



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Ceisteanna - Questions	2
Priority Questions	2
Public Sector Staff Recruitment	2
Medical Card Reviews	5
HSE Legal Cases	7
Mental Health Commission Reports	9
Maternity Services	12
Other Questions	15
Medical Card Eligibility	15
Health Insurance Regulation	23
Health Services Staff Data	25
Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)	27
Topical Issue Matters	39
Leaders' Questions	40
Order of Business	53
Domestic Violence (Amendment) Bill 2014: First Stage	63
Topical Issue Debate	64
Hospital Services	64
Medicinal Products Availability	66
Taxi Regulations	68
Haulage Industry Regulation	72
Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)	76
Establishment of Joint Committee of Inquiry into the Banking Crisis: Motion	90
Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)	121
Message from Select Committee	135
Discretionary Medical Cards: Motion (Resumed) [Private Members]	135

DÁIL ÉIREANN

Dé Céadaoin, 14 Bealtaine 2014

Wednesday, 14 May 2014

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

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

Public Sector Staff Recruitment

1. **Deputy Billy Kelleher** asked the Minister for Health the consultations he has had with the Departments of Public Expenditure and Reform, and Children and Youth Affairs with regard to the recruitment embargo in the health service; and if he will make a statement on the matter. [21598/14]

Deputy Billy Kelleher: The purpose of the question is to elicit information about discussions the Minister has had with the Minister for Public Expenditure and Reform and the Minister for Children and Youth Affairs with regard to the recruitment embargo and its impact on front-line services. We all accept that when the downturn of the economy came upon us abruptly, there was a necessity to try to stabilise the public finances. The embargo on recruitment is always a blunt instrument but it becomes more blunt as time goes on. I would like the Minister to inform us about the discussions he has had to replace front-line services in particular.

Minister for Health (Deputy James Reilly): The Government has decided that the numbers employed across the public service must be reduced to meet fiscal and budgetary targets. The Deputy acknowledges this. The health sector must make its contribution to that reduction. The recruitment embargo, or moratorium, has achieved substantial reductions in employment in the public health service. The number of staff employed by the health service has reduced from 111,770 whole-time equivalents, WTEs, at the end of March 2009 to 99,959 WTEs at the end of December 2013, a reduction of 10.6% or over 11,800 WTEs. The reduction in employment numbers was monitored by my Department in conjunction with the HSE and the Department of Public Expenditure and Reform through the joint employment control monitoring committee up until the end of 2013. The functions of that committee have now been subsumed into the work of a joint monitoring committee on finance, performance and employment which has representation from the HSE, my Department, the Department of Public Expenditure and Reform and the Department of An Taoiseach.

14 May 2014

The recent establishment of the Child and Family Agency resulted in over 3,000 WTEs being transferred from the HSE to the Child and Family Agency on 1 January 2014. The new Child and Family Agency will also be subject to the recruitment embargo or moratorium. The health service is further required to cut employment levels to 94,209 WTEs by the end of 2014 from a work force of 96,582 WTEs at the end of January 2014 and the HSE national service plan provides for an additional 500 WTE development posts, primarily in primary care and mental health services as well as the filling of development posts funded and approved in previous years.

In order to mitigate the impact on front-line services of the reduction in employment numbers, the priority is to reform how health services are delivered in order to ensure a more productive and cost-effective health system.

Additional information not given on the floor of the House

Therefore, the HSE has been using the provisions of the public service agreements to bring about greater flexibilities in work practices and rosters to achieve more efficient delivery of services. The Haddington Road agreement provided the health service with over 5 million additional employee hours. These hours are being used to replace staff who have left, to allow for further employment reductions and to reduce spending on agency staff and overtime. The agreement also provided for the employment of up to 1,000 nurses on the graduate nurse initiative and 1,000 interns under the support staff intern scheme outside the HSE's employment ceiling.

Nearly 500 nurses and midwives have commenced employment in recent months on the graduate scheme, with over 200 others currently going through the recruitment process. Almost 250 support staff interns have commenced employment with approximately 700 going through the recruitment process. Subject to approval by senior managers, arrangements are in place in the HSE to allow the recruitment of staff where it has been established that there is an urgent service requirement.

Deputy Billy Kelleher: We all accept that the health sector must make its contribution to national recovery but we should not expect those who rely on our health services to make sacrifices over and above what would be considered reasonable. The impact this is having on the broader provision of services is now at a critical stage. The INMO has indicated that current staff to patient ratios in maternity units range from 1:32 in Mayo General Hospital to 1:55 in the Midlands Regional Hospital in Portlaoise which, as we know, is the subject of an ongoing investigation by HIQA into a number of infant deaths. That is an issue of grave concern.

We have seen the leaked report of the review of maternity services in the north west which has set alarm bells ringing, particularly in the context of midwife-led services in some hospitals and obstetrics-led services in others. The dearth of staff in our maternity services is an issue of major concern. We need to see the embargo being lifted in the critical areas. We do not want to see appointments made on a one-on-one basis, but rather a policy reversal in key front-line service areas.

Deputy James Reilly: In the short time I have, I wish to address some inaccuracies. The INMO may have its own figures but we have figures which were given to me last week on the ratio of staff to patients at Portlaoise. It is 1:48, which I acknowledge is far too high. We have a task force on nursing and midwifery which will address this issue in terms of getting the skills

mix right and determining safe ratios.

The so-called “leaked report”, which was addressed by me in this House a number of months ago in the context of maternity services in the north west and west, has no standing of its own. It will feed into the national review of maternity services and there are no plans to close any maternity unit. I want to make that clear on the floor of the House.

Deputy Colm Keaveney: That is not what the report suggests.

Deputy James Reilly: The Deputy raises an important point but the moratorium is being used in a focused fashion here. We employed 750 additional nurses last year. We want to have the nurse ratios and the skills mix done properly. We have a situation where we have some model four hospitals with nine nurses per health care assistant and others with 2.8 nurses per health care assistant. We have doctors doing nurses’ work, nurses doing work that health care assistants could do and a whole mismatch of peoples’ skills sets to the jobs they are being asked to do. That is where the future savings and efficiencies are.

Deputy Billy Kelleher: The issue of maternity services must be addressed. We all accept that the national review is ongoing but in the meantime we are reduced here to arguing about whether the ratio is 1:48 or 1:55 in the Midlands Regional Hospital. The bottom line is that whether the ratio is 1:48 or 1:55, it is still too high. That issue must be addressed. I do not mind being slightly inaccurate but the Minister must also acknowledge that a ratio of 1:48 is unacceptable by any standard.

The recruitment embargo is a blunt instrument. We need a change in policy in the context of front-line services. Rather than the HSE seeking permission to appoint on a one-on-one basis, there should be a policy reversal in key areas to ensure the safe delivery of services.

Deputy James Reilly: I assure Deputy Kelleher that there will be no policy reversal. What is being done is what I have just described. A far more refined approach is being taken by focusing the staff in the places they are needed and getting the skills mix right. I already acknowledged that 1:48 is far too high but we must examine the roles of those working in our hospitals and determine how we can make better use of the staff we have. We must find ways to support staff using other staff so that we can provide the safest possible care for patients. That has been my absolute priority in the national service plan.

I have no problem with people pointing out the difficulties that are in the system because I want to know about and deal with them. However, I want to deal with them in a planned, evidence-based fashion. I hope that Deputy Kelleher will accept that the situation in the midlands in particular is one we inherited and which has been festering away for decades.

Medical Card Reviews

2. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health if he will elaborate on the third tier medical card and other measures of which he has spoken in view of the loss of discretionary medical cards by many thousands of citizens in need; and if he will make a statement on the matter. [21352/14]

Deputy Caoimhghín Ó Caoláin: I ask the Minister to explain his recent reference to a “third tier”. Of what is it a third tier? I also ask him to refer to other measures he has spoken

14 May 2014

of in the context of the loss of discretionary medical cards.

Minister of State at the Department of Health (Deputy Alex White): While there has been a reduction in the number of discretionary medical cards, I wish to assure the Deputy that there is no policy to reduce the number of medical cards issued where discretion is involved in the assessment process. The fact is that many people who used to hold discretionary cards have been granted medical cards on income grounds because they now fall within the means thresholds. Only a very small proportion of people with discretionary medical cards who have been reviewed recently have been found to be ineligible for a medical card. Of the discretionary cards in circulation in 2011, less than one tenth have been found to be ineligible on review. On the other hand, even where medical expenses have been taken into account, some people have been found to be ineligible because their net income is in excess of the means thresholds, sometimes by hundreds of euro per week.

In accordance with the legislation, medical cards are awarded to persons who suffer undue financial hardship in the arranging of GP services including where this arises as a result of a disease or an illness. The HSE established a panel of community medical officers to assist in the processing of applications for medical cards where the income guidelines are exceeded but where there are difficult personal circumstances, such as an illness or physical disability. The medical officer reviews evidence of necessary medical expenses provided by the applicant. As appropriate, he or she liaises with general practitioners, hospital consultants and other health professionals so that costs relating to the health circumstances of the applicant can be taken fully into account.

The Minister for Health and I are conscious of the difficulties faced by the relatively small number of people who have been found to be ineligible. At his request, the HSE is currently examining how individuals who are not entitled to a medical card could still receive services that meet their needs. This examination relates to all of the services and supports provided by the HSE and with regard to as much flexibility as is available at a local level. Additional information will be provided and local information points will be established at major health centres around the country where members of the public can obtain comprehensive information and support in accessing the full range of supports from the health services. The objective is to maximise the supports available for patients and families.

Appropriate notice is also being considered as part of the review for existing medical card holders who may no longer be eligible on renewal, but where serious medical conditions or profound disability continues to exist in the household. The clear intention is to maximise the supports that can be provided in each case to the fullest extent possible. The HSE is seeking to find the best way to achieve this in order to ensure families will receive the support they need.

Deputy Caoimhghín Ó Caoláin: The Minister up until very recently has refused to recognise the problem. I believe he was prompted into doing so by a recent meeting of his parliamentary party. He floated what I can only describe as a vague notion of some kind of “third tier” of services. The Minister of State made no reference to that in his reply, yet that is the core of the question I have posed. I asked that he would elaborate on the third tier concept. Initially, it was thought it was a third tier medical card but that was discounted in an interview in last week’s *The Sunday Times*.

What is this third tier that was referred to by the Minister? Has he any notion of the distress the loss of, or fear of losing, their medical card is causing people? That fear is absolutely huge,

as I am sure will be confirmed by canvassing Deputies across the board. Will the Minister of State reverse the cuts that have taken place and restore the essential discretionary medical practice that has applied heretofore as a central feature of the scheme, in recognition of the hardship now being imposed?

Deputy Alex White: Nobody on this side of the House has ever refused to recognise there is an issue in regard to discretionary medical card provision. As I indicated in my reply, we accept that some people have been found to be ineligible following a review of the medical card granted to them under the discretionary process. We are not denying there is an issue, but we have sought to show that the extent of the problem is nothing like as widespread as has been suggested in some quarters. Something in the order of 6% of persons who held a discretionary medical card in 2011 have lost it as of 2014. It certainly is a problem for the people who are impacted, as I acknowledged last night during the Private Members' debate. Where people who had access to a card for a lengthy period lose it, there is a real dilemma for them, particularly in circumstances where there is a disability or illness.

The Minister has asked the Health Service Executive to explore ways of introducing packages of integrated care to ensure people who have lost access to a medical card can still access the services they need. That is what is happening. As to reports in the media of third tiers, second tiers or any other tiers, I cannot speculate about that.

Deputy Caoimhghín Ó Caoláin: Of course, the only real tears, as opposed to tiers, are those of the families who have been left in distress. The notion that there is no such thing as a discretionary medical card is belied by the Minister of State's own figures, given in parliamentary replies, which show that in March 2011, 97,120 people were in possession of full medical cards or GP visit cards on a discretionary basis. By March of this year, however, that number had fallen to 78,310, a drop of nearly 19,000 or almost one in five. In percentage terms, that is closer to 20% than 6%. These are the figures the Minister of State has given us and they show that the situation is much more serious than he suggested last night and again this morning.

Surely we can be of one voice on this issue? We are asking that the HSE treat with due respect and compassion all applicants for medical cards or renewal of medical cards, taking fully into account not only incomes but the other clear burdens imposed by medical conditions, illnesses and disabilities. That real cost must be factored in.

Deputy Alex White: I am sure the Deputy does not intend it, but the figures he has given are inaccurate. Of the 77,925 or so people who were in possession of a discretionary medical card in March 2011, one third still have a medical card on a discretionary basis and approximately one half still have a medical card but not through the discretionary route. This is what Deputies opposite continue to ignore - perhaps deliberately in some cases, although not in the case of Deputy Ó Caoláin. Of the March 2011 cohort, 19% no longer have a medical card. However, this is made up of 3% who are deceased, 7% who did not respond to correspondence from the HSE and 2% who did not complete the review process. That leaves approximately 6% or 7%, not 19%, who were found to be ineligible for a medical card. Somewhere between 5,500 and 6,000 persons, not 19,000, have been deemed ineligible.

I am not for one moment seeking to diminish the effect that loss has on people. That is why the Minister has asked the HSE to take steps to address the issue. However, I appeal to Deputies opposite that we get the numbers right. I realise we are in electioneering mode, but we must have the numbers right so that we can all work off the same pitch.

14 May 2014

Deputy Billy Kelleher: It is the Government that is concerned about the elections.

Deputy James Reilly: Senator Marc MacSharry is in very good electioneering mode.

Deputy Caoimhghín Ó Caoláin: This is not about elections.

An Ceann Comhairle: Deputy Ó Caoláin is out of time. We have already had two supplementary questions.

Deputy Caoimhghín Ó Caoláin: This is about facts. I am citing the Minister of State's own figures.

Deputy Alex White: The Deputy is misrepresenting them.

HSE Legal Cases

3. **Deputy John Halligan** asked the Minister for Health the cost of medical negligence claims to the State in 2013; the amount of that sum that went on legal fees for those defending the Health Service Executive; his views on whether, in cases of negligence at birth, the HSE has a tactical policy of deliberately delaying or withholding admission of liability, resulting in a lengthy litigation process for vulnerable families; his views on whether a radical overhaul is needed of the way clinical negligence is managed; and if he will make a statement on the matter. [21354/14]

Deputy John Halligan: Will the Minister comment on the cost to the State of medical negligence claims in 2013 and the extraordinary sums paid in fees to persons defending the Health Service Executive in such cases? Will the Minister admit that in cases of negligence at birth, the HSE has a tactical policy of deliberately delaying or withholding admission of liability, resulting in lengthy litigation processes for vulnerable families? Does he agree that we need a radical overhaul of how criminal negligence is managed?

Deputy James Reilly: I thank the Deputy for raising this important issue, which is a cause of grave concern to me. As an underlying principle, compensation moneys should go to those who have suffered harm, not to members of the legal profession.

The cost of clinical indemnity scheme claims under management with the State Claims Agency, SCA, in 2013 was €119.3 million in total. This figure relates to costs transacted during the period and includes damages paid, legal fees and other expert costs such as medical expert fees. Breaking down the total cost, damages to patients accounted for €81.6 million, State Claims Agency legal costs and expert costs were €17.1 million, and plaintiffs' legal costs and expert costs amounted to €20.6 million.

The management of clinical negligence cases taken against the Health Service Executive is delegated to the SCA, which has a statutory mandate to investigate and manage these cases to completion. I am advised that the SCA, wherever it is proper to do so based on expert medical and legal advice, admits breach of duty at the earliest possible opportunity to avoid distress to patients and their families. Many of these cases, however, particularly those involving catastrophic injuries, are very complex in nature and require time to investigate the liability and causation issues. This inevitably involves some delay before a formal admission of liability, if appropriate, can be made.

A national policy on open disclosure was developed jointly by the HSE and the State Claims Agency and launched in November 2013. The policy is designed to ensure an open, consistent approach to communicating with patients and their families when things go wrong in health care. This includes expressing regret for what has happened, keeping the patient informed, providing feedback on investigations and the steps taken to prevent a recurrence of the adverse event. Implementation of the policy across all health and social services has now commenced by the HSE.

Ireland currently has no express protective legislation to assist the open disclosure process. However, it is intended that this situation will change with the upcoming health information Bill which I expect to publish in early 2015. That legislation will contain a number of measures to promote patient safety, including a provision to encourage open disclosure by affording some degree of protection for health care personnel. This is consistent with the report of the commission on patient safety and quality assurance of 2008. It is also in line with the recommendation in a consultation paper published by the Law Reform Commission in 2008 that “a statutory provision be considered which would allow medical practitioners to make an apology and explanation without these being construed as an admission of liability in a medical negligence claim”.

Deputy John Halligan: The Minister is no doubt familiar with the case of Dylan Gaffney Hayes from Waterford who suffered serious injuries leading to cerebral palsy at his birth in 2007. A case of medical negligence was taken by his parents and it took three years for the HSE to admit liability, after which the family had to wait another year for damages to be assessed. The damages hearing took 11 days, which was a harrowing experience for the family, particularly Dylan’s mother, Jean, who was forced to relive on the stand the whole ordeal of her little boy’s birth. Prior to the case being taken, an independent medical investigation concluded that Dylan’s injuries were due to mismanagement of his mother’s labour, but the State Claims Agency put in a defence denying this. Three years later, at a substantial cost in legal fees and huge emotional cost to the family, the court upheld the original findings of the medical investigation.

The HSE has paid out €255 million in legal fees since 2005 contesting negligence cases, which is approximately 40% of the overall cost of such claims. Ten barristers shared an outrageous €3.15 million in fees relating to medical negligence cases last year, all of which were settled out of court.

Deputy Colm Keaveney: It is scandalous.

Deputy James Reilly: I cannot stand over the last figures referred to by the Deputy. I do not know, for example, whether the legal fees paid out by the HSE include child care cases, on which a great deal of money was paid out in the period in question. I will check out those details. What is of great concern to me - it is something I pointed out repeatedly when I was on the other side of the House - is that up to one third of the money we pay out in compensation goes on legal fees as opposed to directly to the victims who have suffered as a consequence of misadventure or medical negligence.

10 o'clock

If we want to learn from mistakes made, we need open disclosure. I know from my own professional career that in most instances what people want is the three As: an apology for what went wrong, an acknowledgement that something did go wrong, and an assurance that it will not happen again because things are going to change. In most cases that is what people want but

they are driven to law because of the frustration they experience through a system that is very defensive and legalistic. That is the reason we need a patient safety agency and the reason I am intent on setting it up this year on an administrative basis, but it will be given statutory footing to be independent. It will be seen as the patient's advocate, the agency to go to when one has a complaint whether it is because somebody was rude or because somebody died. That agency will be one's friend and one's advocate and will advise on how best to pursue the outcome.

Deputy John Halligan: It has been claimed that the State could save millions of euro by bringing medical negligence claims under the remit of the Injuries Board. The Minister and Fine Gael spoke about that issue and the Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, announced plans to set up a medical injuries assessment board, based on the Injuries Board. How advanced are those plans? Does the Minister support the idea of strict liability for medical injury with compensation assessed by an independent assessment board in such instances?

Deputy James Reilly: In principle, I have no issue whatsoever with what the Deputy is suggesting. I am exploring ways of getting the law out of this in terms of the adversarial element and looking at the New Zealand process where the maximum amount paid out is €100,000. It seeks to remedy the effects of the misadventure from the patient's point of view so that the person is supported in the community. Much of the concern here is that we have not, perhaps, supported people who have catastrophic injuries, cerebral palsy and other conditions in a manner in which we could and should support them. If the money was diverted into the community service to support people, they would not feel the need to go to court as much as they do.

The other area for which we have to legislate is around the issue of ongoing payments rather than one big lump sum at the beginning. Clearly, it is not possible to predict with certainty how well somebody will progress or how long they might survive. All of these issues are being looked at by my Department. An area I am particularly concerned about is vaccination. Vaccines are given in good faith, they are produced in good faith and are taken in good faith, yet we know that in certain instances people will have bad reactions. I believe we should support those people, not force them to go to law for compensation.

Mental Health Commission Reports

4. **Deputy Colm Keaveney** asked the Minister for Health the actions he has taken following the findings of recent audits into the compliance of the notification and investigation of incidents of sudden, unexplained death of persons in community mental health services with legislative requirements and Health Service Executive policy and procedures; and if he will make a statement on the matter. [21599/14]

Deputy Colm Keaveney: The audits referenced in the question highlight that there are 18 recommendations. Will the Minister share with the House what action plans he will put in place with respect to the recommendations set out in the audits? For the benefit of the House, the audits involve an investigation into community and mental health services, into approved centres and into the community setting which deal with the compliance or the non-compliance of obligations to report to the Mental Health Commission where, tragically, death by suicide by a person within the mental health services takes place. I appreciate that is not entirely preventable within the mental health service. However, it is essential that we get to answer this question if we are to learn anything from what we would regard as the greatest public health crisis

in the country, which is death by suicide.

Deputy James Reilly: It is important that mental health services, as with all parts of the health service, are subject to periodic review or audit where issues of potential concern are identified. Such review processes facilitate services to improve the quality and safety of the care and treatment provided, by identifying any matters of concern and making recommendations as to the steps necessary to address these.

In 2013, as part of its patient safety and quality process, the HSE Mental Health services and Quality and Patient Safety Directorates requested an audit of compliance with regulatory requirements and HSE policies and procedures in relation to the notification and investigation of incidents of sudden, unexplained deaths of persons in community mental health services.

The HSE audit report was completed on 15 January 2014. The report concluded that, based on the information submitted, the audit team could not provide assurance that incidents of sudden, unexplained death of persons in community mental health services were being notified in accordance with HSE policy and procedures, nor could it provide assurance that incidents of this nature were investigated using the systems analysis methodology.

The audit report made a series of detailed recommendations in relation to the notification, recording and investigation of sudden unexplained deaths of users of mental health services. The HSE is taking steps to ensure that each of these is addressed. In March 2014, the national director of mental health services issued a memorandum to all relevant managers, re-emphasising the requirements in relation to the reporting of sudden unexplained deaths. Work is under way in conjunction with the Mental Health Commission in respect of two recommendations. The Executive is also working to ensure that the other shortcomings identified are addressed through appropriate performance management and service improvement processes.

I share the Deputy's concern and I find this totally unacceptable. Sudden deaths should always be recorded and explored. This is how we find out if there is an unintended consequence from some of the treatments that some of our patients take. This is what came across years ago with one particular drug which was causing cardiac arrhythmia problems. Had it not been investigated and the issues recorded, it would never have come to light. I take this matter extremely seriously and thank the Deputy for raising it.

An Ceann Comhairle: I thank the Minister.

Deputy Colm Keaveney: I welcome the Minister's alarm. Only last week, officials from the Minister's Department telephoned my office seeking the report. It is a source of great concern that the consistency with the Minister's alarm, with respect to the officials in the Department, would raise some questions in light of the fact that somebody from the Opposition benches had to be contacted to identify the report to which I have referred. Of the two audits, one was involved in a community mental health service where there are some particularly startling details. Fewer than 25% of the incidents involved in the investigation were notified in accordance with the law and half of the incidents investigated did not provide for a review with respect to the deaths involved. The standard review was performed but, largely, there is no standardised approach within the service. Also there is no evidence to suggest that an operational plan was developed, subsequent to establishing an investigation, around what had been identified in the investigation was provided for within that centre. Will the Minister comment on the fact that we have had 18 recommendations since January? What actions has he taken with

respect to the two audits? I would be alarmed if this report only came to his attention last week.

Deputy James Reilly: I assure the Deputy there are recommendations and they are being put in place. The HSE mental health division, in conjunction with the Mental Health Commission, should review the completeness of the notification circumstances to ensure that sudden unexplained deaths in persons in receipt of services for more recently developed service problems will be captured, that is, home care and assertive outreach programmes, etc., that the HSE mental health services should ensure that a record of all patients notified of an incident of sudden unexplained death is kept, that the HSE mental health services should ensure that incidents of sudden unexplained deaths of persons in community and mental health services are investigated and that the systems analysis methodology is applied, and the HSE mental health division should ensure that services are fully aware of and compliant with the process involved in documenting the development, monitoring and review of service users' individual care plans, as set out in the Mental Health Commission document on individual care planning in 2012. The full list of recommendations is available and can be forwarded.

Deputy Colm Keaveney: It is a fact that there has been a general failure to investigate the contributory factors to the deaths involved. The report clearly indicates that the Department's failure to adhere to the legislation and the regulation has resulted in a collapse in a standardised approach. That only one in eight of the investigations undertaken was consistent with the approach set out by the systems analysis methodology, to which the Minister referred, is unacceptable. If we are to learn anything from the crisis within the country with respect to death by suicide we need to establish where the systems are breaking down within the HSE and why validation of compliance was not possible in cases due to, for example, the lack of supporting documents, maintaining files and adhering to standing operational procedures. We are failing the most vulnerable people by failing to ensure we follow regulation procedure in this respect.

Deputy James Reilly: I take this matter very seriously. I have pointed out what has been recommended and note the word "should" appears a lot. As far as I am concerned, the word "should" will be replaced with the word "will". These are the most vulnerable people and they cannot speak for themselves. Therefore there is a requirement for us to look out for and speak up for them. I and the Minister of State, Deputy Lynch, will ensure these audits are carried out properly, that investigations are properly supervised and reported and that we get proper information speedily. A range of consequences must be developed for those who do not perform as per their contract and duty.

Maternity Services

5. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Health if a report has been prepared on an infant born at Cavan General Hospital in November 2012 who was subsequently transferred to a neo-natal unit at a Dublin hospital and died there; if the report has been presented to him; and when same will be published; and if he will make a statement on the matter. [21353/14]

Deputy Caoimhghín Ó Caoláin: I seek to establish whether a report has yet issued on an investigation undertaken into the tragic loss of a newborn life, following a C-section at Cavan General Hospital in November 2012.

An Ceann Comhairle: I note the reply to this question is quite long. Therefore, in view of

the unsatisfactory nature of having to cut the Minister off half way through on an issue such as this, can the Minister and Deputy Ó Caoláin agree that we will allow the Minister give the full reply and that we will take just one supplementary question? Otherwise, I will have to cut the Minister's response off half way through.

Deputy Caoimhghín Ó Caoláin: Would it be allowed into the record?

An Ceann Comhairle: Yes, but if the Deputy wishes to hear the full reply, I am prepared to allow the Minister the time for it.

Deputy Caoimhghín Ó Caoláin: I believe that would be appropriate.

Deputy James Reilly: I thank the Ceann Comhairle and the Deputy for their agreement.

