to whom a health service is being, has been or may be provided. An IHI may also be assigned to a deceased individual where that person has died on or after the coming into operation of this section without having been assigned an IHI when alive. I have mentioned that an IHI will be a number which will not contain any personal data and this provision is included in section 5(2). Section 5 also states the assigning of an IHI to an individual is not to be regarded in any way as indicating, in and of itself, an entitlement to, or eligibility for, the provision of a health service for the individual. Another provision of section 5 is that the Minister may put in place measures to assist in enabling an individual to have his or her IHI made known to him or her. The IHI may be, of course, where appropriate, be made known to another person acting on behalf of the individual, for example, for reasons of the individual’s age, capacity or if the individual has died. It is intended that members of the public will be made aware of their IHI on contact with the health service.

Section 6 provides for the Minister to establish and maintain a national register of individual health identifiers. This register will contain identifying particulars of each individual who has been assigned an IHI in so far as the identifying details are known. The identifying details are the fundamental details that allow an individual to be uniquely identified for the purposes of the individual health identifier. The only information that can be contained in the IHI register for an individual is his or her IHI and these identifying particulars. The identifying details include the individual’s name, address, date of birth and personal public service number. There is also provision for a signature and a photograph. Any addition to the list of identifying particulars can only be made by the Minister following consultation with the Data Protection Commissioner. As Deputies will have heard, identifying particulars cannot include clinical information on the individual.

Sections 7 to 9, inclusive, set out provisions on seeding and maintaining the accuracy of the national IHI register. Section 7 allows the Minister to use identifying particulars he or she has, or the HSE has, to seed and populate the IHI register in order that people are not asked for information they have already given. Under section 7, a health services provider can also ask a person for identifying particulars where the provider is, has or is proposing to provide a health service for the person. The health services provider must forward the information and any update to the Minister. Most of this interaction will be catered for by the ICT systems.

Section 8 allows another Minister of the Government to provide the Minister for Health with an individual's other identifying particulars but only where such provision is made solely for the purposes of establishing and maintaining the accuracy of the register. Section 9 provides for an tArd-Chláraitheoir to provide information for the Minister for Health relevant to the Minister's functions under the Bill.

Section 10 provides for access to the IHI register. Only the Minister, specified persons and persons covered by a section 12 agreement can access the national IHI register. This access can only be for a relevant purpose, with the Minister also being able to access the national IHI register for the purpose of performing a function conferred on him or her by the Bill or another enactment. The Minister must put in place measures to enable the register to be accessed by specified persons for relevant purposes. For added security, the Minister must make the register otherwise inaccessible. Subject to legal advice, I may be bringing a Committee Stage amendment to section 10 on further limiting information access.

Section 11 provides for the use of the IHI and information on the IHI register by health service providers, other specified persons and the Minister. A health service provider must ask an individual for his or her IHI when the provider is providing a health service for him or her. The Seanad amended this section to take account of patients who because of age or capacity may need the assistance of others in this regard. Where the health service provider is given the IHI or is able to establish it from the register from information provided by the individual, the provider must associate it with the patient's medical record and use it in relevant communications, with his or her own provider identifier as set out in section 20. This would be, for example, when a GP writes a patient referral letter to a hospital consultant. An important point under section 11(4) is that no one will be denied a health service solely because he or she does not have an IHI or refuses to provide it.

Section 11 also makes provision for disclosing an IHI and identifying particulars to an authorised disclosee for a particular secondary purpose. Section 12 is about the use of the IHI and access to the national IHI register in another EU member state where people are receiving health services in that other member state. I have referred to this issue. Section 12 is intended to deal with cases where the HSE has made an arrangement with a service provider outside the jurisdiction to provide services for a significant volume of patients. Under the section, the Minister may enter into an agreement with health service providers in another member state for the purposes of allowing that provider to obtain and use the IHI and access the national IHI register. That provider is referred to as an "equivalent person" in the Bill. The Minister must consult the Data Protection Commissioner before entering into any such agreement.

Part 3 of the Bill covers sections 13 to 20, inclusive, and is concerned with health services provider identifiers and the national register of health services providers. Section 13 provides for the assignment of health services provider identifiers. Under the Bill, health service providers are health practitioners, for example, doctors, dentists and nurses and also relevant bodies. Relevant bodies are the HSE and other bodies such as hospitals that provide health services through health practitioners. Relevant employees and agents of health practitioners and relevant bodies are also included in the definition of "health service provider". Amendments were made by the Seanad designed to facilitate a phased approach in assigning identifiers to these employees and agents, allowing the Minister to prescribe classes of employees and agents in this regard.

Section 14 provides for the establishment and maintenance of a national register of health

services provider identifiers. This register also needs to be seeded and accurately maintained and this is the purpose of sections 15 to 17, inclusive. Under these sections, professional regulatory bodies, relevant bodies and health practitioners are required to provide specified information for the Minister.

Section 18 allows the Minister to use relevant information he, she or the HSE already has for the purpose of assigning a health services provider identifier and establishing and maintaining the register.

Section 19 provides for access to the national register of health services provider identifiers. The provider register will be accessible to the public. This is because the register will be a register of organisations and persons involved in providing health services and the only information on the register identifying individuals relates to them solely in their capacity as health services providers.

Section 20 provides for the use of the health services provider identifier and the register of health services provider identifiers. I mentioned that providers must use their identifier on patient records and in relevant communications. However, health practitioners who are already required under other legislation to use the registration number given to them by their professional regulatory body can instead continue to use that number in the provision of the health service concerned.