I am conscious of the personal tragedy for the family at the centre of this sad incident and am very anxious not to intrude on its privacy. I would like to express my sympathy to the family concerned on the sad loss of their child.

I am advised that following an obstetric clinical incident in Cavan General Hospital in 2012, an external review was commissioned by the Health Service Executive area manager. A team from the National Maternity Hospital was identified to carry out the review of the circumstances surrounding the clinical management and care of an obstetric patient and her baby. The review team met with the family and has taken its views on board and these views will be included in the overall report of the team. I am informed that a final report from the external review committee will be submitted to the HSE in the coming weeks. The general manager of Cavan General Hospital will liaise with the family concerned.

My Department is ensuring that the actions required to implement the recommendations in the HIQA report into the death of Savita Halappanavar at University Hospital Galway are being undertaken across our health services, with a view to improving patient safety and providing a more patient-centred model of care. A second progress report by the HSE's national director of acute hospitals, who has been assigned responsibility for this body of work, was forwarded to my Department on 2 May. Progress in implementing both the local and the national recommendations is well under way and will continue throughout the year.

Following on from the authority's report I have listed five key priorities in regard to patient safety. Patient safety has been made a priority within the HSE's annual service plan through specific measures focused on quality and patient safety, including health care associated infections, medication safety and implementation of early warning score systems. Officials of the Department of Health will meet the HSE each month to review progress on the service plan and patient safety will be a standing item on that agenda. My Department is leading the development of a code of governance which will clearly set out employers' responsibilities in regard to achieving optimal safety culture, governance and performance. It is expected that a code of governance will be developed during 2014. I have written to the Chairman of HIQA to ensure that my patient safety priorities are included in the monitoring programme against the national standards for safer and better health care. My Department, in conjunction with the HSE, will develop a new national maternity strategy this year. This will provide the strategic direction for the optimal development of our maternity services to ensure that women have access to safe, high quality maternity care in a setting most appropriate to their needs; and I have instructed the national clinical effectiveness committee to commission and quality assure four priority national guidelines on sepsis, clinical hand-over, maternal early warning score and paediatric

14 May 2014

early warning score. This body of work is in progress.

I requested the chief medical officer of my Department to prepare a report following a “Prime Time Investigates” programme relating to Portlaoise Hospital maternity services on 30 January 2014. The critical question the report addresses is whether the service provided by Portlaoise Hospital maternity services can be said to be safe from now on and into the future given the events that were reported in public and Portlaoise Hospital’s response to these events.

Among the overall conclusions of the report was the conclusion that families and patients were treated in a poor and, at times, appalling manner with limited respect, kindness, courtesy and consideration. In addition, the Portlaoise Hospital maternity service could not be regarded as safe and sustainable within its current governance arrangements as it lacks many of the important criteria required to deliver on a stand-alone basis a safe and sustainable maternity service. An urgent recommendation was that the Portlaoise Hospital maternity service should become part of a managed clinical network under a singular governance model with the Coombe women and infant university hospital. Pending implementation of this recommendation, the report recommended that a team should be appointed to run the Portlaoise Hospital maternity service. The HSE put this team in place on 28 February last. On the broader maternity issues, it was recommended that other small maternity services should be incorporated into managed clinical networks within the relevant hospital group.

I also requested HIQA to undertake an investigation in accordance with section 9(2) of the Health Act 2007. In addition, HIQA was asked to undertake an immediate assessment of the patient safety culture at Portlaoise Hospital. Wider patient safety recommendations include the introduction of a patient safety statement for services which will be published and updated monthly and the establishment by HIQA of a national patient safety surveillance system. The Board of HIQA has approved the commencement of a section 9 investigation, and published its terms of reference for same on 18 March. HIQA announced the external members of the investigation team on 28 April. The report makes 42 recommendations and 11 overall recommendations, all of which I have accepted. This report will not only inform, but will underpin my Department’s planned national maternity service strategy which will be delivered this year.

I take this opportunity to thank Tracey Cooper for her seven and a half years as CEO of HIQA. She is leaving us to return to her native Wales and I wish her well.

The HSE has considered the implications of the report and an implementation group, chaired by the national director of acute hospitals, has been established to oversee and ensure the recommendations of the report are progressed in a timely and effective manner. Progress on implementation of the recommendations will be reviewed by the HSE leadership team at its monthly meetings and a monthly report will be provided to the chief medical officer, CMO. The CMO received the second progress report last week and notes the continued progress in implementing its recommendations.

Deputy Caoimhghín Ó Caoláin: I join the Minister in extending sincere sympathy to the grieving family once again. However, it was not at the request of the family that I tabled this question, but because another tragic outcome has presented at Cavan General Hospital in the past fortnight. All families in the dependent catchment, including all of counties Cavan and Monaghan, particularly all expectant mothers and women of childbearing age, are concerned to know what has happened. They want to know why these tragic outcomes occurred. They want to know that the lessons, if there are any, are learned and that the prospects of a further

bad outcome are eliminated.

Having inquired into the status of the report into the November 2012 event, I have discovered this report is still in draft form and has not been signed off. Why does it take 18 months and more to establish the facts of such an occurrence? Given the facts may well inform future practice within the hospital, would it not be essential to ensure early completion of the investigation and report and the implementation of any recommendations that may be made? I and people generally are alarmed that another sad outcome, where a C-section was also involved, has now occurred and the report on the first incident has not yet been presented.

When will this report be completed and will it be published, even in redacted form? We do not want to encroach on the privacy of the family involved, but surely lessons can and must be learned. This is all about restoring confidence in the excellent staff in the maternity unit in Cavan General Hospital and the systems and processes they employ in the service they provide.

Deputy James Reilly: I refer the Deputy to my earlier statement that the family's views will be included in the overall report of the review team and that a final report from the external review committee will be submitted to the HSE in the coming weeks. I agree with the Deputy and share his concern that people would be reassured of the safety of the service.

To make a general point, we have an excellent service, delivered by excellent people, but they are people and to err is to be human. What we have to put in place is a system that protects patients from human error because human error will always occur and will always be with us. This is why the outcome of this report is so important. It will serve to protect from further incidents of this type and, without being prejudicial, determine whether we can learn from this to ensure that similar things do not occur again or that the service becomes safer. For example, in respect of Portlaoise we know that reports were done and put on a shelf. Nothing was learned from them and the same mistakes were made repeatedly. Certainly, we do not want to see that occur again. I believe that with the introduction of hospital groups and the service being brought into a hub and spoke model we can have available the level of expertise that supports professionals and protects patients.

Deputy Caoimhghín Ó Caoláin: Will the report be published, even in redacted form, if necessary?

Deputy James Reilly: I have no issue with that. I will have to discuss it with the HSE. Certainly, it will be made available to the family, there is no question about that, and then, in conjunction with them, redacted, if it is to be published. I have no issue with that.

Other Questions

Medical Card Eligibility

6. **Deputy Billy Kelleher** asked the Minister for Health to explain the action he is taking to address the persistent fall in the numbers of discretionary medical cards; and if he will make a statement on the matter. [21249/14]

7. **Deputy Billy Kelleher** asked the Minister for Health if he will direct the Health Service Executive to take water charges into account when considering whether to award a medical card; and if he will make a statement on the matter. [21253/14]

9. **Deputy Robert Troy** asked the Minister for Health to outline his views on the automatic granting of a medical card to children with Down's syndrome; and if he will make a statement on the matter. [21272/14]

12. **Deputy Billy Kelleher** asked the Minister for Health to outline the consultations he has had with the Department of the Environment, Community and Local Government with regard to charges for persons with high water usage owing to certain medical conditions; and if he will make a statement on the matter. [21250/14]

16. **Deputy Timmy Dooley** asked the Minister for Health to explain how he will address the current and persistent concern regarding the withdrawal of discretionary medical cards; and if he will make a statement on the matter. [21274/14]

18. **Deputy Brendan Smith** asked the Minister for Health to explain how he proposes to address the continuing concerns regarding discretionary medical cards; and if he will make a statement on the matter. [21254/14]

21. **Deputy Catherine Murphy** asked the Minister for Health to set out the evaluation carried out to determine the cost implication to the Health Service Executive of withdrawing a discretionary medical card where the patient concerned is likely to go on to require acute hospital care for a chronic condition; if he has readily available figures to demonstrate that the economic saving of taking away medical cards from persons is not more than eliminated by the resultant reliance on acute hospital services; and if he will make a statement on the matter. [21121/14]

23. **Deputy Barry Cowen** asked the Minister for Health if the impact of property tax and water charges will be taken into account when assessing persons for medical cards; and if he will make a statement on the matter. [21270/14]

31. **Deputy Colm Keaveney** asked the Minister for Health if he will reconsider his policy on discretionary medical cards in respect of children with Down's syndrome; and if he will make a statement on the matter. [21120/14]

35. **Deputy Niall Collins** asked the Minister for Health to outline how he has intervened to protect persons whose medical conditions necessitate above average water consumption from the financial hardship that may result from the introduction of water charges; and if he will make a statement on the matter. [21267/14]

39. **Deputy Michael Moynihan** asked the Minister for Health if he will introduce new guidelines for the awarding of medical cards on a discretionary basis; and if he will make a statement on the matter. [21261/14]

42. **Deputy John Browne** asked the Minister for Health if he will consider the introduction of an automatic entitlement to a medical card for children with Down's syndrome; and if he will make a statement on the matter. [21264/14]

45. **Deputy Robert Troy** asked the Minister for Health to set out the number of discretionary medical cards the Health Service Executive expects to issue in 2014; if the downward trend of the past three years is likely to be reversed; and if he will make a statement on the matter. [21273/14]

48. **Deputy Seán Ó Fearghaíl** asked the Minister for Health if he has brought to the attention of the Department of the Environment, Community and Local Government the health

conditions that require water usage above the normal individual consumption level; and if he will make a statement on the matter. [21269/14]

58. **Deputy Barry Cowen** asked the Minister for Health to outline the engagement he has had with the Department of the Environment, Community and Local Government with regard to the possible impact on the health needs of persons of the introduction of water charges; and if he will make a statement on the matter. [21271/14]

Deputy Billy Kelleher: Are the questions grouped?

An Ceann Comhairle: They certainly are.

Deputy Billy Kelleher: There are several of them. Are we reverting to type?

An Ceann Comhairle: The fact is that time will be taken up with this question.

Deputy Billy Kelleher: I will cut to the chase on the issue. The culling of discretionary medical cards has already been referred to in Priority Questions, Private Members' business and in the House for the past two years plus. Can we have an acceptance from the Government side that there is a major problem? It has been acknowledged in the Fine Gael Parliamentary Party. I wish that the Labour Party would acknowledge it as well and then we might get some traction for change, not necessarily in the policy but in the practice of how discretionary medical cards are assessed and awarded.

Deputy Alex White: I propose to take Questions Nos 6, 7, 9, 12, 16, 18, 21, 23, 31, 35, 39, 42, 45, 48 and 58 together.

At the outset, let me again put on the record of the House that there is no policy to abolish the awarding of medical cards on discretionary grounds or to target any patient group. I welcome Deputy Kelleher's belated acknowledgement that there is no such policy in existence.

Deputy Billy Kelleher: It is the practice.

Deputy Alex White: We will come to the practice. Neither has there been a change in the rules of awarding medical cards on discretionary grounds. The medical card scheme continues to operate such that those who suffer undue financial hardship, as assessed according to the published HSE guidelines, in the arranging of general practitioner services are awarded a medical card.

While the number of medical cards issued on discretionary grounds has fallen in recent years, this is not as a result of a change in policy or a deliberate targeting of discretionary cards. Rather, it is attributable in the main to the fact that many people - I can give the figures again - who previously were marginally over the qualifying means thresholds have subsequently been granted medical cards because they now fall under those means thresholds. Of the discretionary medical cards in circulation in 2011, approximately 6% have subsequently been refused a discretionary medical card on review. While the number in this regard may be small, I in no way underestimate the difficulties caused for those who are considered or found to be ineligible.

However, the legislation is clear that qualification for a medical card is means-tested. As a result, some people have been found to be ineligible because their net income is in excess of the means thresholds, sometimes by hundreds of euro per week. As I outlined previously, the HSE is currently examining how individuals who are not entitled to a medical card could still

14 May 2014

receive services that meet their needs. The issue is being addressed in a manner that includes all of the services and supports provided by the HSE with as much flexibility as is available and at a local level.

All medical card and GP visit card holders are subject to a periodic review of eligibility to determine whether they remain eligible. The change in the number of existing cards will be dependent on the extent of ineligibility detected. Given that medical card eligibility is assessed on an individual basis it is difficult to estimate the number of medical cards that may be awarded on a discretionary basis.

It is important to note that where a medical card is withdrawn, irrespective of its having been awarded based solely on means or where the HSE has exercised discretion, it is not withdrawn due to the cost implications for the HSE. In accordance with the Health Acts, a medical card can only be withdrawn due to eligibility not having been established.

The medical card system is founded on the test of undue financial hardship in arranging GP services. Assessment for a medical card is determined primarily by reference to the means, including the income and reasonable expenditure, of the applicant and his or her partner and dependants. In the case of a child, the parents' income and reasonable expenditure is assessed. Under the legislation there is no automatic entitlement to a medical card, nor has there ever been, for a person with a particular disease or illness.

Determination of eligibility for a medical card is the responsibility of the HSE. I will outline the matter of practice that I was asked to address. The HSE has produced national assessment guidelines to provide a clear framework to assist in the making of reasonable, consistent and equitable decisions. The guidelines do not provide for expenditure associated with property taxes or water charges to be included in the determination of means of the applicant. On the issue of water charges, the Department of Health has not been involved in discussions on the exempting or capping of water charges for certain medical conditions but it is available to do so.

As I remarked earlier, one of the consequences of the transition to a nationally consistent system of assessment has been difficulty at renewal stage for higher income households or persons on relatively higher income, even where an illness or disability is involved. On the initiative of the Minister for Health, the HSE established a panel of community medical officers to assist in the processing of applications for medical cards where the income guidelines were exceeded but where there are difficult personal circumstances, such as an illness or physical disability that may have an impact on the financial situation of the applicant. The medical officers review evidence of necessary medical expenses provided by the applicant. As appropriate, he or she liaises with general practitioners, hospital consultants and other health professionals such that the costs relating to the health circumstances of the applicant can be taken fully into account.

At the request of the Minister, Deputy Reilly, the HSE is currently examining how individuals who are not entitled to a medical card could still receive services to meet their needs. As I said earlier, this examination relates to all of the services and supports provided by the HSE with as much flexibility as is available and at a local level. Additional information will be provided and local information points will be established at major health centres throughout the country, where members of the public can obtain comprehensive information and support in accessing their full range of supports from the health services. Appropriate notice is also being considered as part of this review for existing medical card holders who may no longer be eli-

gible on renewal but where serious medical conditions or profound disability continues to exist in the household. The objective is to maximise the supports available for patients and families.

The Government is fully aware of the difficulties caused for those who are considered ineligible. Indeed, one of the key goals of the reform of the health system is to ensure that people receive health care according to their particular needs rather than based on their income. Historically, eligibility for health services in Ireland has been based on a person's means. This, I believe, is an anachronistic and inappropriate basis for a health system and is far from any comparable modern health system of any European country. It underpins the importance of moving towards a health system based on universality of access. These major reforms take time and, in the meantime, I look forward to seeing proposals from the HSE on how individuals who are not entitled to a medical card could still receive care that meets their needs under the existing health legislation.

An Ceann Comhairle: Four Deputies present have questions, namely, Deputy Kelleher, Deputy Troy, Deputy Catherine Murphy and Deputy Keaveney. Deputy Ó Caoláin has indicated, if we have time.

Deputy Billy Kelleher: What time do we have?

An Ceann Comhairle: You are entitled to two minutes each.

Deputy Billy Kelleher: I cannot elicit information on whether there has been change in policy or in practice. However, I do know one thing: there has been a change to many people's lives. These are people in our communities who have had their discretionary medical cards withdrawn or who applied on a discretionary basis but were not granted a card. Last night in the Dáil debate I remarked on the advocacy groups, who represent and advocate for people, which have been consistently highlighting this. The Jack & Jill Children's Foundation, Down Syndrome Ireland and many other organisations, including the Irish Cancer Society and others, have consistently said that there is a change either in the practice or the policy. Either way, it is making a major impact on people's lives in a negative way.

The former Ombudsman, Emily O'Reilly, stated clearly in her report in 2013 that while there was no discernible change in terms of policy, the way the scheme was implemented and the way discretion was assessed had been tightened to the point where it was more and more difficult for officials to grant a card on a discretionary basis. Therefore, there have been changes. I said last night and I repeat: the Minister of State is asking the old and the sick to pay for the health and the wealthy and that is simply wrong.

Deputy Alex White: Deputy Kelleher alleges there has been a change in policy, then he agrees that there is no change in policy and then he says he is unsure whether there has been a change in policy.

Deputy Billy Kelleher: We are in the Dáil now, we are not in the Four Courts.

Deputy Alex White: There has been no change in the policy. It has been made clear that there has been no change in the policy. What has happened is that we have had a standardisation of the application of the procedures and the guidelines and the HSE has, in fact, published these. I believe that is a good thing and I invite Deputy Kelleher to agree with me that this is a good thing in order that we can ensure we do not have a repeat of the significant disparities that have existed for so long throughout the country with regard to awarding medical cards based

on discretion. With regard to the spread throughout the country of medical cards granted on the basis of discretion, will Deputy Kelleher comment on the fact that in his county of Cork, the number of discretionary medical cards is 71% above the national average whereas in County Meath it is almost 70% below the national average? How can it be that over the years Cork, Limerick, Tipperary, Laois, Offaly, Clare and Waterford have had a higher number of medical cards awarded on discretionary grounds than some other counties? These are not small differences but huge disparities. It is not fair we have a system which is not transparent. I do not know whether the Deputy and his party would prefer to have a system without transparent rules whereby people have access to services through another method.

Deputy Billy Kelleher: Humane rules.

Deputy Alex White: I believe in having a rules-based system and applying it fairly, transparently and honestly. This is what we want to achieve.

Deputy Robert Troy: The Minister of State can dress it up anyway he wants. It confirms to me that many Dublin-based Deputies must not have clinics because the hard facts and evidence coming to every clinic the length and breadth of the country, which any Deputy of any political party or none will cite, is that these discretionary medical cards are being culled at an alarming rate. I spoke recently to a woman who had had a mastectomy and her medical card was culled. As my colleague stated, according to Down Syndrome Ireland, the mother of a young boy was asked to prove he still has Down's syndrome. Cancer patients and people with motor neurone disease are also affected. The list goes on and on. Whatever way the Minister of State wants to dress it up, the simple hard facts of the matter are people with a medical need for a discretionary medical card are being deprived of it. The Minister of State speaks about establishing information units to inform people of their entitlements. How much will these information units cost? Why can people not be given their entitlements? Their medical conditions cause them enough anxiety and worry without putting them through more anxiety and worry appealing and re-applying for medical cards which ultimately they do not get.

Deputy Alex White: People are entitled in certain circumstances to a medical card and nobody will lose or has lost a medical card who is eligible for it and is entitled to it. This is absolutely the case.

Deputy Colm Keaveney: Discretionary.

Deputy Alex White: Anybody who is eligible for a medical card under the system and guidelines will get it. If there are any circumstances where a Deputy suggests those eligible for medical cards do not have one, we need to know about it because if they are eligible, they will receive it. As I indicated, we had a system which had huge disparities throughout the country. We now have a fair system. Surely it is much better to have a fair, consistent and clear system in order that people know where they stand. This is the type of system I want to see.

Deputy Caoimhghín Ó Caoláin: That is not what we have.

Deputy Michael McGrath: A cruel system.

Deputy Alex White: I am not sure if it is the type of system the party opposite wants to see. Historically it is not how they did business.

Deputy Colm Keaveney: Is taking from the vulnerable and sick fair?

Deputy Alex White: This is how we should do business in future. We should make sure we have a proper rules-based system and do as the Minister and I have sought to do, which is take steps to ensure services are in place to support people who have lost out on a medical card on which they relied for a number of years, and make improvements in the services where they are needed, particularly with regard to access to and information on the services, in order that there is proper interaction between the primary care reimbursement service, PCRS, and services on the ground. I accept we have not done enough to achieve this and there are gaps in services which need to be filled. This is where we are concentrating our efforts, to ensure people get the services they need.

Deputy Catherine Murphy: We can only say what we see ourselves. A particular case which I believe highlights it very well is that of a family with a little girl who has cerebral palsy. She has just turned five. A little over a year ago, after providing very significant information, she received a medical card on discretionary grounds which was issued for three years but was reviewed less than a year later and is now on a very short extension. The same very extensive information is being sought as was provided previously. This is not just about the child going to a GP. The mother, who went public, stated the child has had a card since she was 13 months old. The child cannot swallow and is fed through a tube. The food delivered is covered by the medical card, as is her €4,000 chair which must be adjusted regularly as she grows. She needs physiotherapy to massage her legs and ensure her spine is not damaged from being in the chair all of the time. The children's hospital in Crumlin did not let her leave until she had a medical card. She receives occupational therapy. All of these services are provided on the medical card. This family requires the State to support the child, who could end up being in hospital because she is at risk if she is not properly cared for and resourced. It is not just about going to the doctor once or twice a year. It is everything else which goes with it. These families are being put through absolute purgatory. At the very least until services are in place there needs to be an extension on these cards where such children are at risk.

Deputy Alex White: Deputy Murphy referred to services. It is very difficult to comment on an individual case but I entirely trust Deputy Murphy with regard to the veracity of what she stated regarding the case. The point is the services which the individual needs, such as access to physiotherapy, equipment, various devices and a wheelchair, and this is what we must ensure the person gets. We are inclined to reduce this entire debate to an actual physical card. I know that traditionally it has been the gateway to all of these services, but we want to ensure that services are there irrespective of holding a medical card on the basis of need. I will not trespass for a moment on the individual and family, even though we have not stated who it is. In circumstances where a family's means are above, perhaps significantly so, the income test, it still should have access to the services. This is what we seek to do.

An issue which comes up in many cases, and I am not stating it is in this particular case, is people do not realise that even if they do not qualify for a medical card, they may qualify under the long-term illness scheme, which is hugely important and people need to know about it. I am not speaking about the case raised by Deputy Murphy. I am making a general point that there seems to be a gap in the information flow to people. They may not be entitled to a medical card but they may be entitled to other services and we need to join up all of this.

Deputy Colm Keaveney: I am loath to reference anecdotal evidence from canvassing on doorsteps in light of the Minister of State's previous comments, but I refer him to a senior official of the HSE who last week stated in Galway that the removal of discretionary medical cards is indefensible. We have a Minister of State defending what he regards as a fair gateway

14 May 2014

to aids and appliances through providing a medical card. The Minister of State is continuing a crusade of removing medical cards from the most vulnerable people. I refer him to the Coyle family whose child's medical card was removed. Alexander cannot walk, talk or go to the toilet and takes 31 medicines and interventions a day. The Minister of State's crusade has taken away Alexander's medical card. The language he uses is *vis-à-vis* what has been issued, but he does not state what has been culled in the reissue. Clearly, there is an inconsistency between his language and that of John Hennessy who stated these actions are indefensible. What is going on is immoral. What is being done to people who cannot defend themselves is immoral. Parents of children with Down's syndrome are written to and asked whether there is any sign on the horizon that the child is any better. This is insensitive and equal to the merit of the Minister of State's crusade to rob vulnerable people of a discretionary medical card.

Deputy Alex White: It is true some of the decisions made in respect of the mechanics of how the process is implemented, some of the overbureaucratising of the process, some of the delays which have happened and some of the mistakes which have happened in the implementation and administration of the system are indefensible. There is absolutely no doubt about this in my mind and I have no difficulty repeating the word here that it is so. People accuse me of being legalistic about this, and perhaps I am a little too legalistic sometimes in my style-----

Deputy Colm Keaveney: Just be human for a day.

Deputy Alex White: -----but the Oireachtas makes the laws. The Minister does not make the law, the Oireachtas does, and we must carry it out. No Minister or HSE-----

Deputy Colm Keaveney: Who resourced discretion?

Deputy Alex White: The Deputy is very excitable.

Deputy Colm Keaveney: I always get excited.

Deputy Alex White: The Deputy should understand that no Minister or the HSE can award directly a medical card outside the legislation this House has passed. While the Deputy stated he was reluctant to bring up individual cases, he then of course went on to do so. However, I can tell him that in respect of the particular court case to which he referred, the HSE has been in touch with that family in a sensitive fashion. It is dealing with those issues as best it can within the available resources, entitlements and eligibility that are in place. I believe the family would appreciate that.

Deputy Caoimhghín Ó Caoláin: Perhaps the Minister of State could get a little excited sometimes, because the passion is what is missing.

Deputy Dara Calleary: More than that.

Deputy Caoimhghín Ó Caoláin: I will paraphrase what the Minister of State said a few moments ago, which is that one must ensure the services people need are what they get. Yet he has placed people not on a pathway to those needs and services but in a maze in which they are unable to find how to get to the end point. This is absolutely unacceptable. Moreover, in the Minister of State's earlier response to me - when I thought I had another opportunity to reply regarding my priority question on this very issue - he spoke about the context of elections. The Jack & Jill Children's Foundation is not standing in the local and European elections but has described the current medical card system in Ireland as being broken and lacking in humanity.

It has described it as being unjust and inconsistent and as a hellish lottery. Has the Minister of State read the correspondence from the specialist nurses in the Jack & Jill Children's Foundation? Has he looked at the case put by the Aoibheann's Pink Tie organisation on behalf of children with cancer?

An Ceann Comhairle: Thank you Deputy.

Deputy Caoimhghín Ó Caoláin: Make no mistake about it-----

An Ceann Comhairle: Sorry Deputy, please.

Deputy Caoimhghín Ó Caoláin: -----I am asking the Government to recognise the hurt and pain that exists, of which its backbenchers must be at least equally aware as are Members on this side.

Deputy Alex White: I do recognise the pain, the difficulties and the dilemma that families face in these circumstances. I also understand and am aware of many individual cases in which people have felt confronted by such a situation. I also accept what the Deputy has just stated, which is that sometimes, it can appear to be quite a maze to people who perhaps are faced suddenly with a situation in which they need access to services through a medical card or otherwise. I accept this and do not disagree with the Deputy's use of the word "maze" sometimes regarding the bureaucracy or that there are inconsistencies in the system. The Deputy undoubtedly is correct when he said that and this system must be reformed.

An Ceann Comhairle: Thank you.

Deputy Alex White: At present, the long-term illness system is based on illness while the medical card system is based on means. There are huge inconsistencies about which nothing was done historically and the Government now is moving towards a universal system. This is a time of transition and I accept it is extremely difficult to defend some of the things in the existing inadequate system, while at the same time the Government is trying to reform it. I sought the support of the Opposition and while the Government received some support from Sinn Féin with regard to the under-sixes, there was very little support from elsewhere and very few alternative proposals from Fianna Fáil on any of these matters, other than just attacking.

Health Insurance Regulation

8. **Deputy Michael McGrath** asked the Minister for Health if he will provide an update on Government plans for the VHI; and if he will make a statement on the matter. [21256/14]

57. **Deputy Sean Fleming** asked the Minister for Health his plans for the VHI; and if he will make a statement on the matter. [21262/14]

Deputy Michael McGrath: This question is to ask the Minister for Health to provide an update on the Government's plans for the VHI. Essentially, the Minister should advise the House on whether the VHI has yet applied for Central Bank authorisation and, if not, when that is expected to happen and whether direct Exchequer support will be required as part of the process.

Deputy James Reilly: How long do we have left?

14 May 2014

An Ceann Comhairle: While we have two minutes for this question, Deputy Durkan, who is sitting there patiently, has a question.

Deputy James Reilly: Is Deputy Durkan lurking?

Deputy Bernard J. Durkan: Yes, but without intent.

Deputy James Reilly: I propose to take Questions Nos. 8 and 57 together.

The Government agreed in December 2011 to address the European Court of Justice ruling of September 2011 and to work with the VHI in its application process for authorisation by the Central Bank of Ireland, CBI, subject to further Government consideration of any application for authorisation.

Despite good progress, it was not possible to authorise the VHI before the deadline of 31 December 2013 and the European Commission was notified accordingly. The Government has committed itself to continuing the work towards authorising the VHI as soon as possible and agreed that a request be made to the European Commission to extend the deadline with a commitment to seek to have the VHI authorised by the end of 2014. The VHI board has committed to this approach and expects to make its application to the Central Bank in the near future.

Its readiness for authorisation will be determined by the Central Bank of Ireland after its assessment of the VHI's application. The VHI has indicated that it expects to be in a position to self-fund any capital requirements without recourse to Exchequer funds. Officials from my Department, the VHI and the Central Bank continue to engage regularly to progress the application and my officials are also in regular contact with the European Commission regarding the authorisation and related issues.

In short, the VHI will lodge its application on Friday. Moreover, it will do so without resort to any Government or Exchequer funds, which must be welcomed. I must commend the board and its chair on turning the VHI around over the past couple of years in this regard. I also have made it clear to the VHI that its focus, particularly this year when it is renewing contracts, also must be on bringing down the cost of private health care.

Deputy Billy Kelleher: However, it has risen considerably.

Deputy Michael McGrath: I thank the Minister for his reply and I welcome that the VHI's application for Central Bank authorisation is to be lodged at the end of this week, as well as the indication that no additional Exchequer support will be required. The question also concerned the broader future of the VHI and obviously, with universal health insurance looming on the horizon, what impact does the Minister currently envisage the introduction of universal health insurance will have on the VHI as the dominant provider of health insurance in the market? He should comment on this in respect of possible additional regulatory capital and the type of premia its customers will be obliged to pay for a certain baskets of services within the policies the VHI provides.

Deputy James Reilly: I thank the Deputy opposite and I believe all Members will welcome this development. As for universal health insurance, it obviously broadens the market and offers all insurers opportunity within the market. The VHI, being the dominant player, has seen a reduction in its market share down to 57%. Nonetheless, it remains responsible for 80% of the payout and therefore has a huge role with regard to bring down the costs of private health care.

I am on record in this House as often talking about the astonishing fact that up to now, there has been no clinical audit, that is, clinicians to challenge the treating clinicians as to why they perform the tests they carry out. There has not been enough robust audit but this has improved hugely and one private hospital was obliged to repay €5 million following some investigations. These audits now are ongoing but there must be examination of the cost base and the benchmarking as to why the amount being paid is paid. As I have mentioned previously, there are procedures that used to take two hours but for which, although they now only take 20 minutes, €800 still is being paid. This is utterly unacceptable to me. I believe one of the leading cost control experts from America will give a talk at the National Convention Centre tomorrow. The VHI, as well as many others, will be there and I look forward with interest to what he might have to say. However, the bottom line in this regard is the customer must be protected and the taxpayer must be protected from what has been a spiralling cost of private health care in which the costs simply have been transferred onto the taxpayers and the customers. This is not good enough.

Deputy Michael McGrath: In response, I make the point that the policyholders have not been protected. They have not been protected by the Government, which slashed the tax relief people had enjoyed on their health insurance premia. Many people, particularly elderly people, have seen significant hikes in their health insurance premia directly because of Government decisions. While it is fine to blame it all on the VHI and on health professionals, the Minister's policy and decisions have contributed directly to a significant spike in the health insurance premia people have been obliged to pay.

Deputy James Reilly: As his party's spokesperson on finance, I am sure the Deputy would be the very first person to castigate the Government, were it to continue to allow ongoing tax bills to accrue that have risen from €400 million to €450 million and which would have been €500 million this year. Pressure must be brought to bear upon the insurers to reduce the cost of private health care.

Deputy Michael McGrath: The problem is the pressure is on the policyholders.

Deputy James Reilly: That pressure would not exactly be felt were the Government to turn around and continue to hand tax breaks to the insurers' customers to meet their increasing premium costs because they failed to address their underlying cost base.

Deputy Billy Kelleher: The Minister was in favour of that tax break.

An Ceann Comhairle: Thank you Minister.

Deputy James Reilly: Deputy Kelleher has had his little say.

Deputy Billy Kelleher: If I remember correctly, the Minister nearly threatened to resign over that tax break.

An Ceann Comhairle: Please.

Deputy Alex White: What about the Commission on Taxation findings?

An Ceann Comhairle: As we started late, the final question will be Question No. 10 in the name of Deputy Durkan.

Question No. 9 answered with Question No. 6.

14 May 2014

Health Services Staff Data

10. **Deputy Bernard J. Durkan** asked the Minister for Health the degree to which he is satisfied regarding the availability of an adequate supply of doctors, nurses and consultants throughout the health services; if any particular trends have been identified which might indicate the needs for corrective measures to ensure adequate provision in respect of all health staff in the future; and if he will make a statement on the matter. [21205/14]

Deputy Bernard J. Durkan: This question relates to the need to ascertain the extent to which adequate numbers of health professionals are available to meet the requirements throughout the health service, from general practitioners to consultants to nursing staff.

Deputy James Reilly: I thank Deputy Durkan for his question. Although the HSE has the capacity to recruit where it is necessary to do so in order to ensure patient safety and to support service delivery, there is evidence that there are, at present, difficulties in recruiting certain front-line staff including consultants, NCHDs and specialist nurses. I am currently progressing measures to ensure we will have an adequate supply of highly skilled consultants, doctors and nurses into the future. There has been a significant increase in the number of whole-time equivalent consultant posts since the establishment of the HSE. The number increased by 723 from 1,947 in January 2005 to 2,670 in December 2013. However, some specialties are experiencing international shortage, and these have been traditionally difficult to fill, regardless of the salary scale. There are also some hospitals to which it has historically been difficult to attract applicants, in particular smaller hospitals in rural areas. The establishment of hospital groups will help to address this issue, as this will allow doctors to be appointed as group resources.

The ability of the public service to attract and retain high quality front-line staff shapes the extent to which the HSE can maintain and develop the range of health services required. I set up a group under the chairmanship of Professor Brian MacCraith last July to carry out a strategic review of medical training and career structures. The group will make recommendations aimed at improving the retention of medical graduates in the public health system and at planning for future service needs. It provided an interim report in December 2013 focusing on training. In April 2014 the group submitted its second report to me and this dealt with medical career structures and pathways following completion of specialist training. The final report of the group will deal with workforce planning, and this is due to be submitted by the end of June 2014. The work of the group is fundamental to ensuring we have attractive propositions for consultants and doctors in training - NCHDs as they are called - in the years ahead.

Additional nursing support is being made available throughout the system. Measures include the increase in nursing hours available under the Haddington Road agreement and the appointment of almost 500 nurses and midwives under the graduate scheme, with more than 200 others currently in the recruitment process. This innovative model combines a contract of employment, which includes clinical rotation, with a fully funded interdependent education programme. I have just approved the establishment of a task force to develop a framework that will determine the staffing and skill mix requirements for the nursing workforce in a range of major specialties. I am very pleased that the chief nursing officer will be involved and she will be supported by the appointment of three additional assistant nursing officers. These will determine the staffing and skill mix requirements for the workforce in major specialties. The focus will be on the development of staffing and skill mix ranges which will take account of a number of influencing factors. The task force will be chaired by the chief nursing officer.

Where front-line staffing shortages exist, the HSE makes alternative arrangements to ensure service provision, including recourse to agency and locum cover. However, it is preferable that sufficient numbers of doctors, nurses and NCHDs are recruited to permanent posts to support the most efficient and effective delivery of services.

An Ceann Comhairle: The reason I am allowing this time is because we started ten minutes late.

Deputy Bernard J. Durkan: I thank the Ceann Comhairle. I thank the Minister for his comprehensive reply. I further inquire whether he is satisfied regarding the adequacy of the supply of professionals such as doctors, nurses and consultants becoming available, whether they in turn have options, whether they choose to emigrate or remain in the service in this country and the extent to which it is possible to encourage the latter.

Deputy James Reilly: Professor Brian MacCraith's report will address the issues with reference to NCHDs in particular. I do not believe the issue of the salary rate in this country is what bothers them, although this will always be part of it. They believe they do not have a clear career path. It can take up to 12 years or more to become a specialist in this country whereas it takes six years in other countries. They feel somewhat devalued and disrespected by the system. All these things must change or these people will continue to leave. They are highly mobile, they are the brightest and best and they are voting with their feet. They leave this country to go to the finest institutions across the world and they rise to the top of those institutions. I had the pleasure of meeting many of them when I visited America for Saint Patrick's Day. They are in the Mayo Clinic, the Cleveland Clinic, Boston hospital, Boston Children's Hospital and Massachusetts General Hospital, for example. We want to keep our people at home, and while we want them to go abroad to widen their experience and their horizons, we also want them to come back to us. If this is to be possible, we need to offer them a career path that is also respectful of them in which they are treated with respect. Sadly, this is not the case at the moment. This report addresses that issue and many other issues. There will always be difficulties and issues associated with the recruitment of both doctors and nurses to particular parts of the country which are regarded as remote or unattractive. However, the hospital groups should help to address this situation.

Written Answers follow Adjournment.

Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)

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

Deputy Catherine Murphy: I spoke last night about the housing assistance payment, HAP, provision in this legislation and I will resume on that topic in a few minutes. I wish to speak briefly about some of the other elements of the legislation. I refer to the tenant purchase scheme by which over the years there has been large-scale selling of local authority housing. One scheme was referred to as the sale of the century because of the large number of houses offered for sale at very good rates which was very popular. However, the result is that housing stock is lost. The key issue is that the money from the sale of housing must be ring-fenced to fund the building of replacement housing. I ask the Minister of State to confirm that this is the intention.

I refer to the types of mortgages offered which have got some people into serious trouble in the past. I refer in particular to the shared ownership loan which is in effect a powder keg of a problem for many people because they will never be able to buy out the equity on the other side.

It will be important to make provision in the legislation for the right type of mortgage.

I refer to the tenancy warning provision. There is no doubt that issues arise which need to be dealt with and that sanctions and consequences need to be put in place to deal with people who are presenting with anti-social behaviour problems and causing a nightmare situation for neighbours. Many of those involved are minors. I am not saying that people should be excluded from an estate because one of their children is getting into difficulties but we need to have a multi-agency approach to dealing with this problem and to nip it in the bud. Tenants who are moved out of a local authority estate will end up somewhere else and the problem moves with them. Such problems need to be confronted at a much earlier stage. However, I do not oppose this section of the Bill because the provision is needed as a consequence. There must be a limit on the mandatory deduction for HAP if arrears are owing, for example, to ensure tenants have sufficient money for living expenses. Many people would prefer this approach and they are worried about getting into difficulty. However, hardship can arise as a result of particular events occurring in their lives and a mandatory deduction may prove a difficulty in this situation. I hope additional supports will be provided for those finding themselves in that position of exceptional need. The community welfare officers have some discretion but that discretion has been limited.

As I said in my contribution last night, my big concern is the reliance on the private sector to deliver to the 90,000 people currently on the housing waiting list, with the expectation that this number will increase. It is accepted that there is a shortage of accommodation. The local authority staffing levels are uneven throughout the country. Private sector landlords will wish to engage with the local authority if difficulties arise with tenancies.

11 o'clock

Inspections of homes will require additional resources to be provided to local authorities, some of which are already stretched. Local authorities found the rental accommodation scheme, RAS, which is similar to the housing accommodation payment scheme, very heavy in administration. This is one of the reasons the RAS did not attract a sufficient number of landlords to participate.

As I stated last night, most of the local authorities pay higher rents under the rental accommodation scheme than the Department of Social Protection pays for rent assistance. Given that councils are unable to acquire housing under the RAS, which pays landlords more than they will be paid under the housing accommodation payment scheme, will the Minister of State explain where the houses will come from? Will the local authorities perform magic or will additional funding be provided to meet current needs until new homes have been completed under a housing construction programme?

I telephoned a number of landlords in my locality to ask them to explain the reason the rental accommodation scheme is considered to be unattractive. The rent paid under the scheme is below the market rate. They stated, however, that the main issue was the hassle involved in dealing with the local authority. How will it be possible to reduce hassle for landlords if additional staff are not provided to local authorities that are already pushed to the pins of their collars?

As I indicated, the positive aspect of the Bill is that it will address the poverty trap in the rent supplement scheme. Will additional money be provided for the HAP scheme, which will

come within the remit of the Minister for Public Expenditure and Reform, Deputy Brendan Howlin? Will the Department of the Environment, Community and Local Government allocate additional funding to local authorities to enable them to recruit staff specifically for the scheme? Will the Minister for Finance provide support for the construction of local authority houses? Notwithstanding the best intentions of the Minister of State, the HAP scheme will be an academic exercise as it is doomed to fail if additional supports are not provided. Major fault-lines have emerged even before the scheme commences. There are, for example, shortcomings in the structural and funding mechanisms in place to deliver the scheme.

Deputy Seán Kyne: I welcome the publication of the Housing (Miscellaneous Provisions) Bill 2014 and commend the Minister of State and her officials on bringing it before the House. The Bill has three main sections relating to the termination of local authority tenancies, purchases of houses by tenants and housing assistance payments. As a Deputy representing the Galway West-Mayo South constituency, I have been contacted on numerous occasions by constituents expressing concerns about all of these issues and I expect every other Deputy has also been contacted on these matters. The level of correspondence I have received demonstrates how crucial the issue of housing has become. Without a home, every other aspect of life becomes infinitely more difficult.

Unfortunately, we have a national housing problem, the reasons for which are well known and varied. They include the economic collapse; problems with financial institutions; the lack of credit and lending to construction companies; construction companies being overstretched and exposed financially; a substantial decrease in new housing developments; an overstock of houses in the wrong locations; and the lack of resources available for local authorities to build social housing. These factors have all created circumstances that have given rise to a new set of problems that is exacerbating the housing problem. These problems include a shortage of homes and properties in urban locations; substantial increases in rental prices; the inability of people who are renting to save for a deposit to buy a new home; and a substantial reduction in rental properties available to people on the rent supplement scheme as a result of increases in rents. The Bill aims to tackle these challenges head on and I believe it will do so if it is accompanied by other measures.

The sections dealing with local authority tenancies provide for an overhaul of the law to effectively address anti-social behaviour by a small number of tenants; damage caused to local authority properties; social problems caused by abandoned properties; the inability of councils to ensure all social housing stock is in use owing to legal uncertainty; and the failure to pay the modest rental amounts involved resulting in the accrual of arrears. I welcome section 14(2) (a), which relates to the powers of local authorities to deal with abandoned properties. This provision empowers city and county councils to take back properties and put them to good use as family homes without delay. While canvassing for the forthcoming elections, I saw many boarded up properties in certain housing estates. We must ensure that these properties are brought back into use.

A significant number of constituents have contacted me about the need for a tenant purchase scheme. While such a scheme is also necessary in urban areas, it is particularly significant in rural areas where people have been local authority tenants in a locality and wish to remain part of their community. I welcome the provisions relating to a tenant purchase scheme, including the stipulation that the new scheme will apply to existing local authority housing. Many of those seeking the introduction of a new tenant purchase scheme have been residing in their homes for many years. While canvassing, I encountered a case involving a person who lives in

a council house that was built some years ago to accommodate the person's parents. However, they chose not to purchase their home under the previous scheme. For this reason, the new scheme is welcome.

The housing assistance payment is a new initiative to address shortcomings in the rent supplement scheme. Rent supplement was only ever intended to be a short-term payment to support a person in the immediate months after losing a job. It is undeniable that the Department of Social Protection, through the rent supplement scheme, accounts for more than 40% of the private rented accommodation scheme. For this reason, when assigning limits on rental supports the Department had to be mindful of the large number of people in employment who are living in private rented accommodation. The limits have acted as a price floor for the rental market.

Unfortunately, the sudden surge in demand for rented accommodation has highlighted problems in the rent supplement scheme. The rental limits have not kept pace with the market, resulting in a surge in demand that has caused serious problems for people in receipt of rent supplement. Increased rents are also posing serious challenges for young working people. In this context, a change in policy has been desperately needed and the housing assistance payment will assist greatly in this regard. The HAP will be a longer-term scheme and, as such, will provide greater certainty to people currently in receipt of rent supplement. It will greatly increase the role of local authorities and empower families to source their own accommodation, safe in the knowledge that the local authority will partner with them in paying the rental costs.

Crucially, a person will no longer lose support towards rental costs on entering employment. Heretofore, one of the greatest concerns people had when taking up a new job was the immediate loss of the rent supplement payment. It is very difficult to start a new job if one faces uncertainty as to whether one will be able to pay for one's home. In short, the housing accommodation payment will tackle the so-called welfare trap and provide support to a person when he or she most needs it. Landlords, particularly in urban areas, know they will be able to secure a higher rent on the private market than that available from a local authority. In Galway city, for example, this means they can obtain a rent of €800 or €850 from private sources if the rent threshold applied by the local authority is €700.

The social housing investment programme announced in the new stimulus package is welcome and significant. The €50 million funding will provide €20 million for 800 additional homes, €10 million for capital projects dedicated to tackling homelessness and €20 million for local authorities to focus on priority projects. These are all welcome initiatives. The State has never provided sufficient funding for social housing and more will be required. We must also be conscious of the power in the Bill allowing local authorities to end tenancy contracts, as this may force some people into homelessness. This concern should be addressed.

The new mortgage deposit insurance scheme on which the Minister for Finance, Deputy Michael Noonan, is working will also have a positive impact. I am aware of the concerns that have been raised about the scheme, particularly the belief that it will create a new housing bubble. This is not the intention and the Minister has explained that the scheme will be for first-time buyers of newly built homes. The scheme will enable a large number of people who are currently trapped in the situation of paying high rents and unable to save for a deposit to buy their own homes. I am confident the Minister is very much aware of the risks involved and that he, and his officials, will include safeguards and will closely monitor the operation of the scheme. There is a need for new housing, particularly in urban areas. Over the next five

years, it is predicted up to 80,000 new houses will be needed in the greater Dublin area. The scheme will also be a shot in the arm for the construction sector. Such a scheme will be greatly welcomed in providing employment and much needed housing stock.

The review of the national spatial strategy is also crucial in ensuring sustainable and balanced regional development. It is not healthy for a country to concentrate one third of its population in a small area on the east coast. Up to 50% of the national population lives in Leinster. The lack of space in Dublin and the housing policies pursued during the Celtic tiger forced many young people who were born and raised in Dublin to look to the midlands and other locations to buy homes. Such an eventuality has had serious ramifications for communities and families as people could not settle near their home villages or towns.

Conversely, I am conscious there are some in politics, in the media and other areas who seem to thrive on the notion of turning the entire west into some sort of national park. This will never be allowed to happen. We need to sustain and further develop communities in the west and other areas outside of the capital. Promoting balanced regional development will lead to better outcomes for all and a better quality of living. Doing so is in the interests of all the people.

I welcome the Bill. There are many important and welcome initiatives included in it. There is a crisis of sorts in housing and this Bill will alleviate the problems in which many find themselves. Landlords will welcome receiving their rent directly from the local authority rather than from the tenant. It is not about protecting landlords but ensuring we get quality housing. I particularly welcome the initiative regarding the housing assistance payment, HAP, and changes to the rent allowance scheme. I commend the Minister of State and her officials on this Bill.

Deputy Catherine Byrne: I welcome the opportunity to speak on this substantial Bill.

I am galled by the Opposition jumping up and down, if not in here, on television, about a housing crisis and homelessness. One would think that for the past 15 years there was no one else in charge of the country who did not take on the responsibility they should have taken on to deal with housing, particularly social housing, when there was plenty of money flowing like honey out of every Department.

I commend the work done by the Minister of State, Deputy Jan O'Sullivan, on providing €15 million funding for putting 500 vacant local authority housing units back into the system. Over the next two years, €68 million will go a long way in this area. I also welcome the €35 million housing investment for people with a disability, who are homeless or elderly, the €30 million spend this year to upgrade the energy efficiency of the least well-insulated local authority homes and the €10 million kick-start for unfinished housing developments. This Bill is a step in the right direction and addresses some of the crises in social housing provision.

The three important elements of this Bill are the provision of legislation based on the new HAP, the introduction of a new tenancy purchase scheme for local authority tenants and the reform of the process of determination of local authority tenants. The current rent supplement system in place has not worked to the advantage of its recipients. Some of the properties people on rent allowance have been asked to live in are appalling, undesirable and not fit for renting. There was no way of properly vetting these properties with no inspections. I believe HAP, where the local authority will pay landlords directly, will secure appropriate accommodation in the private rented sector. Under HAP, unemployed people will be able to take up employment

14 May 2014

and not be penalised by losing rent supplement. That is important for those trying to get back into the workplace as it will help them when it is not possible to pay rent from their own pocket when starting back in work. Will the Minister flesh out how this payment will work in more detail?

I have waited for the tenant purchase scheme for a long time and I am delighted it will be re-introduced. There are many local authority tenants who would love to buy their local authority property and, hopefully, this scheme will open up the opportunity for them. One area the Bill does not address is flat complexes, however. It refers to social housing and apartments but not flat complexes. Does the term “apartment” cover flat complexes? In the area I represent there are many flat complexes such as Dolphin House, Braithwaite Street, School Street and Oliver Bond Street. When I visit these complexes, I am always taken aback by the shining letter boxes on the doors and the lovely smell of washing on the balcony rails. There are often three generations of families living in these complexes but they have never had the opportunity to buy their flats. This is a flaw we need to examine.

In 1976, my father bought our local authority house for £3,500. I know people who live in Tyrone Place, Islandbridge Court, Braithwaite Street and Dolphin House who are still paying exorbitant rents to the local authority. Many of these tenants have paid over €200,000 in rent over 50 years. It is an awful indictment to think that these tenants could have bought their own homes with what they have spent on local authority rents over the years. I am constantly asking Dublin City Council as to why people in flat complexes cannot be allowed buy their own property. I get the same old story all the time, mainly that everyone will not be able to afford to do so and there would be difficulties with management fees. All of these issues can be easily solved. Will the Minister of State make an effort in resolving this issue with the city councils? I know a lady who has lived in the social housing complex in Ash Grove in Dublin’s inner city for the past 30 years. Houses in the same complex have been bought - there are six houses in it. She lives in what is known as a maisonette where she reared her family, who all are working and contributing to society. She will not move, she said, because that is where she came from and that is where her roots are. After so many years, she is still paying rent to the local authority. She could have bought the place out three or four times, but she did not want to because she stayed there, her family are there and her children are around her. Such cases need to be looked at.

In the 1970s, and probably before that, we built large estates. We built Ballymun, St. Michael’s and other estates, but the problem with many of them was there was not any facilities around them. I remember going out to Ballymun when I was very young looking at the flat complex being built and I was appalled to think there was not even a shop at the time. Of course, Ballymun is gone now, and so is St. Michael’s Estate. Commentators blame those who lived in those complexes for what happened to them. I do not. I blame the local authority. The local authority failed its tenants in St. Michael’s Estate and Ballymun to keep a normal kind of a society. When St. Michael’s Estate was opened 49 years ago, there was a caretaker in each block. The balconies and staircases were washed down every day. There were proper facilities, such as gardening facilities, put in. There were caretakers cutting the grass etc. That was all abandoned and tenants were left to struggle following the 1980s, when many of the leaders moved out of the communities because they got a grant. Tenants were left to struggle to live in appalling conditions.

In the past couple of weeks, I have been toddling through the inner city, going into Braithwaite Street and School Street, and Oliver Bond. It would do us all good to go and walk up and

down the stairs in those complexes today and see the appalling state that tenants are living in, with no proper facilities and playgrounds one would have serious problems bringing a child to. If not for the tenants cleaning their own balconies and painting their own walls, they would not be able to live in half of these places. These are appalling places to live in.

I am devastated at this stage that the city council has not got its act together to be able to give tenants a proper place to live. It is no wonder most of the tenants living in them are in rent arrears. If the Minister of State, Deputy Jan O'Sullivan, or I were living in the conditions half of them are living in, we would not pay any rent. That is a terrible indictment on the local authorities to allow tenants to continue living in these complexes.

It is probably near the end of my time.

An Leas-Cheann Comhairle: I thank Deputy Catherine Byrne.

Deputy Catherine Byrne: I will finish on this last important point - I should have watched the clock - which relates to anti-social behaviour.

I have spent the past couple of months dealing with anti-social behaviour in my area, with those who have properties such as shops dealing with the scourge of youths rampaging through them, or walking in and taking items off shelves. I had a meeting last week with the local Garda inspector and businesses in the area the owners of which are deciding that if this does not stop they are moving out. These youths are causing havoc in communities. It is certain individuals whom I know well. All of them come from social housing. I am not condemning their parents, but the problem is that if a lad comes in, for instance, to Inchicore, and causes havoc, but lives somewhere else outside of Inchicore, there is nothing the city council can do to make that family accountable for their son. He is from outside the district. These anti-social behaviour rules that are coming in need to address this. If there are young people coming into an area whose family is living in social housing, it should be addressed no matter where they are from. I am not saying every child who is from a social housing background causes havoc, but I guarantee I could bring the Minister of State into Inchicore this evening and pick out five youths I know, all of whom are causing mayhem, who are living in social housing outside the area. I want this Bill to state clearly that, if a child is causing a problem and his or her parent is under a local tenancy agreement, something can be done if they live ten miles away because it is not happening.