Part 4 - sections 21 to 25 - provides for offences under the legislation. Section 21 sets out the offences relating to assignment of individual health identifiers. Sections 22 and 23 provide for offences relating to accessing the national register of individual health identifiers and for an offence relating to processing an individual health identifier. Section 24 provides for offences relating to the assignment of health services provider identifiers. Section 25 provides for offences by bodies corporate.

**An Leas-Cheann Comhairle:** As it is 4.42 p.m., I ask the Minister to adjourn the debate. He will have 14 minutes remaining on its resumption, but he will not need that amount.

**Deputy James Reilly:** I could be finished in four or five minutes if Members wanted me to continue.

**Deputy Caoimhghín Ó Caoláin:** I have no objection.

**An Leas-Cheann Comhairle:** Since there is no objection, I ask the Minister to continue.

**Deputy James Reilly:** I thank Deputy Caoimhghín Ó Caoláin and also Deputy Michael Moynihan who has nodded in assent. I also thank Deputy Dan Neville, the Leas-Cheann Comhairle agus gach duine atá anseo.

Part 5, section 26, provides for the delegation of certain functions of the Minister. This is in recognition of the day-to-day operational realities associated with assigning the identifiers and maintaining the registers. Section 26 provides that the Government may, by order, delegate to the HSE any or all of the Minister's functions under the Bill, except excluded functions. Excluded functions are the Minister's power to make regulations and entering into section 12 agreements. Section 26 makes it clear that any function delegated to the HSE continues to be vested concurrently in the Minister, and the delegation does not remove or derogate from the responsibility of the Minister to Dáil Éireann or as a member of the Government for the perfor-

mance of any functions that are delegated.

Part 6 of the Bill includes section 27 which deals with the relationship between the Bill and the Data Protection Acts 1988 and 2003. Under subsection (1), a living individual's IHI will be considered personal data under the Data Protection Acts when held by the Minister, a specified person or the HSE when acting in a section 26 capacity under the Bill. Subsection (2) makes it clear that this shall not be construed to prevent a living individual's IHI held by any other person from being personal data in accordance with the Data Protection Acts. As Deputies are aware, the Data Protection Acts are concerned with the protection of the personal data of living identifiable people. Subsection (3) is, therefore, an additional safeguard under the Bill for information on the register relating to a deceased individual. It provides that sections 2(1)(d) and section 2C of the Data Protection Acts, which deal with security arrangements for personal data, will apply to the information in the IHI register in respect of a deceased individual as those sections apply to a living individual.

Part 7 deals with various matters. Under section 28, the Minister may arrange for investigations to be carried out in respect of the operation of any provisions of the Bill. Section 29 allows the Minister to enter into an agreement with another person to carry out certain activities. These would include specialist IT support services, for example. Section 30 allows the Minister to carry out measures to verify any information provided to him or her under the Bill, or to establish the efficient and effective operation of the registers. An amendment was made by the Seanad to clarify this.

Section 31 provides for data exchange agreements between the Minister and other relevant persons specifying the procedures to be followed by each party with respect to the provision of personal data between them. The Minister must consult the Data Protection Commissioner in regard to a data exchange agreement. Again, a clarifying amendment was made by the Seanad to section 31.

As an additional privacy protection, section 32 states any processing of personal data by the Minister or the HSE, if designated under section 26, shall go no further than is reasonably necessary for the performance of those functions.

Section 33 provides for the Minister's power to specify the form of documents required for the purposes of the Bill. Section 34 allows the Minister to extend the period for providing information to him or her as required under the Bill.

Sections 35 to 39, inclusive, provide for the amendment of the legislation in regard to health professionals regulatory bodies to provide for the Minister, or the HSE, if delegated this function, to make complaints to the appropriate professional regulatory body where the professional concerned has failed to comply with a provision of the Bill. For example, this would be where the practitioner fails to comply with obligations under the Bill by failing to attach the patient's IHI and his or her provider identifier to a patient record. I do not expect this to happen, but the legislation must have some way of addressing such an unusual situation.

Schedule 1 lists the authorised disclosees and Schedule 2 has specified persons. As the Child and Family Agency Act is now in force, the Seanad made an amendment on Committee Stage to include the new Child and Family Agency as a specified person in Schedule 2.

The provision of health identifiers will, of course, require investment in ICT-related infrastructure to develop and maintain the national IHI registers and the providers register, and there

will be costs associated with rolling out the new system of identifiers in the health system, including the change management processes. Using the HSE to operate the identifier system will allow us to maximise the technical and other expertise and the operational infrastructure of the primary care reimbursement service, PCRS. Appropriate leveraging of the public service card technology provides further possibilities for a cost-effective solution. On this point, I thank the Minister for Social Protection and her Department for assisting in developing the proposals for an IHI.

It will be critical to have sound costings when decisions need to be made on particular elements of the implementation model. Some work that has already been done by the HSE on costs and the publication of the Bill and its passage through the Oireachtas gives the scope for engagement with the market to get accurate cost estimates. Crucially, of course, the individual project components will be subject to peer review, including costs review, prior to any sanction being issued.

Health identifiers will play an important role in enhancing patient care and safety. They will help in progressing initiatives for a modern, effective and safe health service. These are the objectives of everyone present. I commend the Bill to the House and thank the Leas-Cheann Comhairle and Members for their indulgence and patience.

Debate adjourned.