An Leas-Cheann Comhairle: I thank the Deputy.

Deputy Catherine Byrne: I am sorry for labouring the point and I thank the Leas-Cheann Comhairle for allowing me the extra few minutes.

Deputy Dara Calleary: I wish to share time with Deputy Troy.

I endorse much of what Deputy Catherine Byrne stated in finishing. It is not only in Inchicore where that problem arises. We experience it as well, where persons from outside an area decide that an area of social housing, a social housing estate or a local authority estate will be their area of operation. They have no difficulty in coming in there and causing holy hell and havoc, and giving that area a bad name while slinking back like animals to their own area where they will not do any of that, and there is no way for local residents' associations or the local authority to take any action, even though we might know who these persons are. Some consideration should be given that anybody in a social housing contract and his or her family have a responsibility to their entire community, not only to the specific area from where they come.

14 May 2014

I welcome the detail that the Minister of State has put into this Bill in relation to tenancy warnings and tenancy issues. It struck me in past years as I got more involved with some of the voluntary housing associations, such as Clúid and Respond, that they have set rules which they implement in relation to behaviour if one lives in a voluntary housing estate run by them. If, however, one lives in the estate next door which was run by a town council and now by a local authority, one is not subject to those rules and there is much leniency given on consistent breaches of the tenancy agreement, in particular, anti-social behaviour. It is incredibly frustrating for residents who might even live in the same estate, except that there might be different batches of houses, to see the different ways of doing that. I welcome this Bill, but there is no sense in us passing it unless the local authorities implement it. There seems to be a situation in some local authorities around the country where we have all these rules but they are not implemented for whatever reason. There seems to be a fear to engage with troublemakers in large estates. There seems to be a practice of keeping it on the long finger and it might go away if one does not do anything about it, and that does not happen.

What Deputy Catherine Byrne stated is also true. Local authorities need to reassess their relationship with local authority tenants, not on the current basis in many cases that the local authority is doing somebody a favour by giving him or her a house, but on the basis of respect that this tenant is paying rent and is entitled to a service. That means that the maintenance budget is not the first budget to be cut when there are cuts to be made in the local authority - it is always the local authority estates maintenance budget that gets cut - that these rules are implemented, and that those who cause trouble and breach tenancy agreements are taken out of the estate. One must make examples of such persons. If one does not, an area will go from bad to worse. The majority of residents in any local authority estate who are there to get on with living, to rear their families and to make a contribution to their community, then will be able to do that without being intimidated. They will be encouraged in that because they will feel that their efforts and their commitment to their estate are being rewarded by the back-up of the local authority.

I welcome the tenant purchase scheme. It has been successful and there is a good track record. However, I have some difficulty with it. We have come to a situation over the past number of years where the original tenant purchase scheme has moved on and where there are landlords buying, and in many cases bulk-buying, former local authority houses in estates, and then the old rent supplement payment is paid out and tenants are moved in who are not suitable to the estate or who do not pass any social housing criteria, and therein lies many problems. There needs to be restrictions on this new tenant purchase scheme to prevent that from happening in future. I would support any scheme where somebody, who is paying rent and has a good record in an area, is allowed to make the ultimate investment. If, however, that person decides to sell on, there needs to be a restriction on to whom he or she can sell. I do not know how one gets around this constitutionally. It cannot be sold on as an investment property. It needs to be sold on to somebody who is going to make a commitment to live in the area. In many older local authority estates, the anti-social difficulties are coming from tenants who are in and out of houses that fall under the rent purchase scheme. This flaw in the tenant purchase scheme was probably not envisaged in 1987, but we know about it now. I would like to think the Minister of State might take some action in this regard.

I note that Deputy Kyne welcomed the proposed new mortgage scheme for first-time house buyers. Frankly, the announcement of this scheme, which will not be ready until the Finance Bill is passed six months from now, is typical of the kind of thing this Government does during election campaigns. It is cynical and flawed for the Government to take such an approach to

trying to tell the people it is doing something about this problem. That it was done ten days before polling day shows it is nothing more than an election stunt. It is not going to do anything to ease the problems of people on social housing lists who are concerned about getting accommodation. It will do nothing for the supply of housing, which is the biggest issue at the moment. The demand that exists is generally being supported by mortgage approvals, but the supply of family houses, in particular, is inadequate. Many people who live in start-up houses have had families and need to move up to the next stage. That particular supply area is not there. The Minister of State needs to focus her efforts on those who are amassing land banks. They need to be taxed. They should be told to move those land banks on to facilitate the development of family-friendly properties. All the experience of the last ten years should be taken into account when that is being done. We need to make sure facilities are put in place when such properties are being developed.

I welcome the Minister of State's announcement last week that a scheme will be put in place to refurbish the local authority housing stock. I encourage the Minister for Finance to give the Minister of State more money for the scheme because many more properties could be refurbished. This ready-made solution to some of our housing problems could provide employment to many of the 80,000 people on the live register who have construction skills. If this scheme is rolled out in an imaginative manner, it might give some people a skill. If tenants in local authority estates where the existing housing stock needs to be improved are allowed to get involved in refurbishing houses in their own communities, they might be able to get skills in areas like carpentry and enjoy a stake in the development of their communities. Eventually, they might be able to use their new skills to assist their communities. Perhaps the Minister of State could sit down with SOLAS officials to consider an apprenticeship scheme that would allow the tenants of local authority housing estates to get involved in refurbishing those estates. That is the best buy-in we could get. These people would get skills and there would be community buy-in. I would appreciate it if the Minister of State could examine that.

I am willing to give the new housing assistance payment, which will come from the housing authority, a chance. The market has proved that the rent supplement caps are a hindrance. They are certainly not effective in Dublin. Many landlords are abusing the rent supplement caps by using them to deny tenants their tenancy rights. It is wrong that they are using these caps to move tenants on. I hope there will be safeguards in the new housing assistance payment to ensure tenants are respected. It should not be possible for a rogue landlord to use changes in the housing assistance payment to move a tenant on, for example by deliberately increasing the rent to a level above the payment threshold.

I welcome the provision that will allow deductions to be made from social welfare payments in cases of rent arrears. I do not have an exact figure for the amount of outstanding arrears in local authorities. Perhaps the Minister of State has that figure. As I said earlier, local authorities need to respect their tenants. It is also important for tenants to respect the ability of local authorities to provide services on the basis of the rent that is paid. Months or years of arrears cannot be allowed to build up on properties without some sort of early engagement on why there is an arrears problem, why there is a difficulty in paying and whether a new payment plan can be put in place before the arrears get too big.

I welcome many of the provisions of this legislation, particularly those relating to tenancy agreements. There is no sense in talking about this today if such agreements are not implemented on the ground. Organisations like Clúid and Respond deal with tenancy issues and anti-social behaviour issues in many of their estates in a very proactive manner. I suggest that local

authorities should follow that model. It is worth putting that investment into staff. Perhaps some local authority staff can be moved into this area. Anti-social behaviour should be stamped out as soon as it breaks out in a local authority area. I believe that 99% of the people who live in these estates are decent. We should give them a chance to have pride in their communities. We owe it to tenants to take that kind of proactive approach.

Deputy Robert Troy: I welcome the opportunity to speak on this Bill. When this House debated the housing crisis a number of weeks ago, we highlighted some of the major issues that public representatives are trying to address and solve. Much of what is in this Bill is very positive, but some of it will not solve the issues in question. There are over 90,000 people on the housing list. The high cost of rent is preventing local authorities from taking on houses under the rental accommodation scheme. Landlords are simply refusing to engage with local authorities on that scheme because they can get more money on the commercial market. The Dublin Region Homeless Executive has pointed out that homelessness has increased by 200% over the last 12 months. We are facing an unprecedented crisis. We need to address it quickly. There seems to have been a sort of drift within the Department of the Environment, Community and Local Government in terms of how it intends to address this issue.

As I have said, I welcome some elements of this Bill such as the tenancy warning issue and the revised procedure to recover possession. A tenant who engages in anti-social behaviour, refuses to pay the rent or causes undue hardship to his or her neighbours and the people in the community deserves to be penalised. While it is right for such a person to get an initial warning and a second chance, if he or she continues on the same track he or she ultimately deserves to have his or her house repossessed. This Bill also seeks to enhance the administrative functions associated with the rental accommodation scheme and the new housing assistance payment system. I hope that will ensure there is greater efficiency within the system. We are all in favour of greater efficiencies.

I have an issue with mandatory reductions at source. It is another example of a payment being taken away from local post offices. Many tenants in local authority houses pay their rent through the post office after they have collected their weekly old age pensions or social welfare payments. This service is moving away at a time when the State should be supporting the critical service that the post office provides in our communities. I accept that if people have built up significant arrears and are not prepared to pay their rent on a weekly basis, it definitely needs to be deducted at source. Given that most people are law-abiding citizens who pay their dues on a weekly basis, I do not know whether there is a need for this provision.

I welcome the tenant purchase scheme. I think it is very positive. It was suspended for the last 12 months or more. Many people would like to buy out their own houses when they are in a position to do so. If they have lived in the house for many years, it is likely that they have invested in it to renovate and upgrade it and would now like to own it. It is only right and proper that a new scheme has come into place. However, I remain worried that it might discriminate against people whose only income is social welfare. The Minister of State is aware that I have previously highlighted my concerns with regard to people who have been living in these houses for a long period of time and built up a track record of paying their rent. In some instances, their mortgage repayments could be similar to the differential rent. I suggest that discretion should be exercised in such cases. In a case where a disabled person receives a disability payment and his or her carer receives a carer's allowance, there might be an income of €450 or €460 per week, which is similar to the income of a person on the minimum wage. However while a person on the minimum wage might be able to take out a loan and buy his or her house, a per-

son on social welfare cannot. It is discriminatory against people on social welfare and when I spoke recently I asked the Minister of State to explore the point. When the rent and mortgage payments are at the same level, tenant purchase should be accommodated.

Does the legislation deal with the serious issue of the anomaly regarding separated couples? When one member of a couple moves out of the family home, his or her name may remain on the title deed because a separation agreement to legally remove it from the title deed is unaffordable. Although such a person might not be able to provide a home for himself or herself, he or she is unable to access social housing because his or her name remains on the title deed. I could cite cases from my constituency, as many other colleagues could, in which the woman had no choice but to get out of her house due to domestic abuse and lives in a refuge because she cannot get onto the local authority housing list. In one case, the husband suffered from profound psychological problems and the wife, having stayed with him for many years trying to help him, could no longer stay, moved out of the family home and is unable to get onto the housing list or get any help or support such as rent allowance. This must be addressed.

The major issue is the absence of proper and meaningful investment in the provision of local authority houses. The investment level has collapsed in recent years and nothing has been done to address it. Hopefully, the tenant purchase scheme will leverage money and enable local authorities to reinvest it in upgrading existing stock or building new stock. It is not there, and it must be addressed radically. We should support the Part 5 concept and I hope development happens. I believe in the Part 5 concept because it is socially inclusive and does not segregate people without the means to provide homes for themselves into one particular area or housing estate. Housing should be mixed, as it is far better from a social perspective and I would like it to be progressed.

I would appreciate if the Minister of State would re-examine the issue of separated families. We should re-examine the discriminatory criteria of the new tenant purchase schemes. We should consider enabling voluntary housing bodies and giving them the necessary legislative framework to raise capital to build new units to provide for the thousands of people on housing lists across all constituencies who have no opportunity to get housing any time in the near future. Has the Minister any plans to deal with private landlords who do not wish to engage with local authorities or local authorities which are not engaging with landlords regarding long-term leases? In my constituency one could count the properties with long-term leases on the fingers of two hands. What plans does the Minister of State have to deal with the issue? There is nothing in the Bill that will deal with it.

Deputy Anthony Lawlor: I welcome the progress in housing legislation. This is a step along the way, and we have a long way to go to rectify the problems that developed under the previous Fianna Fáil Administration. I am delighted Deputy Troy said the only construction that would happen under his watch would be the tent at the Galway Races where his developer friends would be. I am sure he would welcome such a scenario again. The Minister of State knows my views on Part V.

Deputy Robert Troy: Fine Gael might have it in PuncHESTOWN. Is the PuncHESTOWN tent still open?

Deputy Willie O'Dea: It has not been closed down. As far as we know it is still open.

Deputy Anthony Lawlor: I have always said that while Part V was an instrument to aid

development and build houses, it never built communities and I have always argued against it. Deputy Troy has suddenly developed a social bent regarding building social housing. He never mentioned it in the past three years when no houses were delivered to local authorities under the Part V scheme. It is one of the reasons the Government should take more control of house building for people on the housing lists. Part V has not delivered on that, particularly in the past five years. I will welcome any changes to that piece of legislation, which was brought in a number of years ago.

In Kildare this morning, 6,047 people are on the housing list. While the Bill will help in some regards, I am concerned about how the HAP will replace the rent supplement scheme. In Kildare very few properties are being made available for rent supplement to the local authorities. Will the HAP, which is replacing it, improve this? It is probably a matter for the Minister for Social Protection, Deputy Burton. We have a serious issue regarding rents. Competition is coming from the private sector, which is strong in Kildare, not only in my constituency but in Kildare South. In view of the strong jobs growth, particularly in my area, there is strong competition for accommodation and therefore people on waiting lists are unable to acquire properties. We tried to dictate previously. Unless we bring the allowances into line with the open market, more tenants on waiting lists will be unable to acquire properties.

I would like a quicker turnaround of vacant local authority properties, and while I welcome the funding the Minister of State allocated, we need to speed it up. There are boarded-up houses in local authority estates and it is vitally important we make those available to tenants as quickly as possible. Can we strengthen the ability of the offspring of long-term local authority tenants to take over their parents' properties? I know of a number of cases in which a tenant passed away and the local authority cannot make a decision to allow the son or daughter to live in the house afterwards. Perhaps we could do some legal work in that respect.

The Minister of State has heard me argue before that this is really an issue of house building and we need more houses to be built. The Minister for Finance is looking to provide some sort of assurance for first-time buyers for new houses but as of this morning, there are only 34 new houses available on *www.daft.ie* for the entirety of County Kildare. If many people secure loans through banks with the aid we provide through assurance, there would be much money chasing too few goods. We must consider how we can incentivise developers to start building. It may be radical but I have an idea which relates to a term in rugby, which the Minister of State would know as she comes from Limerick. It is "use it or lose it", and I contend that if land is zoned but not used, for example, if no planning permission is sought or a development is not built, in a five-year period, the land should be rezoned to previous use, which may have been agricultural purposes. Something radical like that may shift developers into building more houses.

I understand from a building perspective that the cost of building a house when compared to the market price leaves a differential. We may need to consider some tax elements to incentivise builders to produce houses. It costs approximately €100 per square foot to build a house, with a 1,500 sq. ft. semi-detached house costing €150,000. On top of that are levies charged by local authorities, taxes and site development costs. The final build cost would be between €220,000 and €250,000 but new houses for sale are currently not achieving that price. Somebody must make up the difference, so we must incentivise builders to develop housing which we need. The Economic and Social Research Institute has indicated we need 25,000 to 30,000 houses per annum but only 12,000 were built last year, meaning there is a deficit in the area, particularly on the eastern side of the country. Should we stimulate building rather than facilitating people in accessing finance, which will come later? The cost of money is also an issue,

and only yesterday I discovered there is a difference of 1.4% in the cost of borrowing money here as opposed to borrowing money in Germany. We have the same EU rate across the board, with a basic ECB rate of 0.25%. We must address this difference in the cost of money when people are buying properties.

I have been completely opposed to the Part V provisions from day one, as they would build houses rather than communities. It was a ridiculous part of the legislation, which amounted to a cop-out by the previous Administration. It took the house building role of local authorities away from them and put it into the private sector. We can now see the results with, for example, 6,047 people in Kildare on the housing list as a direct result of Part V provisions. Nothing has been delivered to local authorities in the past three years and I cannot see how anything will be delivered in the next two years under these provisions. The initial concept was watered down, and I have always believed that a contribution should be made to a local authority when somebody is seeking land to be zoned. I have always believed in land being handed over so it can be used by local authorities for amenities, schools, roads, libraries and other elements for developing communities.

I welcome the legislation, which is a step forward; we are going in the right direction but we must consider areas in which the housing assistance payment may not work out because of the rent differential between what the Department of Social Protection is willing to pay and what the market demands. I welcome the legislation and I approve of the tenant purchase scheme. Local authorities need access to finance so they can provide loans to tenants. I welcome this Bill and I wish the best to the Minister of State.

Deputy John Paul Phelan: I welcome the legislation and particularly the main provisions, some of which were outlined by Deputy Lawlor. Tenant purchase is a mechanism that would allow tenants of local authorities to buy their properties and own them independently but the process was suspended some time ago. This legislation allows for a new tenant purchase scheme, which is to be welcomed. There are also changes which enable local authorities to act on persistent matters of anti-social behaviour in local authority housing, which would be welcomed by everybody and particularly the law-abiding local authority or social housing tenants.

I will touch on a couple of issues as Kilkenny is no different from most parts of the world. In the past few years we have seen a major increase in the number of people on the housing list. As Deputy Lawlor argued, as a result of the Part V arrangement entered into by the former Minister, Noel Dempsey, a number of years ago, local authorities essentially privatised the development of social housing around the country. The process has not been successful. Deputy Troy spoke about his support for the Part V provisions but in my time in the other House, his associate, former Senator Donie Cassidy, spoke about tremendous value five or six years ago in buying properties worth approximately €200,000 at the time in Castlepollard, County Westmeath. I would like to know what they are now worth, as he advised all the Members of the other House at the time to invest in property in Castlepollard. That has not worked out.

There are laws relating to derelict sites. In Kilkenny I was involved with a number of towns and villages in my time as a member of the local authority, and we sought to ensure that the county council could take over some derelict sites and have them redeveloped for social housing. In this city and throughout the country there is a proliferation of derelict sites and the law allows for compulsory purchase if the owner of the site in question does not improve it. It is a somewhat complicated process but it could provide access for local authorities to a number of brownfield sites, some of which are in town or city centre locations, for social housing develop-

14 May 2014

ment. I welcome yesterday's announcement by the Government in that the stimulus package will have a provision for funding for up to 800 additional units across the country. It is but a drop in the ocean but it is also a step in the right direction.

I welcome that this Bill allows for direct deduction of social welfare payments where cases of arrears arise. I query the point raised by Deputy Troy that this would remove a function from post offices. This relates to a case where arrears would arise and money has not been paid through post offices or any other mechanism. It is not something that will be forgone by post offices around the country but rather it is money that would not have been paid in the first place. This legislation would allow such a direct deduction, which is a positive step.

12 o'clock

I echo Deputy Lawlor's sentiments on the need for a quicker turnover of vacant local authority accommodation across the country. There has been some action in that regard in recent years and I urge more action.

Debate adjourned.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Billy Kelleher - the progress made in providing access to omalizumab, Xolair, for severe asthma to patients in Cork University Hospital; (2) Deputy Colm Keaveney - the reconfiguration of maternity services in the west and north west; (3) Deputy Olivia Mitchell - the need for a new national spatial strategy; (4) Deputy Éamon Ó Cuív - the need to ensure the continued provision of social welfare services in Ballinrobe, County Mayo; (5) Deputy Pearse Doherty - the pay and conditions of school secretaries; (6) Deputy Finian McGrath - the need to support the families of victims of the Dublin and Monaghan bombings; (7) Deputy Jerry Buttimer - the need to take action to grow passenger numbers and increase route options at Cork Airport; (8) Deputy Paudie Coffey - the need for 24/7 critical cardiac intervention services for the south east at Waterford Regional Hospital; (9) Deputy Mattie McGrath - the need to discuss the impact the UK road user's levy is having on employment levels for Irish road hauliers; (10) Deputy Clare Daly - the serving of strike notice at Aer Lingus; (11) Deputy Dara Calleary - the future of consultant-led maternity services at Mayo General Hospital; (12) Deputy Mick Wallace - the proposal to assist first-time buyers in securing mortgages; (13) Deputy Patrick O'Donovan - the need to introduce changes to the knowledge test for small public service vehicle licences; and (14) Deputy Maureen O'Sullivan - the need for an update on issues in relation to Magdalen laundry survivors.

The matters raised by Deputies Paudie Coffey, Billy Kelleher, Patrick O'Donovan and Mattie McGrath have been selected for discussion.

Leaders' Questions

Deputy Micheál Martin: A total of 31,000 discretionary medical cards have been taken from very sick children and from people with life-limiting, life-threatening and terminal conditions over the past three years. I have raised this issue on various occasions in the past 18 months at Leaders' Questions, and the Taoiseach has consistently denied any change in policy or any move to limit and get rid of discretionary medical cards. The Government's position

became farcical when the Minister of State at the Department of Health, Deputy White, said on radio that there was no such entity as a discretionary medical card. That attempt to eliminate the truth and the facts would have done justice to any North Korean leader.

The health service plan set a target to reduce discretionary medical cards. Every Member of the House has been inundated with calls from worried parents and families who have lost medical cards. I have a list of ten people with very serious conditions that I can give to the Taoiseach. One is a 12 year old child, one of six in the world with a particular syndrome, which gives rise to appalling conditions, who is denied a medical card,. Another is a 65 year old woman with multiple myeloma, a terminal condition, who had the card for some years until it was removed. There are many other such cases. There was an incredible report in the *Irish Independent* about the mother of Ben Hughes who was asked to prove that her child still had Down's syndrome. This is extraordinary.

Deputy Mattie McGrath: Shameful.

Deputy Micheál Martin: The chief executive officer of Down Syndrome Ireland says that half of children with Down's syndrome have either been affected by this cull of discretionary medical cards or have lost them.

The specialist nurses of the Jack and Jill Children's Foundation wrote to the Minister for Health. They care for children with life-limiting or life-threatening conditions who need 24 hour care. They say the situation has become particularly vicious over the past two years. It is critical. It is only a matter of time before somebody, most likely a stressed out parent, is pushed over the edge by this unjust system. They see the danger signs: parents worn out, reduced to tears, not sleeping, not coping and worried out of their minds about their child's medical card. We have all met such parents.

Will the Taoiseach for God's sake intervene in this scandal which has been going on for the past two years? It is utterly shameful. Most people we meet, irrespective of whether they have medical cards, are asking us in the interests of a decent society look after the sickest, those who need medical cards and make them our priority. Will the Taoiseach intervene, reverse engines and transform the situation?

Deputy Michael Healy-Rae: The Taoiseach must justify that.

The Taoiseach: I thank Deputy Martin for his question. I recall in 2002-----

(Interruptions).

Deputy Michael Healy-Rae: Deputy Kenny is the Taoiseach now.

The Taoiseach: Deputy Healy-Rae should know that I always like to remind Deputy Martin of the truth. It is a very important element in Irish life.

A Deputy: They do not want to hear.

Deputy Mattie McGrath: The Taoiseach should set up a truth commission.

A Deputy: The Taoiseach supported it.

Deputy Timmy Dooley: Deputy Martin has already answered for that.

14 May 2014

The Taoiseach: In 2002, Deputy Martin promised the electorate 200,000 extra medical cards. By the time he left the Department of Health in 2004, it was estimated that 100,000 individuals on low incomes had lost eligibility. That is Deputy Martin's record.

Deputy Willie O'Dea: What about people with cancer or motor neurone disease?

The Taoiseach: The question of discretionary medical cards, long-term illness cards, or cards for children or people with particular difficulties or for emergency situations is very serious because it impacts on people's quality of life and causes stress and anxiety.

Deputy Mattie McGrath: The Taoiseach is in denial.

The Taoiseach: A great number of our people who have full medical cards have not used them for quite some time because, as the Deputy knows, the legislation governing medical cards is based on financial hardship, not on medical condition. Community welfare officers in different parts of the country used their judgment in different ways to grant medical cards or not.

Deputy Timmy Dooley: Who told the Taoiseach that? Where did the Taoiseach hear that?

The Taoiseach: That was from Deputy O'Dea. Deputy Martin centralised this process and the same criteria applied to everybody. That is where the problem has arisen because the centralisation does not take into account the particular circumstances that might apply in any individual case.

When Deputy Reilly became Minister for Health-----

Deputy Timmy Dooley: We remember that.

The Taoiseach: -----he requested a detailed examination of the 78,000 people who held medical cards on a discretionary basis, in March 2011. Of the 77,925 discretionary medical cards in circulation on 1 March 2011 their status on 1 March 2014 is that 25,398 people, 33%, still hold a medical card on a discretionary basis; 37,906 people, 49%, now have a full medical card based on an assessment of means-----

Deputy Micheál Martin: They had it already.

Deputy Mattie McGrath: That is gobbledegook.

The Taoiseach: The Deputies opposite may laugh if they want. There are 37,906 people with a full medical card; 14,621 people, 19%, no longer hold a medical card, 3% of them were deceased, 7% did not respond to correspondence; 2% did not complete the review process and 7% completed the process but were found to be ineligible for a medical card.

One of the key goals of the reform of the health system is to ensure people who have challenges-----

Deputy Mattie McGrath: They are all own goals in this Government.

The Taoiseach: -----can get an integrated package of services of care built around their particular needs. The Health Service Executive, on the basis of current legislation which states this is based on financial hardship, may allow discretion – I know families, good luck to them, who may well be very much in excess of the income limit, they might be very high earners - but no

matter how far one extends the discretion, one will fall short of particular cases. Campaigners say we must allow a full medical card for persons with a particular need, who deserve to have it for life, but if one applies that logic, everybody who becomes a diabetic, or everyone who is asthmatic might be eligible for a card. We need to have a discussion on this and I take into account the many cases Deputies have raised here. Nobody should be asked the question: “Is your child still Down’s syndrome or not?”

Deputy Mattie McGrath: They are being asked that and many other questions as well.

The Taoiseach: Nobody should be asked that question, Deputy McGrath.

Deputy Mattie McGrath: They are being asked.

Deputy Finian McGrath: That is what is happening.

An Ceann Comhairle: Stay quiet, please.

Deputy Timmy Dooley: It is the Taoiseach and his Minister who are doing this.

Deputy Finian McGrath: What is the Taoiseach going to do about it?

The Taoiseach: I cannot defend somebody in whatever office-----

An Ceann Comhairle: We are way over time.

The Taoiseach: -----sending out a reply to a person who suffers from motor neurone disease asking if the person is still suffering from the disease.

Deputy Dara Calleary: It is happening on the Minister, Deputy Reilly’s watch.

The Taoiseach: This is what we have to get right.