## **Topical Issue Debate**

### **Disease Awareness**

**Deputy Dan Neville:** I thank the office of the Ceann Comhairle for facilitating me in raising this matter and the Minister for Health for responding.

Lyme disease, known as borreliosis, is a bacterial infection transmitted by the bite of hard-bodied ticks. Not all ticks are infected but vigilance is recommended where ticks are present to reduce the risk of transmission to humans and pets. Lyme disease can cause a variety of symptoms, ranging from mild to severe. Known as the great imitator, Lyme disease can mimic other diseases such as Parkinson's disease, multiple sclerosis and chronic fatigue syndrome. Early treatment is vital so as to prevent serious consequences.

There are three stages to the development of the disease. Within days to weeks of a bite from an infected tick, an expanding rash may occur. This is the first stage. Sometimes the rash will appear as multiple concentric rings forming a bull's eye. It is important to note that the rash may not develop or be noticed in some patients. A flu-like illness may also occur in the early stages of the disease.

Stage two, otherwise known as disseminated disease, has symptoms that may include migratory joint pain, head and neck pain, sore throat, swollen glands, Bell's palsy and severe fa-

tigue. Cardiac problems may occur also, in addition to bladder irritation in the form of interstitial cystitis. Some patients may miss stage one of the illness and develop disseminated disease within months to years of the initial bite.

The stage-three symptoms for late stage Lyme disease may include neurological changes such as tingling, numbness and tremors. Nerve pain, poor temperature control, brain fog and disturbed sleep patterns are common. Complications may include optic neuritis, depression, panic attacks, muscle weakness, tissue damage, meningitis and chronic arthritis. Lyme disease was named after the town of Lyme in Connecticut. Studies by the University of Bath, however, have identified that Lyme disease has been present since the ice age in Europe.

The length of treatment with antibiotics depends on the severity and stage of the disease and existing co-infections. Intravenous antibiotics may be required for treatment of late stage, disseminated disease.

What does one do if one is bitten by a tick? The ticks embed themselves into the skin for feeding. They use cement-like material in their saliva to latch on. It is important when removing the tick not to leave the mouth parts behind as this could cause a secondary infection. It should be removed gently with a tick twister or fine tipped tweezers, ensuring one pulls upwards very close to the skin. One should wipe the area clean with an antiseptic wipe. One should not smother, burn or squash the tick as it may regurgitate its stomach contents if placed under stress, which could increase the chance of infection. Place the tick safely in a sealed plastic bag and write the date it was removed.

There is debate among some medical people about the disease. Some people cast doubt on whether there is such a disease, but the medical profession in general has now accepted that it is a disease that requires treatment. I welcome the opportunity to raise awareness of Lyme disease. One of the most important things we must do is raise awareness of how it occurs and of the treatment for it.

**Minister for Health (Deputy James Reilly):** I thank the Deputy for raising this Topical Issue as it provides me with an opportunity to update the House on the matter.

Lyme disease, also known as Lyme borelliosis, is an infection caused by a bacterium called *Borrelia burgdorferi*. It is transmitted to humans by bites from ticks infected with the bacteria. Lyme borelliosis was made statutorily notifiable in Ireland by the Infectious Diseases (Amendment Regulations) Regulations 2011.

Three cases of Lyme borelliosis have been notified up to 25 January 2014. There were 20 cases of Lyme borelliosis notified in 2013 and eight cases notified in 2012, the first year in which notification was compulsory. However, due to the diverse and unspecific nature of the symptoms a number of the less serious cases may not be diagnosed, leading to an under-reporting of cases. Recent estimates suggest that there may be up to 50 to 100 cases in Ireland per year. The increase in reported cases since 2012 is likely to reflect the fact that Lyme disease is now a notifiable disease and there is increased public awareness of the condition, rather than an increase in incidence of the disease. I agree with the Deputy that the purpose of this debate is to make people aware of this. Often, as the initial infection might not manifest itself strongly and there is a time delay, people might forget that they were bitten by a tick by the time they present to their doctor with various symptoms.

The infection is generally mild affecting only the skin, but can occasionally be more severe

and highly debilitating. Many infected people have no symptoms at all. The most common noticeable evidence of infection is a rash called erythema migrans, commonly called a bulls-eye rash. That is seen in 80% to 90% of patients. People can also complain of influenza-like symptoms such as headache, sore throat, neck stiffness, fever, muscle aches and general fatigue. One can see how it would be very easy to miss the cause of such symptoms if one forgets to tell one's doctor that one was bitten by a tick. Occasionally, there may be more serious symptoms involving the nervous system, joints, the heart or other tissues.

Common antibiotics such as doxycycline or amoxicillin are effective at clearing the rash and helping to prevent the development of complications. They are generally given for up to three weeks. If complications develop, intravenous antibiotics might have to be used.

Both the health protection surveillance centre, HPSC, and Tick Talk Ireland provide guidance on protection against contracting Lyme disease. The best protection is to prevent tick bites when walking in grassy, bushy or woodland areas, particularly between May and October. Arms and legs should be covered - wearing long trousers tucked into socks or boots and long-sleeved shirts with cuffs fastened is advised. Shoes or boots should be worn rather than open-toed sandals. The use of insect repellent on clothes is recommended or on limbs if it is not practicable to cover up. Skin and clothing should be inspected for ticks every three to four hours and children's skin and clothes checked frequently. Ticks should be removed as soon as they are seen. Further advice on tick removal can be obtained from the HPSC website. However, the Deputy has given us an in-depth description of what to do.

It is not recommended that antibiotics are given to prevent the transmission of Lyme disease following a tick bite. People should see their doctors if they develop a rash or become unwell with other symptoms, letting the doctor know of exposure to ticks. Further advice can be obtained from the HPSC website and the HPSC has produced a leaflet, "Protecting Yourself Against Tick Bites and Lyme Disease", which is available online to download.

I again thank the Deputy for raising this important issue.

**Deputy Dan Neville:** I thank the Minister for his comprehensive response. He has highlighted that prevention is better than cure. It can be an issue for people who travel abroad, particularly those who participate in mountaineering and outdoor activities. They can return, feel ill and sometimes it is difficult to identify that Lyme disease is the cause.

Does the Minister agree that many in the medical profession are not aware of or fully appreciate the fact that one of these symptoms could be due to Lyme disease? Is the medical profession advised to identify Lyme disease if one of these symptoms is presented? Is there a programme to advise and update the medical profession on the developments surrounding Lyme disease? When representatives of the association appeared before the Oireachtas Joint Committee on Health and Children there was some concern about awareness of the disease among the medical profession and even a level of denial, on occasion, regarding the identification and treatment of the disease. I accept that the Department of Health has identified it as a notifiable disease, which means it is a very serious disease in that context. That is very helpful, but what is required is the dissemination of information, understanding by the medical profession, the awareness of the general population to look out for the symptoms and ensuring that the protections the Minister mentioned, which are very important, are used by the general public when they travel into areas where there is a high chance of contracting the disease.

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**Deputy James Reilly:** This is an important issue and the purpose of the House in discussing it today is to raise awareness among the public and among general practitioners. Lyme disease is not very common in this country and given the general nature of its symptoms such as headache, fatigue, sore throat and so forth, we must heighten awareness of it. It is a matter for the Irish College of General Practitioners to highlight it with its members. We are pleased to have made funding available in 2012 to Tick Talk Ireland to help highlight the issue also.

### Health Services Issues

**An Leas-Cheann Comhairle:** We will wait a minute for Deputy Robert Dowds to speak on the next Topical Issue.

**Deputy Robert Dowds:** Gabh mo leithscéal, bhí mé ag feitheamh taobh amuigh agus ní raibh a fhios agam go raibh tús curtha leis an díospóireacht.

*5 o'clock*

**Deputy James Reilly:** Táimid an-efficient anseo, nach bhfuil?

**Deputy Seán Ó Fearghail:** Toisc go bhfuil an Aire anseo, sin an fáth.

**Deputy Robert Dowds:** The topic I raise relates to the need to ensure the boards of section 38 health organisations are representative of all stakeholders. It is an obvious one because of some of the cases that have come to light. As a member of the Committee of Public Accounts, I heard representatives of the Central Remedial Clinic, CRC, and the board of St. Vincent's University Hospital explain themselves. While issues definitely arise in terms of pay, one of the things that struck me was the way the boards had been constituted. I worked in a school that was under the patronage of the CRC; therefore, I have some personal experience of it. These organisations have boards which do not in any way represent their clients and staff. The Government should use its clout to ensure all section 38 bodies have boards which represent the organisation effectively and which are fit for purpose. I have no doubt that if one trawls through all section 38 organisations, some of them will have good, effective boards, but we must put down a marker to ensure best practice is followed. The fact that most of the money the organisations receives comes from the State puts us in a good position to ensure this happens in the sense that he who pays the piper calls the tune. We have an opportunity to improve the position.

The first board that comes to mind is that of the CRC because it and the board of the Friends and Supporters of the CRC have now resigned and something must be done about the situation. I understand the HSE has been talking to an organisation called Boardmatch Ireland which is working on constituting a new board for the CRC. How that pans out might be instructive on how the situation will develop. The problem arises because many of the organisations – the CRC is a good example, while Enable Ireland is another – started off as charitable organisations with the very best of motives on behalf of those who worked for them. Many of those involved were working voluntarily. The position changed fundamentally when the State began to fund these organisations. Therefore, the old model under which they had operated was no longer appropriate. The issue should have been tackled previously, but the revelations about the CRC, St. Vincent's University Hospital and, I suspect, other organisations give us an opportunity to make a new start. I am interested in hearing the response of the Minister.

**Deputy James Reilly:** I thank the Deputy for raising this important and current issue. The HSE provides funding of approximately €3 billion for almost 3,000 agencies for the delivery of a range of services, of which €2.44 billion is provided for section 38 organisations, of which there are approximately 38.

**Deputy Robert Dowds:** There are 43.

**Deputy James Reilly:** They are primarily in the acute hospital and disability sectors. Since 2009 they have been required to enter into a formal service arrangement with the HSE. The service arrangement is the contract between the HSE and each individual agency. Under this arrangement, they are obliged to give certain undertakings in relation to compliance with a range of standards and statutory requirements.

A compliance statement process came into effect for agencies from January 2014 and applies to their 2013 financial accounts. Submission of an annual compliance statement will form part of the consideration of ongoing funding for each agency. In agencies established under legislation the membership of the board is often prescribed in the legislation. In general, legislation prescribing the membership of boards provides for the inclusion of relevant stakeholders particular to the organisation. Where membership is not prescribed, boards must examine their functions to ensure the appropriate competency and skills mix is provided by board members in order to carry out their functions effectively, ethically and in keeping with best governance practice.