Deputy Timmy Dooley: It is happening on the Taoiseach’s watch.

The Taoiseach: This is where the Minister, Deputy Reilly, and others are working to ensure that the package of services and facilities are made available to those people in their particular difficulties.

(Interruptions).

Deputy Timmy Dooley: Does the Taoiseach want me to hold up a mirror for him?

The Taoiseach: I understand Deputies raising the question of discretionary cards. I have given them the figures three years on from 2011 but I want them to understand that there is not an attempt here to show lack of understanding, compassion or consideration for people who have these challenges.

Deputy Timmy Dooley: The Taoiseach is failing then.

The Taoiseach: It is a question of getting a system that is fair for everybody. This issue has been raised with me over the years. I have been asked questions such as, “How come this person had got a medical card and I cannot have one?” and “How come this was allowed and it was not allowed in my case?”

(Interruptions).

An Ceann Comhairle: I will let the Taoiseach back in.

The Taoiseach: If we are going to have a standard, we need to look at what we are doing here. If it is on the basis of financial hardship, we need to apply discretion as far as we can but we need to put the local integrated package around people who need it to see that they get that care and attention.

Deputy Timmy Dooley: Clearly, they are not listening to the Taoiseach.

Deputy Micheál Martin: We are not talking about any old case. People who had discretionary medical cards had them under the legislation. I think most people watching and most people in society would expect a 12 year old child who has profound mental disability, is legally blind, has hearing loss in the left ear, is asthmatic, is non-verbal and is wheelchair bound to have a medical card. That is my point. I am not talking about systems or integration this or that. Most people in society would say, “What in the name of God is going on when a child like that does not have a medical card?”

Deputies: Hear, hear.

Deputy Micheál Martin: Equally, in terms of a 65 year old woman who has multiple sclerosis, osteoarthritis, congenital abnormality of the eyes and other conditions, I think most people would say that person should have a medical card. In terms of an elderly women with multiple myeloma, she had a medical card since 2006-----

An Ceann Comhairle: A question please, Deputy.

Deputy Micheál Martin: ----she has a terminal condition but has had her card removed. The Taoiseach can see that this is a policy. Enormous stress is being caused. Last night I called to a door and I am not going to name the case because it is confidential.

An Ceann Comhairle: Deputy, we are over time.

Deputy Micheál Martin: This is the case of a person who has motor neurone disease, who is on a ventilator and for whom incredible care is being shown by a loved one. The person’s card has only been renewed for six months. This is out of control. It is a disgrace. The Taoiseach should hang his head in shame-----

An Ceann Comhairle: A question please, Deputy.

Deputy Micheál Martin: -----over a policy that is focused on taking cards from people who need them.

Deputy Mattie McGrath: He has been told about it often enough.

Deputy Micheál Martin: The legislation is there to allow it. The Taoiseach has been warned enough by many people on his own side, by Deputies on the backbenches and Deputies from every other party here. This calls for a genuine intervention.

The letter from the Jack & Jill Children’s Foundation specialist nurses was sent to the Taoiseach and it made a very good point. It said that the Government should be rolling out the red card for parents who are prepared to look after their children in very serious conditions on a 24

hour basis, not rolling out red tape. That is what is happening right now. They are in dread of the next letter that will come their way advising them that their card is under review and will they please fill in all the forms. That is what is happening. For God's sake, will the Taoiseach do something about it? Intervene and stop it.

The Taoiseach: Let me assure Deputy Martin that he is not the arbiter of all things that are just and fair in the country.

Deputy Mattie McGrath: Answer the question.

The Taoiseach: His own record speaks for itself - it was disgraceful. I called in the HSE, the Minister for Health and everybody else to discuss these questions-----

(Interruptions).

An Ceann Comhairle: Deputies, will you stay quiet please until we hear the answer?

The Taoiseach: -----because Deputies on this side of the House were bringing to our attention very serious cases. I have not heard Deputy Martin say that the law should be changed from what it is at the moment where it is based on financial hardship.

Deputy Micheál Martin: The Taoiseach is wrong there.

The Taoiseach: I have a case here myself.

(Interruptions).

An Ceann Comhairle: Please, Deputies, a time limit applies here.

The Taoiseach: Let us have a conversation about it. If the Deputies want to decide to change the legislation to base it on medical needs as distinct from income and financial hardship that flows from that, well then we are entering a very different sphere here.

Deputy Willie O'Dea: The legislation provides for that.

The Taoiseach: What I am trying to do here is to ensure-----

Deputy Timmy Dooley: The Taoiseach has the super majority so he can come up with the solution.

The Taoiseach: -----that the people who need care, attention, facilities and aids for their particular illness get them-----

Deputy Róisín Shortall: What about terminal illness?

The Taoiseach: -----but of course there are differences of opinion and perception about the medical card, the long-term illness card, the discretionary card-----

Deputy Mattie McGrath: And the joker.

The Taoiseach: -----given in exceptional circumstances,-----

Deputy Timmy Dooley: The Taoiseach should forget about the card and think about the people.

14 May 2014

The Taoiseach: -----the emergency card given and people who have particular difficulties.

Deputy Micheál Martin: These are incredibly severe cases.

The Taoiseach: I said here that in a case involving the HSE, I do not believe it should ask somebody six months further on have they still got motor neurone disease.

Deputy Willie O’Dea: That is the policy.

The Taoiseach: That is not what we want.

Deputy Micheál Martin: That is what is happening.

Deputy John Halligan: What is the Taoiseach going to do about it?

The Taoiseach: Yes, I understand, and that is why we have intervened here to put a stop to that.

Deputy Timmy Dooley: It is not working.

The Taoiseach: Just like other cases where centralised digital recording took place, these cases come to light all the time and each time they do we try to deal with them with a sense of compassion. The Minister, Deputy Reilly, is going to meet with the nurses from the Jack & Jill Children’s Foundation to go through these cases so that the State can say of course we understand that people-----

Deputy Mattie McGrath: There no compassion.

The Taoiseach: -----have particular difficulties, some of them for life. I have a case here of a person who has motor neurone disease, who is suctioned ten times a day but is very much over the limit in terms of eligibility. What are we to do? Are we to say that everybody gets a card here?

Deputy Micheál Martin: Of course a person who has motor neurone disease who is at the end stage should get a card. It is obvious. It is elementary.

The Taoiseach: That person needs 24-hour care and cannot speak, walk or do anything. In our nation’s history-----

Deputy Micheál Martin: The Government has been trying to cut them - some 30,000 of them.

The Taoiseach: -----we would never want to see a situation where they are left without attention or without medical care. The Deputy refuses to focus on the fundamental issue that we are trying to deal with here.

Deputy Micheál Martin: The Taoiseach is refusing to focus.

The Taoiseach: The law has been there for many years. That is why probably back in 2002-----

Deputy Willie O’Dea: More and more cases are coming to light.

The Taoiseach: -----Deputy Martin disgraced himself with another promise that he could

not keep.

Deputy Mattie McGrath: The Taoiseach is going back to the last century.

The Taoiseach: I am giving the Deputies the figures for discretionary cards from 2011 to 2014-----

Deputy Timmy Dooley: And we are giving the Taoiseach the cases.

The Taoiseach: -----and we will continue to show compassion and understanding where that is possible in all these circumstances.

Deputy Willie O’Dea: That will be a change.

An Ceann Comhairle: I ask the Members to have an understanding of the position of the Chair. That question extended for seven and a half minutes over the time allocated.

Deputy Dara Calleary: It was a very important question.

An Ceann Comhairle: If they want to extend the time allowable, please arrange to do so, but do not have me shouting at them to please finish. That is all. I only apply the rules. Will the Whips ever get together and look at this issue so that we can have some flexibility to ensure I can stop having to call on people to sit down?

Deputy Micheál Martin: Okay.

Deputy Timmy Dooley: Well said.

An Ceann Comhairle: I cannot just allow things to drift on and say nothing. I have to try to be fair to everybody. I call Deputy Adams and I will be depending on his generosity.

Deputy Gerry Adams: Go raibh maith agat. The Taoiseach’s policy of withdrawing medical cards from sick citizens has no credibility whatsoever. Private Members’ business this evening, which is a Sinn Féin motion on this issue, will give him an opportunity to change his tune and to rectify this crisis.

There is also another crisis, a major housing crisis causing untold misery to thousands of citizens, including children. Within sight of this Chamber there are thousands of people, some young and some not so young, sleeping rough on our streets. Other families - thousands of them - are living in cramped, over-crowded conditions with parents and grandparents because they cannot get a home of their own.

Mortgage distress is also a major social issue. The number of families in mortgage arrears is now 136,564. The Taoiseach’s proposal, as I heard it on “Morning Ireland”, aimed at encouraging banks to lend more only to buyers of new houses reads like an extract from the election stunt section of the Fianna Fáil handbook of strokes and other scams. It does not make any sense in dealing with the crisis. There are also well-founded concerns that his proposal will lead to inflated houses prices. The Taoiseach must know that housing lists in all local authorities are lengthening. The bill for emergency accommodation is spiralling. There is a tenfold increase in the past year in spending by the Dublin Region Homeless Executive on emergency accommodation. The Peter McVerry Trust has dealt with 3,600 homeless cases, mostly young men, in the last 12 months alone and the number of families losing their homes has more than doubled according to Focus Ireland. That spending on housing in Dublin city is to be reduced by €53

million. A radical change of policy is needed.

Sinn Féin's housing spokesperson, Deputy Ellis, has already suggested a plan of investment in social housing that would see the construction of 7,500 new homes on top of current targets. There is €1 billion of unused money in the strategic investment fund that could be used to stimulate the construction industry, mar is eol don Taoiseach, níl aon tinteán mar do thinteán féin. Will the Taoiseach commit to taking this practical measure as part of a package of initiatives, including the introduction of a right to housing, protection of families from eviction and rent controls?

The Taoiseach: Deputy Adams talks about changing tunes here. There are a few issues on which he could change tune himself, but I will not go into that now. When he speaks about the housing problem and puts forward Deputy Ellis's view that we should take €1 billion from the National Pensions Reserve Fund and start building houses, even Deputy Adams with all his magic could not conjure up houses in the next six months. Today the Government will launch its construction strategy with 75 specific actions to stimulate this industry. I want the Deputy to understand that the legacy left behind by the people sitting to the Deputy's left is an obscenity on Ireland and its people.

Deputies: Hear, hear.

The Taoiseach: I refer to pyrite, greed, corruption, planning scandals and credit as if it could be thrown about forever.

Deputy Timmy Dooley: The Taoiseach could not care that his councillors were stuck in the middle.

Deputy Patrick O'Donovan: They have gone very quiet.

The Taoiseach: As I said before to the Deputy previously, the hallmark of the previous Government's catastrophic failure was Priory Hall. It put people into those kinds of housing units.

(Interruptions).

An Ceann Comhairle: Will Deputies stay quiet please?

The Taoiseach: Yet again this Government has to come along and clean up the mess.

Deputy Micheál Martin: A Fine Gael-led local authority allowed Priority Hall, for God's sake.

Deputy Timmy Dooley: And Deputy Adams's friend built it.

The Taoiseach: I make no apology for saying I do not accept anybody's assertions that this Government, in cleaning up this mess, will go down the road of creating a further housing bubble.

Deputy Timmy Dooley: That was a Fine Gael-Sinn Féin partnership.

The Taoiseach: There are 100,000 people on the live register who were involved in the construction industry, including plasterers, blocklayers, chippies, tillers, roofers and everything else. We want these people to have an opportunity to get back into the world of work. We

want families, young people and those starting on the housing ladder get top-quality housing at affordable prices, not like what we had before and which unfortunately we have discovered in various parts of the country. Today the Government will launch a strategy in this regard. Yesterday, as a further indication of where Government stands on this, €50 million was allocated to the Minister of State at the Department of the Environment, Community and Local Government with responsibility for housing to address homelessness, where a further €10 million is put in, with €20 million for direct construction and €20 million to bring back a further number of houses that are empty and boarded up, and could make very good homes. That will bring the figure involved to 1,800. This is an issue that concerns families, people, jobs, employment and opportunity. It is not about contractors or developers. It is not about greed or bankers.

Deputy Timmy Dooley: It is all about the Taoiseach.

The Taoiseach: It is about people, our economy and jobs for the future.

Deputy Dessie Ellis: What about the €60 million the Government cut off?

Deputy Gerry Adams: I interpret the Taoiseach's answer as "No" because I put forward a thought-out suggestion. The Taoiseach talks about people; this is about citizens. There is a difference between people and citizens: citizens have rights, including the right to a home. The Government is going to announce its construction strategy. Will the Taoiseach bring it in here so that we can discuss it and make suggestions? No, it will not come into the Oireachtas with it. It is going elsewhere with it and it is doing the type of thing that the Minister, Deputy Rabbitte, does in an election campaign. People will see through this.

Deputy Ray Butler: Deputy Adams is a good hand at it.

An Ceann Comhairle: Would Deputies please allow a reply and stay quiet. I also ask Deputy Adams to stick to his time.

Deputy Gerry Adams: Okay, a Cheann Comhairle. Go raibh maith agat.

An Ceann Comhairle: This is like a circus.

Deputy Mary Lou McDonald: I entirely agree.

An Ceann Comhairle: Deputies should sit here and listen to it. I fear to think what the public thinks about it. People are shouting from the back benches as if they are making a contribution.

Deputy Gerry Adams: I give a thumbnail sketch of a deep crisis of which I am sure the Taoiseach is aware. There is also another issue the Taoiseach did not answer. At the end of my contribution I asked about the citizens who are being forced into homelessness by rising rents in the private sector, yet the Government refuses to introduce fair rent control to tackle this. The *www.daft.ie* website has claimed that rents in Dublin have increased by 14%, and by 9% across the State in the past year. Fair rents alone will not solve the housing crisis but it must be part of a package of initiatives to help ease the problem.

The building of social housing needs to start now. We are not looking for much and we know what is needed.

An Ceann Comhairle: Please put your question.

14 May 2014

Deputy Gerry Adams: Surely it is the duty of the State to defend citizens against rack-renting landlords by setting rents at fair levels and by providing homes for citizens. Where is the State's duty of care especially to children as the Taoiseach sees it? What is the Government doing to tackle this crisis, which will only worsen in the time ahead?

The Taoiseach: I met a young mother yesterday evening on one of the streets where I was canvassing. She had three children under five and she cried bitter tears in that she had been sent to a very small apartment with inadequate facilities in an area that is used by drug pushers and drug users. It was a very powerful statement made by this young mother. At the height of the boom in 2006-----

Deputy Gerry Adams: I want to talk about now, today.

The Taoiseach: Perhaps we should also talk about the past as well.

Deputy Gerry Adams: We will talk about now, today.

An Ceann Comhairle: Please-----

The Taoiseach: In 2006 there were 93,000 housing units completed. The corresponding figure for last year was 8,000, a reduction of 91%. We have a construction sector that is about half the size it should be and is very much below European standards. We should be building 25,000 to 30,000 houses a year.

Deputy Dessie Ellis: Give us the investment fund then.

The Taoiseach: That is why some €88 million has gone into the coffers of the Minister of State with responsibility for housing for social housing. It is why NAMA wants to provide 4,500 houses over the next two to three years. It is why we want to see a return to the construction sector with the hopeful creation of 60,000 jobs between now and 2020.

Deputy Gerry Adams: In Canada.

The Taoiseach: We need to have a process for dealing with the valid claims of young couples and young people to get a start on the housing ladder with affordable quality housing built by people who know what they are doing. We do not want to have apartment after apartment fired up and after they are occupied we discover they either have pyrite or are like Priory Hall. We are not going back there. We will get this right in the interests of the people, jobs, the citizens and our country. In that sense we will need to wait some time before we can put blocks on the ground and put people in those houses.

Even with the proposal of Deputy Ellis - good man that he is - of putting €1 billion on the table, we would still have to wait 18 months or two years before the families can move in.

Deputy Dessie Ellis: We know that.

The Taoiseach: That is not what his leader says.

Deputy Dessie Ellis: We need to start now.

An Ceann Comhairle: I call Deputy Catherine Murphy.

Deputy Micheál Martin: What about the €30 million for Páirc Uí Chaoimh?

Deputy Dessie Ellis: In the last budget the Government cut housing by €60 million.

Deputy Jan O'Sullivan: We added €88 million.

The Taoiseach: Block the ears.

An Ceann Comhairle: I called Deputy Catherine Murphy.

Deputy Dessie Ellis: What happened at-----

Deputy Micheál Martin: It allocated €30 million for Pairc Uí Chaoimh.

An Ceann Comhairle: If Deputy Ellis cannot control himself he should leave the Chamber and stop annoying himself.

Deputy Dessie Ellis: We are in a crisis.

Deputy Catherine Murphy: Commentary on the Guerin report has rightly focused on the failings of the Garda Síochána on specific issues and in specific cases. What has gone mostly unremarked upon is the Mr. Guerin's criticism of how a lack of resources has contributed to the problems we are dealing with today. Chapter 2 of the report highlights that no inspector was allocated to Bailieborough Garda station during the relevant times. That chapter also describes the station building in Bailieborough as a relic of policing of a different age. The report also highlights the problems of inadequate Garda resources in neighbouring localities, increasing the pressure on already stretched Garda resources in Bailieborough.

The same situation exists in several Garda divisions. Resources are stretched to their maximum and some areas are significantly more disadvantaged than others. These include areas that have had a consistent population growth over the past decade or two, such as Meath, Wexford, Laois, Offaly and Kildare, which is the worst in terms of the ratio of gardaí to population and is significantly below the national average. This is supposed to be dealt with in the policing plan each year. If one measures the demographic changes and the CSO crime rates, as I have done, the only conclusion one can draw is that the policing plans are a work of fiction.

I sought a meeting with the former Minister for Justice and Equality to talk to him about this but he told me it was the exclusive responsibility of the Garda Commissioner. I then sought a meeting with the Garda Commissioner who told me he would not meet me but he put me on to the Assistant Commissioner who I had met previously. He had told me that the strategy in regard to resources was that in each division one holds what one has, so there would be no movement. That is a particular difficulty at a time of embargo.

What function will the new independent Garda authority, which is due to be up and running later this year, have in regard to the deployment of Garda personnel? Will it deliver a police service which will be able to meet and respond to the changing needs or will we see the same situation apply but under a different Garda Commissioner?

The Taoiseach: I thank the Deputy. Her question and comment at the beginning related to the situation that has applied from the foundation of the State up to the present time where the Commissioner of the day was always responsible for the day-to-day running of the Garda force and the Minister for justice of the day, with few exceptions in the past, did not interfere with that. Obviously, there would be meetings between the Garda Commissioner and the Minister of the day in respect of the requirements of the Commissioner to run the Garda force in terms of

14 May 2014

facilities, vehicles and aids and appliances for gardaí to do their job. That was an issue raised consistently by Minister after Minister.

The decision of the Government to move to an independent statutory authority to deal with the Garda will remove politics from the running of the Garda in the sense that the Commissioner who makes recommendations to Government, and who has always done so, in respect of Garda divisions, the running of and the senior personnel in the Garda will become part of the requirement of and the responsibility of the independent statutory authority.

I do not want to attempt to spell out the way this will work in its finality because I would like to hear the views of Members when we discuss this. As I said the day before yesterday, the committee I chair, which is a new Cabinet committee dealing with the requirement to bring forward the model and structures for the independent statutory authority will have its second meeting on Tuesday of next week. I hope to come back to the House with recommendations or a structure it can debate in July.

I listened to different speakers say it is very important to get this right. It is critical the people have faith, belief and credibility in the integrity of the force but also that those who work in it have pride in what they do.

I am hearing comments from different parts of the country about what should or might be done. All I want to say is that all of these comments and observations will be taken into account, as will the views of the Members. The decision is to move to an independent statutory authority away from the current situation where the Commissioner of the day makes all of the recommendations, including the recommendations for approval by Government of promotions and so on. What one has to see is that it is independent, properly representative and that it has functions. The Minister for Justice and Equality will come back to Government in due course with her memorandum on that, the Government will make its observations and the House will have its opportunity to do the same.

Deputy Catherine Murphy: The rebuilding of morale cannot be postponed. A myriad of reports and expert inquiries have to be concluded but the morale issue is important because we do not want to be back here talking about the Guerin report in the same way we talk about the Morris report.

Chapter 20 of the Guerin report states: “But discipline is not merely the absence of insubordination. Discipline is application to the task at hand”. The task at hand and how one carries out that task is very much dependent on the resources available to one at any given time. If a district finds itself lacking in Garda personnel, Garda accommodation, Garda cars and all the associated services, then one can bet one’s bottom dollar that it will find itself lacking in the discipline to which the Guerin report refers in chapter 20. It is incredibly important this issue is dealt with and that the force, or elements of it, can be moved according to the needs and to the crime statistics. This situation of “one holds what one has” is not acceptable because some parts of the country will do very poorly out of it if that continues.

I think the Taoiseach accepts that poor management and distribution of personnel and resources have a significant impact on crime detection and morale across the force. If the expert review identifies resource needs will the Government meet those needs, because there certainly are gaps? If they cannot be filled by moving people around the country, it will have to be filled in another way. It seems clear that may well be something which is thrown up by some of the

inquiries.

The Taoiseach: I thank Deputy Murphy. Her points are valid in respect of morale being a requirement, that people have pride in the job they do and that they Garda force, as a unit, has high morale. There are a number of things on which the Minister will be able to work to improve that in the shorter term. Clearly, in terms of the force itself as a professional competent force, issues have been identified by the Guerin report which the Government will address, with the Minister's propositions to come back after the decisions made yesterday are implemented.

On the question of resources being available, one does not need an expert group to recognise there is always a need for extra resources. The former Minister, Deputy Shatter, fought very hard for extra finances for vehicles and facilities for the gardaí in order for them to do their job. We do not need an expert group to tell us that. Resources for any Department are contingent on the overall position of the economy and how the Government structures its budget. Of course, it is impossible to do a job competently as a professional force if facilities are not made available and, if they are not available to the level one would expect, morale always suffers but it is not always the issue.

I take the Deputy's point about resources being static in each of the districts. The districts themselves have changed but I agree it is a case of "if needs be" where provision has to be made to service the community and citizens and to provide the facilities for the force to do its job as one would expect. These points are valid. As the decisions of the Government are being implemented and as we move towards the statutory authority and its responsibility, the Deputy will have the opportunity to contribute and to make these points to see where they might be practical and, where acceptable, to be implemented.

Order of Business

The Taoiseach: It is proposed to take No. 4, Housing (Miscellaneous Provisions) Bill 2014 - Second Stage (resumed); and No. 10 - motion re establishment of joint committee of inquiry into the banking crisis.

It is proposed, notwithstanding anything in Standing Orders, that the proceedings in relation to No. 10 shall be taken at 4 p.m. today and shall, if not previously concluded, be brought to a conclusion after two hours and five minutes and the following arrangements shall apply: the speech of the Taoiseach, the Tánaiste and of the leaders of Fianna Fáil, Sinn Féin and the Technical Group, or a person nominated in their stead, who shall be called upon in that order, shall not exceed 15 minutes in each case, and such Members may share their time, and the speech of the main spokespersons for Fianna Fáil, Sinn Féin, the Technical Group, a representative of others and Deputy Ciarán Lynch, who shall be called upon in that order, shall not exceed ten minutes in each case, and such Members may share their time. Private Members' business shall be No. 146, motion re discretionary medical cards (resumed), to conclude at 9 p.m., if not previously concluded.

Tomorrow's business after Oral Questions shall be No. 4, Housing (Miscellaneous Provisions) Bill 2014 - Second Stage (resumed).

An Ceann Comhairle: There is one proposal to be put to the House. Is the proposal for dealing with No. 10 agreed to? Agreed.

Deputy Micheál Martin: Under the programme for Government the Taoiseach has com-

mitted to significant reform of the committee system, in particular that the head of any Department or State body would make himself or herself available to committees. I am concerned that the Secretary General of the Department of Justice and Equality wrote to the clerk of the Joint Committee on Justice, Defence and Equality to say that he would attend the committee but would not answer any question on the departure of the former Garda Commissioner. I put it to the Taoiseach that the response flies in the face of the commitment in the programme for Government on the first page of the political reform section to the effect that the chief executive of every State body, agency and Department should go before committees and answer the questions they would be ordinarily asked.

It is fair to say that the Joint Committee on Justice, Defence and Equality has specific questions to ask on the circumstances surrounding the departure of the former Garda Commissioner and should be allowed to ask them and the Secretary General should answer them. Will the Taoiseach indicate whether the Secretary General's position is in conformity with the programme for Government and whether he will intervene to ensure the committee is allowed to do its work? Could the Taoiseach also indicate when the universal primary care Act will be introduced?

The Taoiseach: In respect of the first question, I note that the Secretary General is attending the committee tomorrow to deal with the issues arising from the Guerin report. Deputy Martin is well aware that because of other matters, a commission of investigation has been set up and an appointment has been made of a Supreme Court judge to deal with a range of matters which include the subject of the first question asked by the Deputy. The sole member has absolute discretion in the work and responsibility he has undertaken. The Secretary General's letter makes that clear. His intention in attending the committee is in accordance with his responsibility as Secretary General. A commission of investigation has been set up for a specific purpose and is running after two weeks. It is an exceptional measure and is not referred to in the programme for Government.

Deputy Micheál Martin: The Secretary General should not be precluded from answering questions.

The Taoiseach: Deputy Martin asked me about the White Paper. The consultation process is now beginning on the White Paper. It will focus on the range of services-----

Deputy Micheál Martin: I asked about universal primary care.

The Taoiseach: I will have to come back to the Deputy on the matter which is the responsibility of the Minister of State, Deputy Alex White.

Deputy Gerry Adams: I have two questions, one of which concerns the Government's timetable for its response to the Guerin report. The Taoiseach should have made it clear that the Joint Committee on Justice, Defence and Equality will be allowed to do its work. I am disappointed he did not do that in terms of the appearance by the Secretary General of the Department of Justice and Equality. When does the Taoiseach expect to publish the terms of reference for the commission of investigation into those issues identified in the report by Seán Guerin SC? When will the Government bring forward the new legislation to strengthen the operation of the Garda Síochána Ombudsman Commission? When will the Oireachtas have sight of the Government's proposal for an independent Garda authority which is to be up and running by the end of the year? When can we expect details on the process of recruitment by open competition

for the new Garda Commissioner.

I also have a question ar ábhar eile. When does the Taoiseach expect the White Paper on energy will be published, following the publication on Monday of the energy policy Green Paper? The Taoiseach might have noted that the Minister, Deputy Rabbitte, has raised the possibility of the State building a fourth generation nuclear reactor. Is the Government seriously proposing to build a nuclear reactor?

Deputy Colm Keaveney: Biomass.

The Taoiseach: No.

Deputy Gerry Adams: Go raibh maith agat.

The Taoiseach: This is a Green Paper which allows everybody to have their say. As Deputy Adams is aware, there is a legal ban-----

Deputy Micheál Martin: The Taoiseach is saying “No” first.

The Taoiseach: -----in Ireland on building nuclear reactors.

Deputy Micheál Martin: The Taoiseach is saying “No” in advance of everybody having their say.

Deputy Mattie McGrath: He is giving the answer first.

Deputy Micheál Martin: That sums up how the Taoiseach does things.

Deputy Colm Keaveney: Biomass Pat. He is full of it.

The Taoiseach: While the Deputy might like me to say otherwise, the Minister has no intention-----

Deputy Micheál Martin: It is a second slap for the Minister, Deputy Rabbitte, in two days.

Deputy Colm Keaveney: Biomass Pat.

Deputy Mattie McGrath: He should get back into his burrow.

The Taoiseach: -----of lifting the ban on the building of nuclear reactors in this country.

Deputy Colm Keaveney: He is full of it.

The Taoiseach: As part of the Green Paper on energy process-----

Deputy Micheál Martin: I think it is because of the-----

The Taoiseach: -----everybody and anybody are perfectly entitled to have their say.

Deputy Mattie McGrath: But the Taoiseach has made up his mind on it.

The Taoiseach: All of the observations that are made will be considered.

Deputy Micheál Martin: So the Minister, Deputy Rabbitte, is going off the rails.

Deputy Colm Keaveney: Nuclear Pat.

14 May 2014

Deputy Mattie McGrath: It is election talk.

The Taoiseach: The Deputy can examine the Green Paper to understand it.

Deputy Mattie McGrath: Press the nuclear button.

The Taoiseach: I hope we can come back to the House before the summer recess with proposals on the structure of an independent statutory Garda authority. It is a tight timeline to get it done before the end of the year but I hope we will have the observations and reflections of Members of the House before the House rises for the summer recess.

There will be a two hour debate tomorrow on the Guerin report, which will continue the week after next. Deputy Adams mentioned a number of other issues.

Deputy Gerry Adams: I inquired about new legislation to strengthen the operation of the Garda Síochána Ombudsman Commission, the Government's proposals for an independent Garda authority and details on the process of recruitment. I asked the Taoiseach about the terms of reference for the commission and he talked about the structure of it. They are two different issues.

The Taoiseach: The process is beginning in respect of the recruitment of the new Garda Commissioner. It will be a national and international open competition. How best to structure that will be devised by the Minister for Justice and Equality and her officials.

The intention is that we hope to have the process concluded and the a Commissioner appointed in or around the same time as the independent statutory authority is put in place. We must consider as part of the Government decision yesterday the amendments that are necessary to strengthen the Office of the Garda Síochána Ombudsman Commission. One particular section needs to be looked at and it is possible there will be amendments to other sections. We will consider that. The process is starting for all three. I have given indicative timelines to which I hope we can stick.

Deputy Gerry Adams: What about the terms of reference of the commission of investigation?

The Taoiseach: We need to consider what the commission of investigation needs to look at arising from the Guerin report. I am also discussing with the Minister for Justice and Equality how one deals with all the cases of a historical nature that are coming to light, some going back many years, that are outside the remit of the Guerin report. I am also considering whether we should wait and reflect upon the report by Mr. Justice Cooke in respect of GSOC and have both reports considered together. I do not wish to define terms of reference for the Guerin report until I see what the Minister for Justice and Equality recommends arising from the Guerin report itself, issues of a historical nature that are emerging from many sources and the conclusions of the Cooke report.

Deputy Pádraig Mac Lochlainn: I wish to correct the record in terms of something the Taoiseach said. The Secretary General will not come before the Joint Committee on Justice, Defence and Equality tomorrow. It will be next week at the very earliest.

The Taoiseach: My apologies.

Deputy Pádraig Mac Lochlainn: I also wish to refer to the commentary of the Taoiseach

on the letter from the Secretary General. Quite farcically, the Secretary General states he does not wish to impede the work of the Fennelly commission-----

An Ceann Comhairle: I am sorry to interrupt the Deputy but that is not a matter for the Order of Business.

Deputy Pádraig Mac Lochlainn: The Taoiseach should hear the information because it is clear he is not getting the information.

An Ceann Comhairle: Deputy Mac Lochlainn can talk to him privately.

Deputy Pádraig Mac Lochlainn: There will be a commission of investigation into the Guerin report, yet the Secretary General will come before us to discuss the matter. He will also discuss the handling of correspondence which is being dealt with by the Fennelly commission but he does not wish to talk about the reason the Garda Commissioner resigned or was sacked. It is outrageous and he needs to-----

An Ceann Comhairle: Does the Deputy have another question?

Deputy Pádraig Mac Lochlainn: Will the Taoiseach address it to make sure that he deals with all the issues?

An Ceann Comhairle: He cannot do so on the Order of Business.

Deputy Pádraig Mac Lochlainn: In terms of the issue of the Department of Justice and Equality, the panel of experts will examine the running of the Department and the reason the new Minister will not express confidence in the Secretary General until the review is completed. There is correspondence from Ian Bailey and his solicitors to the Taoiseach and it has cost the taxpayers €40 million to €50 million over 18 years.

An Ceann Comhairle: The Deputy knows this is not in order on the Order of Business.

Deputy Pádraig Mac Lochlainn: The Department of Justice and Equality has serious questions-----

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

Deputy Pádraig Mac Lochlainn: -----on how it handled this affair over the past 18 years. Will the Taoiseach deal with this correspondence?

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

Deputy Pádraig Mac Lochlainn: A total of €40 million to €50 million has been spent over 18 years, managed by the Department of Justice and Equality which is still defending a civil case in the courts with regard to Ian Bailey and Jules Thomas. Will the Taoiseach deal with this issue as part of the review?

An Ceann Comhairle: No, he will not deal with it on the Order of Business. It is as simple as that.

Deputy Pádraig Mac Lochlainn: Will the Taoiseach correspond with me?

An Ceann Comhairle: We have to have some order in the House-----

14 May 2014

Deputy Pádraig Mac Lochlainn: Will the Taoiseach come back to me on these points?

An Ceann Comhairle: -----and when I stand up I expect every Deputy to adhere to the Chair.

Deputy Mattie McGrath: With regard to the Green Paper, White Paper or black paper which the Minister, Deputy Rabbitte, cannot see through with regard to the EirGrid Bill, a total of 35,000 people made submissions on their views. Why must the Minister have a commission and a White or Green Paper to cod the people further? I want an answer on this. It is a pity the Minister has gone.

The Taoiseach: The EirGrid Bill will be next year.

Deputy Mattie McGrath: It is next year every time I ask. It was next year last year.

An Ceann Comhairle: Next year is still next year.

Deputy Mattie McGrath: The fat lady has not sung but the Minister, Deputy Rabbitte, has left the Chamber.

Deputy Paul Kehoe: That is a disgraceful comment.

The Taoiseach: The Bill will be next year in 2015.

Deputy Mattie McGrath: Sorry?

The Taoiseach: 2015 is next year.

Deputy Mattie McGrath: I know that, but it was 2013 first then 2014 and now 2015. Will the Government be around to do it?

Deputy Micheál Martin: The Minister of State, Deputy Kehoe, is very offended.

Deputy Mattie McGrath: He is.

Deputy Bernard J. Durkan: Will Deputy Mattie McGrath be around?

Deputy Mattie McGrath: Please God.

Deputy Paul Kehoe: It was a disgraceful comment.

Deputy Mattie McGrath: The Taoiseach is a múinteoir scoile himself, and throughout the country national schools are being persecuted and frightened out of existence.

An Ceann Comhairle: The Deputy will have me worn out before he is finished. I have to do this everyday.

Deputy Mattie McGrath: Gabh mo leithscéal.

An Ceann Comhairle: I have to do this everyday. The Deputy will have me worn out.

Deputy Mattie McGrath: I am asking about two points. One is the EirGrid Bill and the other is about the education (admission to school) Bill. It is promised legislation. The Ceann Comhairle has given me a Topical Issues matter to raise and I am very thankful for it so I will mind myself today. When will the education (admission to school) Bill be implemented?

The Taoiseach: This session.

Deputy Mattie McGrath: It is all a big session as far as the Taoiseach is concerned but nothing is happening.

The Taoiseach: Is it that the Deputy means it is a big session?

Deputy Mattie McGrath: That is what the Taoiseach thinks.

Deputy Bernard J. Durkan: An insurance Bill is proposed to provide for the continuing regulation and supervision of the insurance industry and reinsurance having regard to past experience in this area. Is it intended to bring the Bill to the House, has it been discussed in Cabinet and when is it likely to come before the House? In respect of the Seanad electoral (university members) (amendment) Bill, which is important legislation to extend and implement the 1979 amendment to the Constitution on the Seanad university franchise, what is the present location of this particular legislation? When is it likely to be finalised?

The Taoiseach: The insurance Bill has not come before the Government and therefore the heads have not been discussed. It is not due for this year. It will probably be early next year. The Seanad Bill was referred to the Seanad for its assessment and I have not heard back from it yet.

Deputy Mary Lou McDonald: When does the Taoiseach expects to have the Cooke report? Once having received it, when does he propose to publish it?

Now that we have a new Minister for Justice and Equality I hope she and the Government will be more sympathetic and decent in respect of the case of the survivors of the Bethany Home. I have raised this issue many times on the floor of the Dáil. I hope today the Taoiseach will commit on his behalf and on behalf of the Minister, Deputy Fitzgerald, to revisit this case and do the decent thing for the survivors.

The Taoiseach: I have no contact with Mr. Justice Cooke and I have no idea when he will submit the report.

Deputy Mary Lou McDonald: Is it not imminent?

Deputy Micheál Martin: It is imminent according to the Minister, Deputy Quinn.

The Taoiseach: I have had no contact with Mr. Justice Cooke and I cannot confirm it. A timeline was set for it but it is entirely a matter for Mr. Justice Cooke.

Deputy Mary Lou McDonald: So it is not imminent.

The Taoiseach: I hear reports that it is imminent-----

Deputy Micheál Martin: The Minister, Deputy Fitzgerald, said it would be next week.

The Taoiseach: -----but I have no contact myself with him and therefore I cannot confirm it.

Deputy Pádraig Mac Lochlainn: It was imminent last Thursday.

The Taoiseach: I cannot confirm the date in answer to the Deputy's question. I will pass on her comments in respect of the Bethany Home to the Minister for Justice and Equality. The matter was not approved on a number of occasions in recent years.

14 May 2014

Deputy Mary Lou McDonald: I am aware of that.

The Taoiseach: I do not accept the Deputy's comment that the Government is neither sympathetic nor decent in respect of the work it does here. As pointed out with regard to the Magdalen laundries, Priory Hall and many other sensitive serious issues the Government has been sympathetic and decent.

Deputy Mary Lou McDonald: The Government has been utterly indecent to these survivors. It has been callous and heartless and the Taoiseach clearly intends to continue in this vein. It is a disgrace.

Deputy Brian Stanley: My question is on the Wind Turbine Regulation Bill 2014. The Government promised to bring forward guidelines on wind farms. With regard to setback distances the Minister is committed to including 500 meters regardless of the height-----

An Ceann Comhairle: We cannot deal with this aspect of the Bill.

Deputy Brian Stanley: Will the Taoiseach address this and ensure the setback distance is *pro rata* to the height?

An Ceann Comhairle: The Deputy can raise this through a parliamentary question.

Deputy Brian Stanley: Will the Taoiseach give a commitment this morning on the Bill? I know it cannot be discussed on Committee Stage prior to the local elections, but will the Taoiseach give a commitment to allow Sinn Féin's Wind Turbine Regulation Bill 2014 to be discussed on Committee Stage after the elections so his party people and our party people, who are being asked about it on the doorsteps throughout the midlands, can give some clarity to the people affected? We need this commitment this morning to allow the Bill go to Committee Stage.

The Taoiseach: I cannot give the Deputy this commitment. All of these guidelines are for public consultation and complete review so I cannot give the commitment. I am sorry.

Deputy Brian Stanley: How long is the consultation? The Government is dragging it out until after the local elections.

Deputy Colm Keaveney: I wish to raise an issue with regard to the programme for Government relating to a commitment that hospitals would be paid according to their care path of delivery and would have an incentivised scheme to ensure resources follow the patient. With respect to the health reform Bill, will the Taoiseach comment on its publication date in light of the publication yesterday afternoon of a high-level review of maternity services in the HSE north west-----

An Ceann Comhairle: We had this on Question Time.

Deputy Colm Keaveney: -----which earmarked the closure of the number of maternity units particularly with respect to Portiuncula and Ballinasloe, which is provided for in the seventh scenario?

An Ceann Comhairle: No, Deputy, please resume your seat.

Deputy Colm Keaveney: Ceann Comhairle-----

An Ceann Comhairle: No, you will not deal with individual cases.

Deputy Colm Keaveney: The Ceann Comhairle is to facilitate debate and not to censor it. This is a critical-----

An Ceann Comhairle: We had an hour and a quarter for Question Time this morning on health issues, including this matter, with the Minister present.

Deputy Colm Keaveney: I have submitted this as a Topical Issues matter and the Ceann Comhairle has consistently rejected it.

An Ceann Comhairle: The Deputy is not doing himself any favours by being smart.

Deputy Colm Keaveney: Nor yourself because you are supposed to facilitate debate, not censor it.

An Ceann Comhairle: Deputy, resume your seat. I take great exception to your comments. You will be treated like every other Deputy in the House. You have no special place.

Deputy Colm Keaveney: I would be delighted if I was.

The Taoiseach: It is a complex Bill. It is listed for later this session but I cannot confirm it will actually make it through. I do not accept the Deputy's comments about the closure of maternity services. There was a meeting in Portiuncula-----

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

The Taoiseach: There was a meeting on Friday last and it was made clear there are no planned closures. I have been listening to rumours and allegations which are entirely baseless for the past two days.

Deputy Micheál Martin: They are not rumours. They are in the report.

Deputy Bernard J. Durkan: Nonsense.

Deputy Colm Keaveney: Look at "Professor Nonsense".

An Ceann Comhairle: Deputy Keaveney was at Question Time this morning and this matter was dealt with.

Deputy Bernard J. Durkan: Rubbish.

Deputy Colm Keaveney: You are "Professor Rubbish".

Deputy Bernard J. Durkan: Electioneering.

Deputy Róisín Shortall: Will the Taoiseach formally correct the record in respect of what he said earlier about Mr. Brian Purcell and clarify that there is no firm commitment for a specific date for him to come before the Joint Committee on Justice, Defence and Equality?

An Ceann Comhairle: That is not in order on the Order of Business and the Deputy knows this.

Deputy Róisín Shortall: I want to also ask the Taoiseach if he will correct the record on the issue on which Mr. Purcell was asked to come before the committee, which concerns the resignation of the former Garda Commissioner.

14 May 2014

An Ceann Comhairle: I ask the Deputy to please resume her seat. This is not in order.

Deputy Róisín Shortall: The Taoiseach knows Mr. Purcell cannot divulge a private conversation between them on the night in question.

An Ceann Comhairle: Will the Deputy please resume her seat?

Deputy Róisín Shortall: I am asking the Taoiseach if he will agree to lift-----

An Ceann Comhairle: I am asking the Deputy to resume her seat.

Deputy Róisín Shortall: -----the confidentiality in respect of that conversation so people can find out-----

An Ceann Comhairle: Deputy Shortall.

Deputy Róisín Shortall: -----from Mr. Purcell why it was-----

An Ceann Comhairle: Switch off that microphone please.

Deputy Róisín Shortall: -----that the Taoiseach sent him out-----

An Ceann Comhairle: Deputy Shortall, resume your seat.

Deputy Róisín Shortall: -----to Mr. Callinan. Will the Taoiseach lift that requirement for confidentiality-----

An Ceann Comhairle: I will ask Deputy Shortall to leave the House if she is not careful.

Deputy Róisín Shortall: -----or will he attend the committee and explain what went on that night?

An Ceann Comhairle: Deputy Shortall, please leave the House.

I do not want any comments on this. The Deputies who consistently ignore the Chair show grave disrespect to the House. It is not me personally; it is the House and the rest of the Members.

1 o'clock

Deputy Róisín Shortall: The Taoiseach should correct the record.

An Ceann Comhairle: Moreover, when you are asked to resume your seat, please do so-----

Deputy Róisín Shortall: The Taoiseach misled the House.

An Ceann Comhairle: -----and raise issues in accordance with the rules of the House.

Deputy Róisín Shortall: The Taoiseach should correct the record. He is the person who can provide-----

An Ceann Comhairle: Thank you, Deputy. That concludes the Order of Business for today. The Dáil will suspend for one hour.

Deputy Róisín Shortall: -----information on what happened that night.

Deputies: Hear, hear.

Deputy Róisín Shortall: Will the Taoiseach lift the confidentiality requirement on Mr. Purcell?

The Taoiseach: As the Deputy knows well, this is the subject of a commission of investigation by a Supreme Court judge.

An Ceann Comhairle: My apologies, there also is the First Stage of a Private Members' Bill. I call on Deputy Adams-----

The Taoiseach: The Deputy should be ashamed of herself.

Deputy Róisín Shortall: The Taoiseach should be honest and should not put loyalty before the truth.

An Ceann Comhairle: Deputy Shortall, would you please stay quiet and behave yourself?

Deputy Micheál Martin: The Taoiseach is goading her.

An Ceann Comhairle: And you too, please.

Deputy Micheál Martin: With respect, the Taoiseach said she should be ashamed of herself. The Taoiseach should explain why she should be ashamed of herself.

The Taoiseach: There is a commission of investigation.

An Ceann Comhairle: The Deputy does not need to come in to defend anybody. She is well able to do it herself. I call Deputy Adams.

Deputy Micheál Martin: Why should Deputy Shortall be ashamed of saying what she said?

An Ceann Comhairle: I call Deputy Adams.

Deputy Micheál Martin: Why should she be ashamed to say what she did?

An Ceann Comhairle: The reason is because she was out of order.

Deputy Micheál Martin: I was talking to the Taoiseach.

An Ceann Comhairle: Deputy Martin, please stay quiet. I call Deputy Adams.

Domestic Violence (Amendment) Bill 2014: First Stage

Deputy Gerry Adams: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Domestic Violence Act 1996 to provide protection to applicants who have been prohibited from availing of social housing by virtue of the applicant's legal or beneficial interest in the residence in which the applicant and respondent previously resided.

This Bill has been drafted in response to an anomaly in the current law. Under the existing legislation, it often is the case that a victim of domestic violence is living with the abuser in the family home or another property as a joint owner of that property. In other words, the names

14 May 2014

of both the victim and the abuser are on the mortgage deeds. A victim may apply for a safety, barring or protection order under the Domestic Violence Act 1996 and in so doing, the victim is entitled to apply for such an order using the address of either the family home or house in which the victim resides or that of sheltered accommodation or some other temporary accommodation. This allowance for a victim to apply from an alternative address shows the law recognises that the victims of domestic violence often do not stay in the home after applying for an order, which is common sense.

However, the treatment of victims by the State with respect to their housing needs is inconsistent. Upon applying for an order, if he or she is in need of social housing from a local authority, a victim is currently prohibited from being considered by the local authority for social housing due to his or her part ownership of the family home or property in which he or she resided or resides with the perpetrator. This legislation often forces victims into refuges for long periods and this Bill seeks to change that. The objective is to ensure that in the case of a victim who applies for an order, he, or in most cases she, shall not be prohibited by virtue of his or her part ownership of the residence in which the applicant resides or previously resided with the respondent from consideration for social housing by a local authority. The Bill does not dictate that the victim must automatically be given social housing. However, it states that a victim shall not be discriminated against based on his or her part-ownership of the property in which the domestic violence occurred. In many cases, this discrimination also includes children.

This is simple legislation that seeks to provide support for some of the most vulnerable members of society. It also is an important new law in the context of Government cutbacks to refuges and other centres that are trying to help victims and their families. Such centres are now unable to meet the demands made of them due to inadequate resources. Recent funding figures reveal that the money allocated for homelessness accommodation across the State has been slashed from €56 million in 2009 to €45 million in 2013. In the same period, for example, in my constituency of Louth, funding has been cut by €307,488, that is, from €1,197,451 to €879,963. These huge slashing cuts by the Government run totally contrary to the programme for Government, which contained a commitment to introduce consolidated and reformed domestic violence legislation to address all aspects of domestic violence. The programme for Government also contains a commitment to protect victims. This echoes commitments in the election manifestoes of both Fine Gael and the Labour Party. The Labour Party manifesto contains the commitment to “protect funding for frontline services, such as family refuges, and [to] draw on best international practice to reform the way the courts system deals with domestic abuse cases”. Clearly, this has not happened and is another broken election promise.

This Bill is intended to close one important gap in the existing legislation and to provide support for victims of domestic violence. I ask the Government to support this measure.

An Ceann Comhairle: Is the Bill being opposed?

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): No.

Question put and agreed to.

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

Deputy Gerry Adams: I move: “That the Bill be taken in Private Members' time.”

Question put and agreed to.

Sitting suspended at 1.05 p.m. and resumed at 2.05 p.m.

2 o'clock

Topical Issue Debate

Hospital Services

Deputy Paudie Coffey: I wish to raise what has been a topical issue for many years in the Waterford and south east region, the availability of around-the-clock, seven days a week invasive cardiology services at Waterford Regional Hospital which will soon become Waterford University Hospital. I acknowledge the great progress made with regard to the provision for the people of the south east of essential emergency services for invasive cardiology treatment in the event of a heart attack. The region has a population of almost 500,000 and in the event of a critical heart attack, Waterford University Hospital, as it will be known in the future, is the closest location for invasive treatment. The cath lab unit at Waterford Regional Hospital was opened in 2008 and at that stage it was open for two days a week but currently it is open five days a week from 9 a.m. to 5 p.m. The concern is that in the event of a person in the south east region suffering a heart attack outside of those hours, for example, in the evening or at weekends, these vital services are not available. There is much talk about equality in politics and in society but I contend that there needs to be equality in access to health services for citizens living in all parts of the country. Those living in Dublin, Cork or Galway will have 24-seven access to these services but those living in Waterford or in the south east region do not have after-hours access to these vital services.

I call on the Government and I ask the Minister of State for reassurances about the commitments made that this regional service would be retained. There was much concern when the reconfiguration of hospital services was announced some time ago. Commitments were made that regional services such as this would be retained at Waterford hospital. I am seeking reassurances that we are moving along and that a genuine effort is being made by the HSE, the Government and by the Department of Health, to deliver this vital service to ensure equality of access to health services for citizens in the south east. What is needed is a second cath lab, additional consultants and supporting staff. I am hopeful the Minister of State will be able to respond positively to my request as I carry this message from Waterford and the south east region from people who are genuinely concerned and who want this equal access to vital services.

Minister of State at the Department of Transport, Tourism and Sport (Deputy Alan Kelly): On behalf of the Minister for Health, I thank the Deputy for raising this issue and affording me, on behalf of the Minister, an opportunity to respond.

In the context of the implementation of hospital groups the range of services currently available in Waterford Regional Hospital, including coronary care, will be retained and enhanced. The hospital's cardiology department provides the regional service for 500,000 people and offers a comprehensive range of invasive and non-invasive diagnostic services. Deputies will acknowledge that considerable achievements have been made since the Waterford Regional Hospital cardiology interventional suite opened in May 2008 on a two-day per week basis. In October 2009, the operation of the service was extended to five days per week and incorporated

a dedicated six-bed cardiac day ward.

The regional cardiac catheterisation laboratory in Waterford Regional Hospital provides equal access to services from the four acute hospitals in the region. Since its establishment, the laboratory has provided access to cardiac angiography and complex cardiac cases for 8,255 patients and 11,890 procedures. These patients would otherwise have had to travel to either Cork or Dublin to receive services.

In 2013, 1,709 patients were seen and 2,404 procedures undertaken. Patients presenting with an acute myocardial infarction to Waterford Regional Hospital can now receive emergency percutaneous coronary artery intervention, PCI, to open the blocked artery immediately and limit the damage to the heart muscle.

Since October 2012, the Waterford Regional Hospital interventional suite has been identified as the designated primary percutaneous coronary intervention centre as part of the national acute coronary syndrome programme covering counties Waterford, Kilkenny and Wexford and south County Tipperary. The Minister understands the hospital intends to develop a fourth consultant post as part of its operational plan for 2015. Furthermore, a business case to extend the opening hours of the cardiac catheterisation laboratory is being prepared by the hospital with a view to providing primary percutaneous coronary artery intervention on a 24-7 basis and developing a second cardiac catheterisation laboratory.

The establishment of hospital groups is a key building block in delivering on the programme for Government commitment to fundamentally reform the health service and will provide the optimum configuration for hospital services to deliver high quality, safe patient care in a cost-effective manner. Waterford Regional Hospital, as a key hospital in the south-south west hospital group, will have significant links to the group's academic partner, University College Cork, which will provide opportunities for sharing of experiences and expertise as well as furthering the research agenda.

Deputy Paudie Coffey: I thank the Minister of Health for providing reassurance to people in the south east region that the current services at Waterford Regional Hospital will be retained and enhanced. I also note the statement that since October 2012, "the Waterford Regional Hospital interventional suite has been identified as the designated primary percutaneous coronary intervention centre as part of the national acute coronary syndrome programme covering counties Waterford, Kilkenny and Wexford and south County Tipperary".

According to cardiologists, in the event of a heart attack, international best practice shows that angioplasty is the most effective treatment as it significantly reduces mortality, decreases shock, lowers the risk of stroke and gives a better, longer term outcome. However, this intervention must be delivered within 90 minutes of a heart attack occurring. This is an issue for the south east region and people living in counties Kilkenny, Wexford, Carlow and south Tipperary who must have access to these vital services at Waterford Regional Hospital. I welcome the statement committing the Government, over time, to deliver a 24-7 cardiology service at the hospital.

Deputy Alan Kelly: I assure the Deputy that Waterford Regional Hospital intends to develop a fourth consultant post as part of its operational plan for 2015. The business case for extending opening hours is being prepared for the hospital, with a view to meeting the commitment to provide a 24-7 service. I look forward to that development.