In line with Government decisions in 2011, my Department advertises for board vacancies as they arise where I, as Minister for Health, have nominating rights. Competencies are developed and agreed in conjunction with relevant boards, depending on their requirements. The suitability of applicants is assessed against these criteria and a short list is compiled, from which I may make appointments. Full cognisance is taken in all appointments made by me of relevant competencies or gaps identified by individual organisations. The code of practice for the governance of State bodies provides a framework for the application of best practice in corporate governance by both commercial and non-commercial State bodies. While a list is provided, sometimes people who have not applied, who are deemed by the Department to have suitable qualifications, can be appointed also.

The chairperson performs a key role in ensuring appropriate standards of corporate governance are adhered to in all aspects of the activities of the board. Boards are required to constantly review their operations and seek to identify ways to improve their effectiveness. This will include the identification of gaps in competencies and ways they could be addressed. Where a board chairperson is of the view that specific skills are required on the board, he or she should advise me of this view for consideration sufficiently in advance of the time when board vacancies are due to arise in order that I may take his or her views into consideration when making appointments.

I have recently established a governance forum for the health sector, including section 38 agencies, to support and help chairpersons, board members and CEOs to fulfil their accountability and governance roles. I will insist on structured induction programmes for all new board members and a system of independent regular governance audits. All efforts are made, in conjunction with relevant agencies, by my Department and the Health Service Executive to ensure the composition of each board and relevant competencies required to facilitate the effective and efficient conduct of each organisation, including relevant stakeholder inclusion, are in place.

**Deputy Robert Dowds:** I thank the Minister for his response. It is welcome that there will be pressure on the agencies to have appropriate boards in place. I am interested in hearing what the timescale is and whether any effort will be made to create an appropriate template for the various organisations. Primary schools have a particular template for how boards are appointed which specifies the inclusion of representatives of parents, teachers and the community, the principal and the chairperson of the board of management. Does the Minister consider that it would be valuable to do some work along these lines? Will he comment on two things, first, whether staff or clients of an organisation should be able to elect people to boards and, second, the length of time for which one should serve on a board? It is important that there be rotation. I do not wish to be entirely prescriptive, but, for example, a person might serve for a period of three years, after which another election should be held. In total, nobody should serve on a board for more than nine years. One of the problems with the CRC was that it was a self-perpetuating board and the staff and clients of the organisation had no influence on it whatsoever. I am interested in hearing the Minister's response on whether a template should be put in place, whether clients and members of staff should be able to elect people to the board and how long people should serve.

**Deputy James Reilly:** The Deputy is absolutely right; there are 43 section 38 agencies. All of this arose out of the HIQA report into Tallaght hospital, during the course of which we discovered alternative streams of payment which led us to a broader audit of the entire sector. This took some time, as the Deputy knows. With regard to the formulation of boards, strong recommendations came out of the inquiry following the appointment of Sir Keith Pearson to the board of Tallaght hospital. He is an expert in the NHS on governance. While I have great sympathy with the view that a member of the clientele or community should be on the board, he was absolutely clear, and I fully agree, that no member of staff should be on it. A member of staff can be on a board of governors but not on the board that supports the management of a hospital. In the past this has led to difficulties. This is the new template we use. We look at the various competencies required and we have a grid. If somebody does not meet the competencies on the grid, or the grid shows a deficit in competencies on the board, such as no one on the board having legal or financial competency, these must be addressed.

As is the Deputy, I am strongly in favour of the idea that a member of the clientele of a body such as the CRC should definitely be on the board, as should members of the community. These can be represented through the competencies but not necessarily exclusively so. We have made a huge leap forward in transparency and competencies on boards, and our health service will be the better for it. With regard to section 38 and section 39 agencies, we will have a better service for the people as a consequence.

### Foreign Conflicts

**Deputy Seán Ó Fearghail:** I thank the Ceann Comhairle for selecting this important Topical Issue. I welcome the Minister of State, Deputy Joe Costello, to the House. I understand the mission in which the Tánaiste is engaged and I am glad the Minister of State can be with us.

On 23 January my colleague and Fianna Fáil spokesperson on foreign affairs and trade, Deputy Brendan Smith, raised this very serious matter in the House, condemning in the strongest possible terms the use of state violence to prohibit any type of demonstration against the government in Ukraine. The fatalities on the streets of Kiev in January shocked Europe and the

world, and at the time Fianna Fáil called on the Tánaiste and Minister for Affairs and Trade to drive the call at European level for sanctions against those responsible for the fatalities. We also called for intense European engagement to prevent further violence in Ukraine. Unfortunately, what we have seen since then is a dismal and inadequate response from our Government and, more significantly, from the European Union.

Events in Ukraine have taken another fatal and tragic turn, with the deaths of more protesters. The situation is becoming increasingly dangerous and has begun to teeter on the point of civil war. A tentative agreement between the government and the opposition broke down and lives are being lost in the streets of Kiev as we speak. I contend that the European Union must stand for peace, stability and safety throughout the continent. The prospect of a civil war at the gates of Europe in 2014 is extremely serious. There must be clear, determined action arising from today's meeting of the EU foreign Ministers.

Last month Fianna Fáil pointed out that the increasingly authoritarian style exhibited by the Ukrainian Government was of great concern and huge questions were being raised about human rights in the country, but our Government remained silent. It folded its hands and stated it could do nothing. It appears the Minister fails to recognise that Ireland, as a neutral country outside NATO, has an important role to play in acting as an honest broker in this crisis at European level. Our voice must be raised in support of those who seek democratic reform and a peaceful resolution to this awful crisis.