Medicinal Products Availability

Deputy Billy Kelleher: Xolair is a medication for the treatment of severe allergic asthma. The product was licensed for use in 2005 but is not reimbursable under any Government schemes. This means it is primarily a matter for hospital pharmacists to decide whether to dispense Xolair to people who have allergic asthma. All available scientific evidence and analysis shows that the medication gives a certain cohort of people great relief from allergic asthma. The current difficulty in respect of dispensation of Xolair is that its availability is determined by geographical location and the budget available to hospital pharmacies.

It is estimated that 450 people who suffer from allergic asthma are suitable for treatment using Xolair. If this medicine were prescribed to these individuals, it could have a life-changing impact. Ms Breda Flood, a board member of the Asthma Society of Ireland, stated the following about her treatment using Xolair:

After many years of severe asthma I struggled in everything I did. I was hospitalised on numerous occasions and had persistent infections, coughing and difficulties breathing. I have been on Xolair for a year now. After 4 months I saw an improvement and now after a year on the medication I cannot tell you how much this has changed my life and my family's life.

I can now go to bed and sleep through the night without having to take my inhaler during the night. I can walk without coughing and I can talk without coughing. Every day I get up I feel better. Xolair has given me a new lease of life and it has taken years off me. The improvement to the quality of my life is so great, it is impossible to quantify.

Ms Flood's experience indicates that Xolair should be made available to all patients for whom it is deemed a suitable treatment. Xolair is not available to patients in Cork University Hospital because the pharmacy budget is inadequate.

Speaking earlier about the geographical spread of discretionary cards, the Minister of State at the Department of Health, Deputy Alex White, stated variations in the way in which medical cards are assessed and granted are not right. The same logic applies in this context. Decisions on the dispensation of Xolair are based on geographical location, which means patients in some hospitals do not have any difficulty obtaining the drug, while patients in other hospitals, including Cork University Hospital, do not have access to it. I ask the Minister of State to raise the matter with the Minister whom I accept is detained in the Seanad.

Novartis, the company which manufactures Xolair, has agreed to reimburse hospitals in cases where the drug is found to be ineffectual. This is a fair offer as it will mean no costs will accrue to the State where the treatment does not work. I wish more companies would adopt the type of positive attitude shown by Novartis. I hope the Minister of State will be able to provide a positive response to the many people who suffer from allergic asthma.

Deputy Alan Kelly: On behalf of the Minister for Health, I thank the Deputy for raising this important issue. I am aware of the challenges people with asthma face in managing their condition and fully acknowledge the need for the provision of appropriate services for all asthma patients.

The treatment of asthma is one of the ten chronic diseases identified by the Health Service Executive as priorities for intervention. Clinically, the management of asthma through elec-

tive treatment is more effective than emergency treatment. The vision of the national asthma programme is that every person with asthma should reach their maximum health and quality of life potential through the prevention, early detection and effective treatment of his or her asthma. The key aims of the programme are to reduce asthma mortality by 90% in ten years; reduce general practitioner out-of-hours visits due to asthma by 10% or 5,000 over three years; reduce emergency department visits due to asthma by 10% or 2,000 over three years; and reduce asthma bed days by 10% per year over three years.

Each hospital or hospital group must make its own decisions regarding the provision of expensive or complex treatment. Xolair is a very expensive drug, costing on average between €12,000 and €15,000 per annum and is not a suitable treatment for all patients. Xolair treatment entails subcutaneous administration in an infusion centre. Treatment requires clinical supervision during and after administration, because of the possibility of adverse outcomes, as for many complex drugs, in a small percentage of cases. The south-south west hospital group supports the use of Xolair as part of the treatment pathway for appropriate patients with severe asthma. Treatment with Xolair has been provided within the group through the Mercy, Waterford and south Tipperary hospitals. Action plans in terms of direct patient treatment are being progressed in Cork University Hospital. The Minister for Health is committed to providing the best possible health service and will continue to work with the HSE to ensure the best possible outcomes are achieved for asthma patients.

There is no doubt that Xolair has a significant impact in the treatment of certain patients, depending on clinical circumstances and prognosis. However, not every hospital is in a position to meet the conditions attached to supervising use of the drug. I understand this issue is being addressed in Cork University Hospital. Given the size of the hospital, I hope some progress will be made in this regard in the near future.

Deputy Billy Kelleher: The purpose of the national asthma programme is to ensure that asthma sufferers do not have to present at emergency departments when they have an asthma attack. In any one year, 25,000 people will present at hospital with an asthma attack. Any treatment that can prevent this is of immediate benefit to the patient, as well as reducing costs for the State. Novartis, which manufactures Xolair, has agreed to reimburse hospitals in cases where the drug is found to be ineffectual. Coupled with that would be the cost savings for emergency departments.

I hope the use of this treatment at Cork University Hospital will be looked upon favourably. We all accept Xolair needs clinical supervision when being administered because it is a subcutaneous implant. I hope, however, the Minister of State will convey to the Minister for Health that this treatment should be examined with a certain urgency and that finance would be made available for it. There should be some assessment of the number who will benefit from this treatment, the costs that would incur and the savings that would be made by reduced numbers presenting at emergency departments due to asthma attacks.

Deputy Alan Kelly: I will convey that to the Minister for Health. Elective treatment is better than an asthma attack sufferer presenting at an emergency department. It is really just a process to ensure that Cork University Hospital can facilitate such a treatment. I hope it can be looked upon positively once the conditionality is established. The fact Novartis is willing to reimburse for ineffective treatments is also helpful. I will convey all of this to the Minister for Health.

Dáil Éireann
Taxi Regulations

Deputy Patrick O'Donovan: I thank the Ceann Comhairle for selecting the matter of the industry knowledge test for small public service vehicles for discussion. I regret I have had to raise it as a Topical Issues matter but I have already raised it umpteen times through parliamentary questions, as well as at the Oireachtas transport committee, but the replies have been wholly unsatisfactory. This is a significant issue, particularly in rural areas, as many applying for SPSV licences fail the knowledge test. The knowledge test does not take into consideration where the applicant hopes to operate the licence. Instead, it takes into account a notional area of each county.

If one comes from a county the size of Cork, one will have the misfortune of having a high chance of failing the knowledge test even before sitting it. For example, an applicant from Bantry, County Cork, could be faced with the question, "On which street in Mitchelstown, County Cork, is the post office?" An applicant from Kilbeheny, County Limerick, two miles over the road from Mitchelstown, will not be asked that question when doing the Limerick knowledge test even though he or she will be operating in an area that could encompass Kilbeheny, Cahir, County Tipperary, and Mitchelstown.

The National Transport Authority, NTA, fails to recognise the taxi industry knowledge tests bear no resemblance to the areas they are expected to cover. When I have raised this several times at the Oireachtas transport committee, I have used the example of a person applying for a test in Shannon Banks, County Clare. This is essentially a suburb of Limerick city and the applicant would be carrying out most work there. However, will the knowledge test ask the applicant about Corbally, Roches Street, Ballycummin, Raheen or Dooradoyle? No, it will ask about Lisdoonvarna, Kilrush and Kilkee, bearing no resemblance to the area in which the SPSV will cover.

Accordingly, in 2012, in Cork, 225 sat the knowledge test with 186, 82%, failing it. In Limerick, 83 sat the test and 60, 72%, failed it. In Mayo, 19 sat the test but 78% failed it. In Tipperary, 21 people sat the test but 72% of them failed. In the Minister of State's area of Killaloe, County Clare, and Ballina, County Tipperary, an applicant would be expected to know about places from where Deputy Mattie McGrath comes, down in the Knockmealdown Mountains.

Deputy Mattie McGrath: We know our way around.

Deputy Patrick O'Donovan: It might be far more important for an applicant from the Minister of State's area to know about O'Brien's Bridge or Ardnacrusa, County Clare, or Montpelier, County Limerick, than it would be to know about places in south Tipperary that he or she will never service.

There is a hands-over-the-ears mentality in the NTA. It does not understand there are jobs being put at stake. When I raised this with the Department of Transport, Tourism and Sport, it replied that where there is a glaring lack of hackney drivers in rural areas, it will set up a new licence rather than addressing the fact that the knowledge test is designed for people to fail, particularly if one comes from a large county or a peripheral area like I do in west Limerick. God help the applicant in Athea, Glin or Abbeyfeale trying to pass the Limerick knowledge test. One of the questions on the test, which I have seen, asks on what street in Doon, County Limerick, is the post office. No one from Abbeyfeale will know that.

14 May 2014

Deputy Billy Kelleher: That post office there is closed now.

Deputy Patrick O'Donovan: Invariably the test is designed for failure. I accept a rural hackney licence has been brought in but the reason for that is because the NTA will simply not change the knowledge test to allow a person to be tested on the area in which they cover rather than the overall county from which they come.

Deputy Alan Kelly: The regulation of the SPSV industry, including the operation of the area knowledge test and SPSV skills development programme, is a matter for the NTA under the provisions of the Taxi Regulation Act 2013. My role relates to the overall policy for the sector. There have been many changes to the SPSV policy framework in recent years through the implementation of the recommendations of the taxi regulation review report 2011 and the introduction of the Taxi Regulation Act 2013. These initiatives provide a foundation for a better quality taxi industry.

The SPSV entry test is designed to confirm the candidates understanding of the SPSV regulations, industry and consumer service standards, as well as knowledge of the county in which the candidate intends to operate. The test includes two modules: the industry knowledge module and the area knowledge module. Both must be passed before an application can be granted by An Garda Síochána.

The area knowledge module consists of 36 questions in the SPSV entry test. Each county in the State comprises a separate area for the purposes of SPSV driver licensing. In the case of taxi drivers, the taxi driver can only stand or ply for hire in a county in which he or she is authorised to operate. For recent and new entrants to the SPSV industry, that authorisation means successfully completing the area knowledge test related to the particular county. Within a county, the candidate may be asked questions on various locations, routes in the county or key destinations immediately adjoining the county boundary. This reflects the fact that, if successful, the licenceholder will be entitled to provide taxi services at any location in that county.

The rationale for the area knowledge module of the SPSV entry test is the establishment of a suitable standard of area knowledge for drivers of small public service vehicles in order to ensure an appropriate quality of service to passengers. This is an approach used in many jurisdictions throughout the world, not only in Ireland.

For many years, the area authorisation arrangements have been based on the county system, with a specific area knowledge test for each county in Ireland. For an applicant intending to operate a taxi, he or she is then required to place his or her authorised county designation on his or her roof sign. It would be possible to subdivide county designations to smaller geographic areas and to tailor area knowledge tests to relate to those smaller area designations. However, there are issues that arise with such an approach. Taxis are only allowed to stand at ranks or pick up on-street in areas in respect of which they are authorised under their licences. For all recent entrants to the industry, that has meant passing the relevant area knowledge test.

While not claiming that the county system is perfect - know it is not - it has the benefit of simplicity and clarity. Alternative systems could prove to provide even more issues. The boundary of a county is a recognisable concept that is understood by everybody. Operating a system of multiple areas within a county creates the challenge of defining clearly the area authorised in each case and making that clearly and intuitively understandable. While defining boundaries based on maps can be developed, it is difficult to make this easily understandable in

a simple intuitive way, and to communicate that clearly on the vehicle.

A further concern would arise in regard to enforcement issues. Arising from the issue of clarity of operational areas, the enforcement of a subdivided area system would become much more complex and difficult than it is at present. The simplicity of finding a person standing for hire in a taxi in county A when he or she only has an authorisation for county B would be removed. Clarity would need to be obtained by the relevant Garda or compliance officer suspecting this as to the actual area designation for which the driver is authorised - it would no longer be governed by the simple, definable county boundaries. It is likely to require map-based information to fully inform of the county subdivision areas. For a Garda involved in small public service vehicle prosecutions on an infrequent intermittent basis, this lack of simplicity and clarity will be a disincentive to detection and prosecution.

There would also be cost implications in having tests for smaller areas. Currently the cost of an area knowledge test is €90 per test, reflecting the cost to the National Transport Authority of carrying out the test. If successfully passed, it authorises the successful person to stand or ply for hire at any location within the county of authorisation. As identified earlier, many taxi operators are unlikely to wish to pick up passengers on-street at several locations in a county and, under the suggested alternative system, would have to pay and take several additional area knowledge tests to achieve this, thereby increasing their costs.

While I acknowledge that the current area knowledge test has limitations, it represents a reasonable mechanism to establish an appropriate standard of geographic knowledge to be attained by drivers of small public service vehicles. The sub-division of the current county structure into smaller zones would undoubtedly make it easier to pass the revised and more localised test. However, it has several disadvantages associated with it, including enforcement challenges, lack of clarity on area knowledge, signage for taxis, cost burden and potential passenger perception issues. Overall, it is considered that the division of operational areas into a sub-county structure would create significant difficulties which would greatly out-weigh the benefits of such an approach.

Deputy Patrick O'Donovan: I accept there needs to be a knowledge test and I should have said so at the outset. There needs to be a knowledge test and there needs to be standards. I also accept that the Minister of State's overall role is in policy.

One of the policy statements that could be made by the Department is that the test the NTA is imposing should reflect the area in which the person is expected to service. I go back to the person in Abbeyfeale who is applying for a licence. Half of his work could be essentially in County Kerry. I refer primarily to hackney drivers, as opposed to taxi-drivers, because there is no rank in County Limerick. There is nowhere for a taxi to stand in the county of Limerick. That person, as the matter currently stands, should tell a fare at Feale's Bridge to get out of the car as he or she cannot take him or her over the border into County Kerry. That is not living in the real world. The reality is these drivers have the knowledge of places along the Kerry border, such as Knocknagoshel, Brosna, Finuge, because that is the area in which they operate.

The NTA has also given me this lazy answer at the Oireachtas Joint Committee on Transport and Communications. It states essentially that the NTA recognises there is a problem and up to 82% of applicants will not pass in a rural county. For instance, in a county such as Mayo, I wish good luck to one who is misfortunate enough to be out in Erris and hoping to apply for a taxi licence because he or she will never be able to pass the test as one is expected to know

about places around Knock, Claremorris and Ballyhaunis. It is designed for the person to fail. In the case of my county, well over half of the questions relate to Limerick city, where a person will probably never serve because there are taxi ranks in place and hackney drivers will not get calls there. What the NTA has given the Minister of State by way of a response is what I have been getting by way of information at the committee for the past two years. They want to wash their hands of it and keep the current system that enforces a failure rate of upwards of 80% and does not recognise that in peripheral areas and county boundaries, hackney drivers cross into counties such as Kerry and Cork. They do not tell their fare at Rockchapel that they have to get out because they cannot drive over the border because their knowledge test only applies to Limerick. This is ridiculous. It bears no resemblance to what is happening on the ground.

I implore Deputy Kelly, as the Minister of State responsible for policy, to tell the NTA it is the policy of the Government that the knowledge test should reflect the area in which the person services, not a notional area called the county. If the latter is the case, the bigger the county, the greater the likelihood of one failing it. Deputy Kelly's county, like mine, is a case in point.

Deputy Alan Kelly: First, the NTA does not write my speeches. Second, the issue in regard to the failure rate is not only one for rural counties.

Third, one need not drop anyone at any border because Ireland operates as a full taxi-meter country. The issue in that regard is the area where a taxi or hackney driver can ply for hire. From an administration point of view, for the enforcement, especially by the gardaí and enforcement officers, we must have a clearly identifiable way of knowing whether, for example, taxi-drivers from Dublin are operating in these areas and effectively taking the food out of the mouths of those in for example, County Galway - at, say, the Galway races - or in any other location.

There was an issue down through the years where there were many drivers getting licences. I inherited a sector where, as I have stated on many occasions, there were drivers who got licences who simply should not have because the test was not good enough. In fact, the test was very weak. I cannot believe some of the drivers who I travel with passed this test. I do not know how they did so and I suppose at this stage I am not sure whether I will ever find out. How some drivers, particularly operating taxis in Dublin, got past an area knowledge test is beyond me. I wanted to change that and I have ensured that it is changed.

Given what I outlined earlier, any system one creates like this cannot be perfect but there are a number of issues here. For starters, we must have some form of administration unit that works and that is recognisable by the Garda so that there can be fair play where licence holders operate in a certain district, and that is where we know they can ply for hire even though it is a full taxi-meter country.

Second, in regard to the specific test, in certain counties where there are not enough taxis and hackneys, I have instructed the NTA to look at slightly changing the test to make it a little easier, potentially where there is market failure. They are always looking at the test but there are significant administrative issues which I have outlined and we must work closely with the Garda to ensure gardaí are in a position to do their job.

Finally, as Deputy O'Donovan stated, there is an alternative licence put in place. It is a good licence. It is a local area licence which by-passes many of the issues about which we spoke. To date, unfortunately, not one person in the Deputy's county has applied for one. I would

welcome if persons would apply for those licences because within the villages in which Deputy O'Donovan and I operate, such licences will be welcome.

Haulage Industry Regulation

Deputy Mattie McGrath: I hope I get a better response from the Minister than when the previous effort was made.

Acting Chairman (Deputy Olivia Mitchell): Deputy Mattie McGrath would need to run it.

Deputy Mattie McGrath: I am dealing with it now. It depends. This is the bureaucracy today, that one cannot have common sense prevail.

The Members of the House here and the Minister of State will be acutely aware of the financial strain commercial vehicle road tax is placing on Irish haulage operators. The introduction of the lorry road user levy, LRUL, in Northern Ireland has compounded the difficulties. Unless road tax in southern Ireland is overhauled as a matter of urgency, countless jobs will be lost. I ask the Minister of State to examine this. He must know as well as I do that the playing field was not level even before this levy was introduced in Northern Ireland. The tax for a commercial lorry in this jurisdiction, which is paid to the county council or the Department of the Environment, Community and Local Government, is €3,500. The equivalent rate on the other side of the Border is €640. It is six times greater here. I cannot understand it for the life of me. A charge of €12 per trip is now being added. One could have to make several trips in a single day if one is going to and from Donegal. One would be straddling the Border as one goes up and down. It is a punitive tax on an industry that is already struggling.

We have a wonderful road haulage industry, in the main. In recent years, it has worked with the Road Safety Authority, the National Roads Authority, the Department and everybody else to streamline everything and bring it properly under the legal realm as it should be. It seems that this charge is what it is getting in return. It has been pleading for years - with this Government and with its predecessor, from which the Minister of State inherited this problem - for the introduction of a pay as you go road tax system like that used in other European countries. If hauliers could pay road tax in instalments, it would be some effort. Many hauliers I know are parked up for nine months of the year. They might get one or two days of work each week, but they still have to pay a punitive rate of tax. As a result of the signing of the Good Friday Agreement, many cross-Border committees and organisations are working together. In that context, it beggars belief that some kind of arrangement cannot be reached with the Northern Ireland authorities, if not the authorities in the UK as a whole, to ensure our people are not blindfolded. We would not place restrictors on the engines of their lorries to prevent them from going more than 15 mph. Requiring them to pay this punitive tax will have the exact same impact.

We are supposed to be in Europe as good Europeans, but we get kicked by the Europeans all the time with our finances and everything else. I do not believe this charge prevails in other parts of Europe. We implement things like this that are not implemented in other countries. It is only a land border, as we know. There is no sea. There is nothing between us when we drive up and down. I know it intimately. I know the difficulties they have. The punitive system of tax for commercial vehicles must be changed anyway. Countless hauliers I know have gone out of business in recent years, having tried their best to hang on. When hauliers get into

trouble, Revenue is the most ferocious creditor they have to deal with. They get no hearing at all from the State. All they get is anguish. They are subjected to all kinds of checks from the traffic corps. I am fine with that. They try to keep their lorries up to the requisite standard for road safety. This is a punitive taxation system. I do not know what Ministers or senior officials allowed this levy to be passed into law without some kind of *quid pro quo* or some kind of arrangement for the hauliers here. We do not have jurisdiction up there, obviously. Are we asleep at the wheel? It is just madness to allow this infrastructure, which is already struggling, to be hit in such a punitive way.

I suggest that business and foreign direct investment will be lost when people start to encounter more expense in transporting goods north and south - to and from Larne, or from Donegal down to Dublin. People will not come in here because of the costs. The costs faced by road hauliers are already savage. I refer to the cost of fuel like white diesel, for example, or to the cost of road tax. Trucks have to be maintained and upgraded to an exceptionally high standard to keep them on the road. There are some very valuable haulage companies in my home county. They are on their knees. They are bewildered at the lack of engagement by the Ministers for the Environment, Community and Local Government and Transport, Tourism and Sport in this instance. We have been allowed to sleepwalk into this situation. They got adequate notice from many Members of this House and the Irish Road Haulage Association. They should have been better prepared. Some effort should have been made. It should be made now, even at the 11.9th hour.

Deputy Alan Kelly: As the Deputy may be aware, the current rules on road user charges for heavy goods vehicles are set out in the 1999 Eurovignette directive on charging HGVs for the use of infrastructure. The directive sets out an EU framework for the levying of road charges on HGVs. It authorises member states, if they so wish, to levy user charges. Time-based charges can be imposed per day, week or year, and distance-based charges can be levied in the same way as road tolls. The objective of this framework is to encourage member states to use taxation and transport infrastructure charging in the most effective and fair manner to promote the user pays and polluter pays principles, which are enshrined in various EU treaties. Road charging ensures users contribute to the costs of maintaining the infrastructure. It can also be a source of revenue to help to develop new infrastructure and cleaner and more efficient modes of transport.

The UK Government announced plans to introduce a HGV road user charging scheme on 25 January 2012. At that time, the UK authorities pointed out that no charges were paid for any of the approximately 1.5 million trips to the UK made by foreign-registered HGVs each year. The object of the new levy is to provide that all HGVs, regardless of origin, that use UK roads will contribute to their cost. The levy, which was introduced by the HGV Road User Levy Act 2013, came into effect on 1 April last. The Deputy will know that while the levy applies to roads in Northern Ireland, the decision to introduce it rests with central government in the UK.

The Irish Government accepts that the UK Government is within its rights under EU legislation to introduce the levy. We have made representations to the UK authorities on numerous occasions. We have held a number of discussions with them with the aim of having certain significant sections of the Northern Ireland roads infrastructure treated as a special circumstance and exempted from the levy. As it is not possible under EU law to have an exemption that applies to just one member state, such an exemption would apply to all road users. Approximately 7 km of roads that criss-cross the Border between Northern Ireland and the Republic have been exempted from the levy to date. Despite robust representations on our part, the UK Minister has indicated in recent correspondence that he is not inclined to make provision for the

exemption of additional Northern Ireland roads. The Irish Government is very unhappy with this position. The Minister, Deputy Varadkar, who is responsible for this area, intends to ask the UK Minister to reconsider his decision. If we are to achieve a successful resolution to this issue, we need unity of purpose between the Irish Government and the Northern Ireland Executive. We are supported in this endeavour by our colleague, Mark Durkan, who is the Northern Ireland Minister of the Environment.

The Deputy might be aware that a working group has been established to examine the feasibility of introducing a similar pay as you go road tax scheme for HGVs in Ireland. There is a precedent for this in Europe. The Eurovignette directive allows a common road charging regime to be established where only one charge is applied and where those paying can use roads in a number of different countries. We should look to this example in seeking to establish a common road charging regime between the UK and Ireland. While there are many issues surrounding this - for example, it requires the support of the UK Government - a common regime could have some merit in light of our unique circumstances. The Minister, Deputy Varadkar, and his officials have begun initial discussions with their UK counterparts on this potential long-term solution. A common regime would be of more benefit to hauliers on either side of the Border than two different regimes that impose significant regulatory burdens on them.

The new levy imposes additional operating costs on Irish hauliers using Northern Ireland and UK roads. The prospect has been raised of some Irish haulage operators relocating their business to other jurisdictions, possibly taking associated jobs with them. There is no evidence that a significant number of operators are electing to do this. Operators who are willing to deal with the costs and regulatory requirements of becoming established and licensed in another jurisdiction are free to relocate if they wish to do so. Those who do will be subject to the cabotage regulations that apply to out-of-State operators with regard to their transport operations in Ireland, which will consequently be greatly restricted by regulations.

Deputy Mattie McGrath: The Minister of State's reply is disappointing. I know that efforts are being made. This charge is totally nonsensical. It was introduced on 1 April, which is April fools' day. I am personal friends with many hauliers, some of whom started off with the ass and box, a horse and car or a small Thames truck. A man in his 70s, Johnny Slattery, who is based in my own area outside Tipperary town, has expanded his business and now employs 90 people. People like him are frustrated because all they want to do is work, create and generate business, employ people and comply with all the regulations. These outstanding companies, which provide employment and pay huge taxes, are having to put up with this issue. As I said earlier, it is like being blindfolded or having a restrictor put on the engine that does not allow the truck to travel at more than 20 mph. It is the same thing. We just cannot compete. I know that younger men with younger families will relocate. Some of them have done so already. In England and some other European countries, one can buy one's tax for the day, pay for the lorry and do a day's work. In this country, one has to pay for 12 months. It is totally nonsensical. I have to say that the lunatics are running the asylum on this one.

We have derogations and so on from certain European charters. I am sick to the teeth of European charters because they are useless. The very same thing is happening with regard to the introduction of calendar farming for slurry spreading. They can spread it beside a railing in Northern Ireland, but we cannot spread it in the South. It is total and patent nonsense. I found out recently that successive Irish Governments, the IFA and others, have not even looked for a derogation on that. We are great at implementing European directives. We are even better at putting directives on top of them and adding more to them to keep all our mandarins in the

14 May 2014

Departments busy. It is time some of these mandarins were sent out on the road. They should go out to the haulage companies to see how hard it is for them to make a living while paying for diesel and maintenance, the wages, the VAT, the PRSI and the insurance. They are barely existing as they try to survive this dark recession. It is time we took more robust action to defend our ratepayers and business people instead of smothering and choking them with European directives, fuel levies, carbon taxes and bureaucracy. It is happening across the board. It is patent nonsense and we are not fit to be here if we cannot change it.

Deputy Alan Kelly: I thank the Deputy, my fellow Tipperary man, for the eloquent speech on many different topics. We all accept we are in a difficult situation from a geographical perspective, given what the UK Government has planned and is doing. We acknowledge the need for a common road charging regime to be established, where only one charge is applied but persons paying can use roads in a number of different countries. While we are looking to establish a common road charging regime between the UK and Ireland, several groups must come to the table, including the UK Government.

Everything is being done to help the hauliers on the issue. I have met the hauliers in our county and have brought them here to meet the departmental officials and discuss this and other issues. I know the employment they bring and the SME nature of what they do. I have relations in the business and know exactly what they are going through and the difficulties. It needs a collective approach and everything is being done. We need to reach a point with the UK Government where we can create a regime which creates a form of equality; otherwise, there will be a race to the bottom regarding these charges, which would be unacceptable.