The European Union has failed to grasp the gravity of the situation in Ukraine. It is still debating the possibility of sanctions against those responsible for the violence. These sanctions have been debated for weeks and the crisis continues to escalate. The crisis is on our doorstep. It ignited following the failure of EU trade talks with Ukraine, and we understand the history between Ukraine, Europe and Russia. This is critical for the European Union. The bloodshed witnessed on the streets of Kiev is totally unacceptable. A failure to act to support democracy, put pressure on President Yanukovich and stand against the abuse of power in Ukraine would seriously damage the position of the European Union on the world stage. Fianna Fáil believes there is a clear case for sanctions to be imposed on Ukraine and the European Union must act quickly and decisively. The Government should reiterate its call for the release of Yulia Tymoshenko, the former Ukrainian prime minister, imprisoned in the country.

The European Union must wake up to the reality of what is happening in Ukraine. Words are not enough. They must be accompanied by action.

**Minister of State at the Department of Foreign Affairs and Trade (Deputy Joe Costello):** I thank the Deputy for raising this Topical Issue and agree entirely with him. This is an extraordinarily serious crisis. As the Deputy may be aware, the Tánaiste issued a statement yesterday outlining his views on the developing crisis in Ukraine, which the Government has followed with growing concern. He indicated that he was appalled at the most recent outbreak of violence this week, which has reportedly left many people dead and many more injured.

Today the Tánaiste is attending an extraordinary Foreign Affairs Council in Brussels to discuss the crisis. The European Union has identified the formation of a new and inclusive government, progress on constitutional reform, and the preparation for transparent and democratic presidential elections as the key elements needed to restore peace.

Since 18 February, the deadliest clashes to date between anti-government protestors and

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security forces have taken place in Kiev. The proximate cause of the recent violence may have been the decision by protestors in Independence Square, known as the Maidan, to march to parliament buildings, situated a mile away, on the morning of 18 February. News agencies report that 20,000 protestors were involved in the march, which was timed to coincide with a scheduled discussion in parliament on possible constitutional change. When they were met with large numbers of security forces in the vicinity of the Parliament, violent clashes ensued. Regrettably, later that night emergency talks between President Yanukovich and two opposition leaders, Arseniy Yatsenyuk and Vitali Klitschko, ended in stalemate.

Yesterday morning, riot police using tear gas tried to clear protestors encamped in Independence Square, and a number of casualties, including fatalities, resulted. Despite the agreement of a truce between President Yanukovich and opposition leaders, fresh fighting has taken place in central Kiev today, and there are media reports of further casualties.

The Ukrainian health ministry has today confirmed the deaths of 35 people, including security personnel, and the toll is expected to increase. Hundreds more have been seriously wounded. The authorities have closed Kiev's underground transport system, announced that traffic into the capital will be restricted and called on businesses not to open. Protests have taken place in several other cities, including Lviv in western Ukraine, where demonstrators have reportedly seized government buildings.

There has been international condemnation of the latest outbreak of violence. The UN Secretary-General, Ban Ki-moon, expressed his shock at reports of violence in Ukraine and has urged the immediate renewal of genuine dialogue between all sides. The High Representative of the European Union for Foreign Affairs and Security Policy, Catherine Ashton, issued a statement on 18 February condemning all use of violence, including against public or party buildings. The Secretary General of the Council of Europe has called upon all political forces in Ukraine to act responsibly and refrain from further violent actions. I recall that from the outset, the European Union has been actively involved in facilitating the search for a peaceful and negotiated solution to the crisis. It has stressed the obligations of the authorities to respect and protect the fundamental rights of the Ukrainian people and has stated that a democratic solution must be sought through inclusive dialogue. This is a message that High Representative Ashton has conveyed repeatedly in her recent visits to Kiev.

It is clear that the use of force, from whichever quarter, cannot resolve the political crisis in Ukraine. Immediate steps must be taken to calm the rising tension. Both sides have a shared responsibility to build trust and to create the conditions necessary to chart a way forward through dialogue in the parliament, rather than confrontation in the streets. Further bloodshed will deepen divisions and make it even more difficult to reach a political solution to which all sides state they are committed. President Yanukovich and his Government have a particular responsibility to act to enable a meaningful dialogue with opposition leaders. They should take the necessary steps without delay.

**Deputy Seán Ó Fearghail:** While I acknowledge the Minister of State's response, I wish to put a couple of questions to him. Does he accept the European Union - and he as a Minister - must be somewhat embarrassed that, for example, the Obama Administration has moved already to apply sanctions to more than 20 Ukrainian officials, while here in Europe we continue to fail to move? Second, what has been done by either the Tánaiste and Minister for Foreign Affairs and Trade or the European Union to secure the release of the former prime minister, Ms Tymonshenko? Is it the belief of the Government that her release would be helpful in finding

a resolution to the situation? Has the Tánaiste discussed this situation with his counterpart in Russia, Sergey Lavrov? Finally, has this crisis been discussed in a Cabinet meeting? Has there been a united Cabinet decision on how this crisis should be addressed, recognising the status Ireland has in being outside NATO and having a recognised history in peacekeeping, as well as much to offer, based on our recent history, in respect of contributing to the building of peace in situations in which conflict exists?

**Deputy Joe Costello:** I thank the Deputy for his supplementary questions. The European Union has been very much engaged from the outset in the Ukrainian crisis. From the outset, Catherine Ashton has travelled to Kiev quite a number of times to represent the European Union through the European External Action Service. She has reported back and the issue has been discussed on a regular basis at the Council of Ministers. The extraordinary meeting that was called for today is considering carefully what further action will be taken. All possible options will be explored at the Foreign Affairs Council in Brussels today, including restrictive measures against those responsible for human rights violations, violence and the use of excessive force. The Foreign Ministers of France, Germany and Poland were in Kiev this morning, where they met President Yanukovich and opposition leaders and they will report on their visit to the Council. As the Deputy is aware, the Tánaiste is at that Council at present and will take the opportunity to speak strongly on the matter. The international community must send Ukraine the clear message that the images seen on the streets of a European capital city in recent days are not acceptable. Ireland believes the use of force cannot be as a means of resolving the political stalemate in Ukraine. The only sustainable way forward is a genuine political engagement in an inclusive dialogue to meet the legitimate democratic aspirations of the Ukrainian people. International organisations such as the European Union, the Council of Europe, the OSCE and the United Nations potentially could play a constructive role in facilitating a resolution to the current crisis that respects the rights of all Ukrainians. However, there is a particular responsibility on President Yanukovich and his Government to take urgent steps to enable such a dialogue and to help de-escalate the situation. Consequently, the Government urges him today to take the necessary steps to put an end to bloodshed and the tragic loss of life on the Ukrainian streets.

This is the context in which the Tánaiste will be lending his voice to the debate, which no doubt will be very robust. In respect of the former prime minister, Yulia Tymonshenko, Ireland has called consistently for human rights and the proper procedure of law to be adhered to for her release. This position always has been put strongly on the record over a period. The Tánaiste also has engaged with the Russian Foreign Minister, Mr. Lavrov, in respect of these matters. It is something in which Ireland has taken a regular interest over a period of time before the present crisis. I do not know whether there has been a discussion in Cabinet on the matter as that is something of which I have no direct knowledge. However, I am sure I can supply that information to the Deputy.

### **Corporation Tax Regime**

**Deputy Richard Boyd Barrett:** I thank the Ceann Comhairle for selecting this issue for debate. I also appreciate that the Minister has come into the Chamber to participate. Between the Garda Síochána Ombudsman Commission, GSOC, and the Garda whistleblowers, this week may well go down in history as one in which attempts to cover up scandals were exposed. I certainly believe that what has been going on regarding the issue of Ireland's corporate tax rate and the real amount of tax that large corporations are paying amounts to a cover-up. This has

been reinforced by the paper produced by Professor James Stewart of Trinity College within the past week, which suggested the real corporate tax rate being paid by large and hugely profitable firms is nowhere near the 12.5% headline rate or any of the rates the Minister, the Taoiseach and others regularly have claimed such companies are paying but it is a tiny fraction thereof. An astonishing figure of 2.2% is being suggested. When one recalls what Mr. Nyberg said about the banking crisis, groupthink and the lack of contrarians willing to question the consensus, nowhere has this been more apparent than in the Government's attitude to questions raised about the real corporate tax rate. Essentially, a tiny number of people, including myself, who have raised this matter over the past two years have been largely ridiculed and accused of cloud-cuckoo economics and so on, because we questioned the assertions that corporations were paying the 12.5% rate and suggested the entire issue of corporation tax should be questioned and examined thoroughly. However, an eminent professor of economics has now stated the situation is actually worse than even we had thought. I tabled a parliamentary question to the Minister and received a reply based on Revenue statistics which showed that multinationals earned €70 billion in pre-tax profits, according to the last available figures, and paid only €4 billion. This revealed an effective rate of 6.8%, rather than the aforementioned 12.5%. I thought that was bad enough, because at stake there is approximately €4 billion of potential revenue to the State. When one considers what that would do to alleviate cuts imposed on vulnerable sectors of society or what it could be used for to develop infrastructure, invest in job creation and so on, it constitutes a great deal of money. However, there appears to be an absolute dismissal of even a serious attempt to investigate and examine this issue, given the huge divergence in figures being bandied around for corporate tax. This also has been confirmed by the academic whose surname has escaped me but who is the consultant to the finance sub-committee on global corporate taxation. He has acknowledged there is a real issue in this regard and provided five different figures on what the corporate tax rate could be, including rates of 11.9%, 12.3%, 6.9% and 14.4%, to which one can add Professor Jim Stewart's figure of 2.2%. Whatever the Minister and I might think, given the billions that are at stake, does this issue not require serious investigation? The Minister needs to give serious consideration to having a minimum effective corporation tax rate in order to clarify this matter and ensure we get a proper take from these hugely profitable corporations.

**Minister for Finance (Deputy Michael Noonan):** I have had detailed public discussions with the Deputy on this issue on a number of occasions, most recently at the Joint Committee on Finance, Public Expenditure and Reform on Thursday of last week. He will also recall that the issue of effective tax rates was discussed at length on Committee Stage of the Finance Bill last November. In view of the significant confusion around the issue, it was agreed at the time that my Department would prepare a report on the matter to be submitted to the Oireachtas finance committee by the end of the first quarter this year. This report is being prepared and will likely be published on completion.

It is important to clarify that there are two separate scenarios that are often confused in discussions on the effective rate of corporation tax. The first is the global rate of tax paid by multinational companies which operate across a number of jurisdictions. This is a blended rate which takes into account the amount of tax charged not only in Ireland but across all of the countries in which a company trades. The extremely low effective rate figures that have been quoted in the past week and attributed to Ireland are based on a flawed premise. They are estimated by dividing the amount of Irish tax paid by a total profit figure that includes substantial profits made by companies not tax resident in Ireland. They are running together the profits earned by group companies in Ireland and other jurisdictions and incorrectly suggesting Irish

tax does or should apply to both. Ireland cannot tax profits properly attributable to other jurisdictions. The ability of some multinationals to lower their worldwide rate of tax using international structures reflects the global context in which Ireland and all countries operate. The best way to effectively address this issue is for countries to work together at the international level. Appropriate action is being considered in this regard by the OECD as part of its project on base erosion and profit shifting, in which Ireland is participating.

The second issue is the effective rate of tax applying in individual countries. Clearly, the domestic rate of tax paid in Ireland is within the control of the Irish tax system and Ireland is responsible for the amount of Irish corporation tax charged here. I re-emphasise that all companies operating in Ireland, domestic businesses and multinationals, are liable to corporation tax at the 12.5% rate on the profits generated from their trading activities here. A higher rate of 25% applies in respect of investment, rental and other non-trading profits, as well as certain petroleum, mining and land-dealing activities, and chargeable capital gains are taxable at the capital gains tax rate of 33%. Some other countries have a high headline rate of corporation tax which is then supplemented by a high number of tax reliefs which reduce the overall rate of tax paid. By contrast, the approach in Ireland is transparent in that we have a competitive headline rate of corporation tax which is applied to a broad base. We, therefore, have only a small number of corporation tax incentives in Ireland and ensure these are specifically targeted at and focused on the creation of employment and areas of innovation.

There are different ways of measuring the effective rate of corporation tax once account is taken of such reliefs and there is no single internationally agreed comparative measure in this regard. As the quality of debate on the issue shows, it could really be characterised as more of an art rather than a science. There are a range of independent studies on this issue and the Deputy will shortly have a comprehensive report that will set out an analysis of the different figures in the public domain. In the meantime, I see no benefit in repeating the same debate we have had, quoting different figures at each other. However, in response to the growing interest in the subject the Revenue Commissioners now publish an additional explanatory note with their annual statistical report. The 2012 revenue statistical report which refers to 2011 data indicates that aggregate net taxable profits, taking account of various deductions, allowances, charges and reliefs, amounted to €40.1 billion, while the total amount of corporation tax payable on these profits was €4.2 billion. This means that total corporation tax payable as a percentage of taxable profits was approximately 10.5% for 2011. While this percentage is lower than the 12.5% rate, this can be attributed to the availability of certain reliefs such as the research and development credit which was the subject of a comprehensive review last year and which was found to give value for money for the taxpayer.

**Deputy Richard Boyd Barrett:** The one aspect on which I agree with the Minister is that assessing corporation tax rates is a more of an art than a science. There is plenty of artistry when it comes to covering up the reality of what firms are or are not paying in tax. I agree with the Minister that there are two separate issues involved. The first relates to the global profits of the multinational companies that are bestriding the globe. I do not accept that it is a false premise that we should assess their global profits. It seems that the problem lies in the unacceptable distinction between companies that are incorporated and taxable here and companies that are incorporated but not taxable here, despite the fact that they are all based here.

The Minister may have heard on radio today Professor Jim Stewart, to whom I spoke in the debate with the PwC spokesperson who tried to claim that these companies had real operations in countries such as Bermuda. Professor Stewart pointed out that they did not and that despite

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the fact that their address was Clarendon Street, Bermuda, they had no employees there and that all of their accounts were and the administration of their profits, sales and so on was being done in Dublin. However, because of a loophole in our system, they are not tax liable here and are managing to use Ireland as a place in which to avoid tax and we are allowing them to do so. This issue must be addressed.

Another issue concerns how the tax payable on profits of €70 billion, which becomes €40 billion following allowances and so on, amounts to only €4 billion. This raises concerns about the generous allowances which permit companies to write off huge amounts of tax. The EU-ROSTAT figures indicate that the implicit rates are far lower here than in any other country. I know that they all have different tax systems, but when one looks at the implicit rates, our implicit rates are far lower than anywhere else in Europe, however they are calculated. This issue needs to be addressed.

**Deputy Michael Noonan:** I do not think the Deputy and I are going to solve this conundrum this evening because we have had this debate several times before. I acknowledge that there are different estimates of what the effective tax rate is in Ireland. We have gone through them on a number of occasions. The most fruitful way to advance this debate is to revert to the Committee Stage debate on the Finance Bill in November 2013., during which the Minister of State, Deputy Brian Hayes, agreed that officials of the Department of Finance would prepare a note for the committee. Among those in attendance at the meeting were Deputies Richard Boyd Barrett, Pearse Doherty and Michael McGrath. The purpose of the note is to clarify the issues around the calculation of the effective rate for Ireland, which is exactly the issue we are now debating. Confusion around this topic has led to a number of unhelpful statements being made publicly. The note will include a description of the complications in the calculation of an effective rate of tax for Ireland and explain the bases for calculating the numerous figures quoted internationally and attributed to Ireland, often on an incorrect basis. They will include the 2.2% rate quoted last week by Professor Jim Stewart and the 6.8% rate implicit in the EU-ROSTAT figures. The note will also explain the 10.5% rate indicated in the data published by the Revenue Commissioners and the 14.4% rate quoted by the European Commission for Ireland. Work in this regard is ongoing and the note is due to be presented to the committee by the end of March and likely to be published. We will talk about this issue further in committee when we will have a properly researched basis for our discussion.

The Dáil adjourned at 5.40 p.m. until 10 a.m. on Friday, 21 February 2014.