As a former MEP the Deputy referred to several regulations and the red tape which results from them. The Deputy was a member of the Government that brought in most of the regulations and ensured, in some cases, that the most extreme interpretations of these regulations were implemented.

Deputy Mattie McGrath: It is patent nonsense.

Deputy Alan Kelly: The Deputy should remember this when he makes his contributions.

Deputy Mattie McGrath: I do remember.

Deputy Alan Kelly: While he may have acknowledged he was wrong to do so, in many cases he supported them.

Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)

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

Deputy Clare Daly: It is ironic that we are discussing a Bill which includes a proposal to make it easier for local authorities to evict people, making them homeless, when we should be examining how to get people into houses. This is the social concern in Irish society and it has only recently started to trickle into the media that we have a crisis with people sleeping in their cars with their children or living in hostels, getting their children up in the morning and bringing them to school in the outer suburbs of this city and the greater Dublin area. In that sense, the debate is lop-sided. When we examine provisions to make it easier to remove people from housing, we must acknowledge one of the key reasons people are leaving housing is the policies being pursued by the Government regarding inadequate rent supplement, which will lead

to higher levels of homelessness.

While I welcome the provisions in the Bill for the establishment of the housing assistance programme, HAP, which will bring it under the remit of the local authorities, it is long overdue. If we are to avert the crisis we must increase the levels of rent supplement available to people. It is ironic that this morning the Taoiseach spoke to Deputies on this side of the House about conjuring up houses overnight and said a construction proposal will take time to implement. In view of this, we are dealing with the existing housing stock. The rent assistance being given is inadequate and the only way to release the pressure valve now is to increase rent supplement or HAP, whatever it is called. It must be done. Despite yesterday's media reports that Dublin rents had increased by 14% since January, the State and the Department are capping rent payment at a ridiculous level, leaving more people homeless.

It is strange that we are dealing with local authority stock when the county councils have more power to deal with tenants than many private landlords. I recently had responses from the Minister regarding the Private Residential Tenancies Board, PRTB, and how we deal with unwelcome tenants in private housing. The Minister's response was that nothing could be done and that the PRTB existed. While we are not addressing legislation for the private market, we are doing so for the local authorities which have considerable powers.

Deputy Jan O'Sullivan: We are also amending the PRTB legislation.

Deputy Clare Daly: The Minister's Department told me the dispute mechanism that the State established for landlords and tenants is not open for review. I will give a case study and the Minister may respond in her reply. It concerns two constituents in my area who purchased a starter home in 2005, which was never intended to be an investment property. However, when they got married and had a family, the house was inadequate for their needs and they moved. Given that they could not sell the house without being left with a huge debt, they rented it out in September 2012. Soon, the tenant started leaving them short of rent and, in October 2013, stopped all payment. The tenant refused to answer the phone or the door or deal with correspondence.

The owners contacted the PRTB, to which they had paid a registration fee and to which they had to pay €90 every time they changed. The PRTB told them it could take months before a hearing would happen. They served notice on the tenant to vacate the house in November, but the tenant did not move out and the new tenant who was lined up had to go elsewhere. Eventually, the owners got a hearing with the PRTB in February this year. The tenant did not attend and was given a notice to quit within 21 days. The tenant did not appeal and at the end of the 21 days another period of 28 days was put in place. These people had to chase the PRTB at every level, and the tenant is still in their house months later. Those people, who have a family and a mortgage to pay, cannot make ends meet. The fact that we are dealing with local authorities, which have powers, and are not addressing it is unbalanced.

I am not in favour of local authorities being able easily to evict people. It has not been the case previously and the Judiciary has made it very difficult for the very valid reason that there is a responsibility to house people and if the local authority evicts a person, it is not clear who will deal with the him or her. The focus of the Bill should be on avoiding the situation. An eviction should always be the last resort, be it for anti-social behaviour or otherwise. If the Government were trying to be constructive, we would be passing legislation to speed up the process of pre-let repairs and the archaic system of tendering which happens in local authorities in order to put

people into houses rather than dealing with a piece of legislation to get them out.

One of the reasons for the difficulty local authorities have in addressing issues of anti-social behaviour is not that the legislation is weak, but that other supports are not provided. People with serious mental health problems who were supposed to be linked up with social workers have been placed in communities. While these people have a lot of other baggage, which is intrusive to their neighbours and is difficult for the local authorities' staff to deal with, the fault, in the main, is not with the local authority staff but the HSE or other agencies which failed to provide the necessary supports to those families, which gave rise to anti-social behaviour or other issues.

3 o'clock

There have been problems with An Garda Síochána, as it has not in an efficient and timely manner furnished local authorities with information on tenants who may cause problems by dealing drugs, etc. It is a bit rich to speak about empowering local authorities to evict people when we preside over cases where local authority staff have been butchered, while the number of tasks they deal with have probably mushroomed. There are very hard-pressed council staff dealing with a multiplicity of estate management issues but because of the public sector recruitment embargo, there are not enough staff members to deal with them. Will this legislation mean families will be evicted, as we have not put in the resources to work at tenancy sustainment or keeping people in homes? That is really where the focus should be.

I am not in favour of a system of compulsory deductions from people's social welfare payments, which is a retrograde step akin to the draconian legislation introduced for the household charge, etc. It is a bad precedent. We should be assisting people rather than forcibly taking payments. The Minister of State and all the Deputies in this House who have knocked on doors in the past number of weeks know that families are coming to the door with mountains of bills in their hands, asking which bill they should not pay. That is a result of the austerity policies being implemented, so deducting money from social welfare payments is not a solution.

I understand why people want to buy local authority houses. The tenant purchase scheme is very popular as people put a life's work into their houses. In reality, this is selling what could be future council housing stock, and it would be far better for the Government to be proactive in dealing with this issue. People could live in a home, raise their children before perhaps down-sizing to an appropriate dwelling when the children are grown. The stock could be left in the hands of the State for another family which wants to rear a family. We do not have a continuous path now and the tenant purchase scheme is not the way to go.

This is the wrong discussion at the wrong time. The problem which councils have in dealing with tenants arises largely because of a lack of resources, the public sector recruitment embargo, austerity measures and so on. Our time would be better served in considering how to keep people in their homes rather than removing them from the dwellings.

Deputy Mick Wallace: I disagree with section 12(3)(a), which states that a local authority must only give tenants ten working days of notice before the District Court can hear a possession application. As Focus Ireland has argued, tenants should be given at least 30 working days so they can have a reasonable amount of time to obtain advice and information.

Having read some of the submissions to the Oireachtas environment committee regarding the Bill, it seems a strong theme emerged from organisations working on the front line with

homeless people that the option of evicting tenants should only be used as a last resort. Local authorities should be obliged to first engage with problematic tenants to try to resolve issues leading to difficulties rather than going straight to eviction procedures. The Bill needs to deal with the fact that simply evicting people because of rent arrears or anti-social behaviour does nothing to tackle the root causes of these issues, such as poverty and social exclusion. Problems are just moved elsewhere, and in some cases the cost to the State increases, as newly homeless families must be provided with costly emergency homeless accommodation.

Part 3 provides for a new tenant purchase scheme along incremental lines. In Britain, the result of Prime Minister Thatcher's right-to-buy scheme is a chronic shortage of affordable housing and millions of people on the social housing waiting list. Between 1980 and 2010, more than 2 million properties were sold, which is equivalent to approximately half of the country's public housing stock. These council houses were sold at serious discounts of up to 50%, although new public housing was not built to fill the gap. In the *London Review of Books*, Mr. James Meek recently pointed out that councils were not allowed to spend the money earned to replace homes which were sold, and central government funding for housing was slashed. Of all the spending cuts made by the Thatcher government in its first term of notorious axe-swinging, three quarters came from the housing budget. Mr. Meek argues that many who bought their council houses sold them to private landlords who rented them to people on housing benefit who could not get a council house at double or triple the levels of council rent.

The right-to-buy scheme therefore created an astonishing leak of state money into the rental class. The British Government sold people homes it owned at a major discount and allowed the buyers to keep the profit when they sold the homes to a private landlord at the market price. It then artificially raised market rents by choking supply, making it impossible for councils to replace the sold houses. It also paid artificially high rents to the same private landlords in the form of housing benefit which was many times higher than what would have been paid if the houses remained in council hands. In other words, Britain made the private rental sector fat at the expense of the state in the long term, which does not make sense.

The Minister of State has just about admitted that this State's refusal to build social housing for a long period is the root of our problems with housing. The big elephant in the room is that we have yet to see a Government control the price of development land. The Government has information on who owns this land but it does not seem to care what is the price. There is sometimes regulation but there is no appetite to regulate this area, which is the biggest problem of all.

The issue is the difference between demand and supply. Demand is driven by a number of factors, with a small group of people controlling the supply. That suits these people, as prices are increased. Demand is great because the population is growing, although families are getting smaller. At one time there would have been far more people living in each house but there are now many more separate couples, which adds to demand. As the small group controls the land, it controls the supply, and the Government is the only party that can deal with this problem. One cannot expect the private sector to address the problem as it has a vested interest in not doing so.

Those involved in building private houses in this country are not doing so in an effort to house people but are doing so for profit. That is the way the system works. As they can control the supply of land, they can control the price of housing. Currently, agencies like the banks, some of which we practically own, and NAMA are selling large blocks of units to investors with the result that the investor has never owned as many units in this country. These proper-

14 May 2014

ties are selling for a fraction of what they are worth. As I have stated before, some of my own portfolio has been sold for less than half of the cost to build such a unit today, even if I had the land for nothing. How logical is that? A portfolio went on the market last week, with approximately 400 units for sale at approximately €50,000 per unit. If an individual seeks to buy the same unit, he or she would have to pay close to €250,000 for it. As an investor can buy so many units in one block, and the institutions like the banks and NAMA are keen to sell the property in large parcels, we are sowing problems for tomorrow by giving a small group complete control of the rental sector.

Is the Government serious about the problems which the construction sector has brought to the table? That sector was knee-deep in both the boom and the economic collapse, so it is important for the State to control the issue. It will not do so until it addresses the problem of how much development land can be sold for. Everybody is familiar with the Kenny report which was published approximately 25 years ago. At that time the Kenny report referred to allowing development land to be sold - I am quoting from memory - for something like 25% above agricultural land. I could be wrong on that figure. If the Government allowed development land to be sold at double the price for agriculture, that would be fine because it would be measured but it is being sold for telephone numbers above the agricultural price. I bought a fifth of an acre in a working class area in Dublin for €5 million. Agricultural land has not reached that level. It is still around €10,000 an acre. Imagine if that could be controlled. Does the Government have the appetite to rein these people in? These guys are landbanking again.

Not only are investors, most of whom are foreign, buying large blocks of apartments and blocks of houses, but they are also buying land. It is unlikely that they will release that for development in the next 12 months. They will wait for the price to go up. Will the Government tax land that is zoned for development while the investors sit on it? It could be taxed highly because it creates the problem. If the investors have not started digging the ground 12 months after getting permission to build property on it, the Government should tax them to the hilt. That would do a lot to address the problem. I do not expect Fine Gael to have an appetite for it because it is far more interested in facilitating the private sector to get fat than in challenging it. It would mean a great deal if the Government would get its head around the idea that the price of development land has to be controlled. That is within the Government's remit.

I rang Wexford County Council this morning to ask how it feels about the Bill and I was told that it welcomes some aspects of the housing assistance payment, HAP, going back to the local authority but it will need the proper resources to administer it. It pointed out that the rent supplement for applicants with short-term housing needs will continue to be the responsibility of the Department of Social Protection while applicants with long-term needs are passed to the local authority. It sees this as a duplication of resources which could lead to problems as applicants are passed from one Department to another. The Minister of State might consider that issue.

Deputy Joe O'Reilly: I welcome the opportunity to speak on the legislation. Housing is a basic human need and right. All efforts of Government, and all of our energies must be directed to ensuring that people who are not in a position to purchase a home have access to one, and those who are have access to affordable housing. Those are reasonable requirements in a civilised modern society.

I welcome the passage of this Bill through the House as, without doubt, it represents the most radical reform of public housing support for decades. I salute the Minister of State, Dep-

uty Jan O'Sullivan, for her excellent work on it and for its pioneering, radical nature.

We are all well aware of the inherited challenges in the provision of social housing in this country. According to the chief executive officer of Respond, Ned Brennan, in 2008 the official social housing need assessment found that 56,249 households were in need of housing. In 2013, this number had increased dramatically to 89,872 households. That begs the question of how we arrived at this situation, bearing in mind that during the Celtic tiger years house construction was at an all-time high. Addressing the question, Mr Brennan found that during the Celtic tiger years, up to 20 new homes per 1,000 of the population were constructed - the highest average in the EU. We went mad building but fewer than two new homes per 1,000 of the population were built for social housing.

One of our commitments, under the programme for Government, was to address this appalling problem. Budget 2014 allocated €30 million to the State's house building programme, promising to deliver 500 houses. A further €10 million was allocated for the unfinished housing estate resolution, which is one of the great difficulties in our society and is probably the most appalling and grim legacy of the excesses of the Celtic tiger. The Minister of State should be commended on the sterling work she has done to achieve such a significant level of funding, in the context of many competing pressures.

Today's legislation is very long overdue and there are many welcome measures in it. Part 4 of the Bill, which encompasses sections 33 to 48, introduces the new housing assistance payment, HAP, to replace the current rent allowance system. The new HAP system will streamline housing support between tenants, landlords and local housing authorities and bring all State social housing services under the one umbrella. That is an excellent development which will be embraced by county councils. I am proud to say that Cavan County Council has an excellent housing department which cited the need for this for many a day and will embrace it.

Local authorities are in the best place to determine housing needs, at local level and this legislation equips them with the necessary resources to respond to housing needs and housing emergencies, within their jurisdiction. Under this new legislation, the local authority will assess the housing needs of a person who wants to qualify for HAP. Once the person is assessed as having a genuine housing need, he or she is free to source private, rented accommodation.

Under section 41, when a rental agreement is made between the tenant and the landlord, HAP is paid directly to the landlord, through the local authority and not by the tenant. There are many merits in that, for example, the local authorities will be vigilant and will spot rack-renting and the difficulties it poses. That is very important. The direct payment has the advantage for some tenants who might have bad financial management skills of not posing the difficulty for them of receiving money that is not theirs to spend. It is much more simple and straightforward. The payments will be made monthly by electronic funds transfer. The tenant will be required to pay a rent contribution to the authority, calculated in accordance with the authority's differential rent scheme. Having a certain practical knowledge of this area, I know this will be attractive to landlords who will not have to interface with tenants about rent. This will bring more attractive properties into this sphere and make them available to tenants who might not otherwise get them. People who come to my constituency office say they cannot access private housing because they receive or will receive rent allowance. Some landlords have an in-built opposition to that. This is a significant aspect of the legislation. There is a huge amount of common sense, practicality and workability about this legislation and that is one facet of it.

14 May 2014

For households who depend on social welfare for their income, the deductions will be made at source, similar to the current system. In other words, the payment by the tenant, if it comes from social welfare income, will be deducted at source. That has obvious merits from many perspectives. It is better for the tenant in question in that following this deduction he or she will be in receipt of his or her disposable income and can manage accordingly. I am pleased there will be no change in this regard, as it makes the transition of powers to the local authorities easier for all concerned.

In the interests of minimising confusion for tenants in receipt of rent allowance, the intention is that this method of rent collection will be introduced in the first instance for households qualifying for assistance and for new local authority tenants, with the procedure being extended over a period to cover all local authority tenants. In other words, it will be incremental and, in the first instance, will be available to new tenants. This is a wise move by the Minister as it ensures a smoother transition for all parties when the time arises. Given that there are arrangements in place, it might not be a good idea to introduce radical change overnight that could cause stress and confusion, distort matters and create homelessness.

There is an important provision in Part 5 of the legislation that enables the Department to recoup rental arrears directly from source. We cannot forget that this scheme is largely being funded from the public purse. If recent years have taught us anything, it is that money does not fall out of the sky. Public funds are a finite resource and that is the reason it is vital to have such a clause in the legislation. I welcome the assurance that the deductions that may be made in this instance from weekly social welfare payments will not exceed 15% of the total amount of social welfare payable to the tenant. The logic and humane reasonableness of that provision is obvious. I know the Simon Community and the Circle Voluntary Housing Association broadly welcome this provision as they believe it will help tenants to manage their weekly household budgets to a greater degree and will help some tenants to avoid going into arrears in the first place; it will act as a type of deterrent. For all of us paying the household charge or other charges, deduction at source has an appeal, an attractiveness and a user friendly dimension.

Focus Ireland, which does excellent work on behalf of homeless people, has raised an important point. It believes that deductions should be outlined in full to tenants before they are made, in other words, tenants should be fully informed about their duration and what they will mean for them, and the household should be given the opportunity to get independent financial advice in this respect. Tenants could contact the Money Advice & Budgeting Service, MABS, and get advice, even if they wanted to settle their payments if they were in a position to do so. I suggest to the Minister that the inclusion of a clause such as this in the legislation may be a possibility on Committee Stage to create a legislative imperative for such information to be available to tenants and for a prescribed code of practice to be available in that respect.

In many ways, this Bill places the spotlight on the tenant and his or her responsibilities. There are, however, important elements in the legislation that deal with the responsibilities of the landlord, and these are critical. We cannot have burdens only on the tenant and none the other way.

Part 4, section 40, ensures that no local authority will be able to make a rental payment to a landlord unless the property it wishes to rent out is fully compliant with building regulations and other statutory standards and that the landlord is tax compliant. There are a number of merits in that provision. It is right that the landlord be tax compliant from a public policy and public good perspective and it should not be otherwise if he or she is availing of public moneys.

That is a *sine qua non*. It is also correct that the right standards of housing would be available. Those of us who do constituency work and interface with people on a daily basis will know that there are bizarre, bleak and sad examples of not only rack-renting but rack-renting in the provision of awful accommodation to vulnerable people. It is important that there is a legislative disincentive to doing that. I am pleased with the provision in that regard.

Just as there are bad tenants, there are also bad landlords and many honest tenants find themselves locked in unfair tenancy agreements. Under this legislation, where the landlord fails to produce evidence of compliance, within the prescribed period, the tenant is still protected. The authority may continue to pay rent allowance in respect of the dwelling for a further prescribed period to allow the tenant time to source another dwelling. A significant issue to bear in mind is that many rents are far too high. They are bizarrely high and landlords can sometimes take the State provision as providing an excuse or a *carte blanche* for charging any level of rent or providing any type of accommodation. Vigilance is needed in this respect. This is an important clause as it provides tenants with a safety net and a period of grace, allowing them time to find accommodation that is suitable for their needs. In other words, it will guard against them being put out on the street over night.

I want to refer to the scaremongering around the area of repossession in regard to the legislation. Part 2 outlines the termination of tenancy agreements for tenants in breach of its terms. There is great emphasis placed on anti-social behaviour in the legislation and section 7 deals specifically with this breach. Anti-social behaviour can have a detrimental effect on an individual who experiences it. It can adversely affect their quality of life and their feelings of safety and security. This part of the Bill references the Housing Act 1997, for its definition, where it states that behaviour such as drug dealing, criminal activity, violence, threats or intimidation towards neighbours, verbal or physical abuse and noise pollution are issues that can affect tenancy, and rightly so. We all know of the scenario of the neighbour from hell who makes life difficult for people and takes down the tone of an estate. I have the privilege and great honour of representing people in a large number of local authority estates, interfacing with them and meeting them on a daily basis. The majority of those people are excellent tenants; they are civic-minded, great community people and everything about them is good. One or two people can take down the image of an estate and cause great difficulties for the broader community. This provision is only right and timely.

I take on board Deputy Wallace's point. I am sure we would all agree that one does not solve social problems with a punitive dimension. Nobody on the Government benches is suggesting that and nobody in this House would be so facile as to suggest that. That is not implicit in the legislation. All the initiatives, such as early childhood education and other initiatives through SOLAS and various schemes are still necessary to alleviate poverty, to deal with hardship and to provide opportunities, and they will have to mirror and operate in parallel with this slightly punitive dimension where people cannot engage in anti-social behaviour. Of course one must deal with the root causes. I would take that to be a given rather than something on which we need to be lectured or reminded about.

Under this legislation, it is proposed that in circumstances such as this, the housing authority may issue a tenancy warning to the tenant, outlining the reasons for the breach, requesting specific action and proving an opportunity to rectify it. In some cases, where there is blatant non-compliance, the housing authority has the power to issue an order for repossession and-or an exclusion order. Reassurances are given that a tenancy warning will be in place and so on. The Minister has that right and everybody has a civil right. With rights come responsibilities

and that is what is implicit there.

I want to deal with a significant and important aspect of the legislation, namely, the fact that tenants will be in a position to buy out their houses. In 2012, tenants who wished to purchase a house were offered a 3% discount on purchase. However, that scheme fell into abeyance. Under the new scheme, eligibility is based on household income rather than length of tenancy, which is fair. The legislation requires tenants to have a minimum income of €15,000 and may qualify for discounts of 40%, 50% or 60%, based on their income. I do not accept the thesis outlined earlier that this causes difficulty. In my experience people who buy houses become very proud of them and become very committed to the welfare of the estate and the broader community. I accept a certain number of people sold their former local authority houses at crazy prices when we had the housing bubble and that some very good people left those houses. In some instances, sadly, they might have got into mortgage difficulty now caused by the housing bubble. It was an unavoidable and unwelcome by-product of the Celtic tiger. However, the principle of people being allowed to buy out their houses is a good one.

I also accept that we should, through planning law and taxation measures, require people who bought land for building purposes to build on it and not squat on it, if one likes. While it is not germane to this legislation, Government will need to act on that matter. It should be attractive from a planning and taxation perspective to build on land or sell it on to someone who will. That is an important aspect. We cannot allow a return to the bizarre housing prices that existed. That was discriminatory and excluded people. That issue needs sorting which can be done through planning and taxation.

The Bill is excellent to the extent that it rationalises and puts a sensible structure around the provision of assistance to people to gain accommodation when they need it. It also provides for tenant purchase and places necessary responsibilities on landlords. If that were matched by an effort to make the planning and taxation systems unpalatable for those who squat on building land, we would be in business and we would have achieved a considerable amount. This is a major first step.

Acting Chairman (Deputy Jerry Buttimer): I call Deputy Broughan, who is sharing time with Deputy Shortall.

Deputy Thomas P. Broughan: I am delighted to have the opportunity to speak on the Housing (Miscellaneous Provisions) Bill 2014. This is probably one of the most fundamental pieces of legislation to be considered by this House in this session. I am somewhat concerned at the short window we have to consider the Bill. Although the scheme of the Bill was considered by the Joint Committee on Environment, Culture and the Gaeltacht, the actual Bill was only published on Friday. It will certainly have profound consequences for thousands of citizens. It is a pity we did not have longer to look at it.

Before I discuss the provisions of the Bill I wish to make some comments about the scale of the housing crisis, which I have raised many times in the House with the Taoiseach and Tánaiste, in particular in recent weeks. I have repeatedly called on the Government to introduce a proper capital investment programme for social housing. I have had just two minutes to glance at the Government's Construction 2020 document. I was surprised that the Minister of State, Deputy Jan O'Sullivan, was not present at the launch. I see nice photographs of the Taoiseach and Tánaiste but no sign of the Minister of State.

Deputy Jan O'Sullivan: I was in here taking this Bill.

Deputy Thomas P. Broughan: I accept that, but obviously she is the Minister of State with responsibility for housing and it might have been nice for her to have been there.

Based on a two or three minute speed reading I am not clear what impact that construction programme will have on those who are homeless tonight and those who are becoming homeless every day in this city, in the Minister of State's city, in Cork and throughout the country. The numbers of people presenting as homeless is increasing in Dublin city where emergency accommodation is completely packed out. I asked the Tánaiste and Taoiseach to consider the predicament of children of families who are living in one room in guesthouses or hotels if they are lucky.

I am concerned at the eviction of children, with rents being increased and people continually refused rent supplement. The *www.daft.ie* website has indicated that, disgracefully, some landlords will not accept tenants on rent supplement, which seems like astonishing discrimination. Every day, people, including children, are being evicted and the Minister of State is in Government. It seems incredible for people who consider themselves to be representatives of the labour or workers' movement to be involved in such a Government.

As I have stated repeatedly in this House, there appears to be a wilful and deliberate blind spot on the part of the Government not to deal with the desperate and homeless situation. Unfortunately, I do not believe the Bill before us or the Construction 2020 programme will make any change in the lives of those children and families in the remaining months of 2014 and well into 2015.

Another gap not addressed in the Bill is the major lacuna affecting the operation of voluntary housing bodies. This is a matter of grave concern because all our local authorities, in particular the very large one in Dublin city, have outsourced the management of local authority housing estates to bodies such as the Iveagh Trust, Clúid and Túath without any legislative basis for that being in place. Evictions or cases of anti-social behaviour can arise in that area of housing and there seems to be no legislative basis for dealing with that. That is a second area where we need urgent legislation. Obviously we needed this Bill two and a half years ago and it is past the time when it should have been before the House. It is also past the time that voluntary housing bodies should have been regulated.

In general terms I welcome the provisions contained in the Bill, which is confined mainly to three issues: termination of tenancies in certain circumstances; a new tenant purchase scheme; and the transfer of rental assistance from the Department of Social Protection to local authorities. I welcome clarification of the law regarding termination of tenancies. Unfortunately, there has been a lacuna in housing legislation due to the Supreme Court having decided that section 62 of the Housing Act 1966 was incompatible with the European Convention of Human Rights and it made a declaration of incompatibility under section 5 of the European Convention on Human Rights Act 2003 in the case of *Donegan v. Dublin City Council*. This important judgment recognised the deficiency in fair procedure guarantees for tenants subject to evictions procedures and the lack of legislative direction to a court considering the repossession of a local authority home. That gap in the legislation arising from the Supreme Court decision has put local authorities in a very difficult position to deal with tenants engaging in anti-social behaviour. I generally welcome the provisions contained in that section. Section 12(9) is particularly important because it outlines the circumstances to which a court must have regard when determining

if it is reasonable that a local authority should recover a property.

The Northside Community Law Centre based in Coolock within my constituency carried out an important analysis of the scheme of the Bill. It has also been involved in a number of important court cases involving local authorities and the recovery of local authority homes. The law centre has welcomed the new provisions in Part 2 regarding terminations of tenancies. It has also welcomed the new system of tenancy warnings. I share its views on sections 6 to 11 dealing with the new system of tenancy warnings. In the area of anti-social behaviour in particular, it is vital that local authorities have powers to address the actions of very troublesome tenants.

I agree with the previous speaker that one of the worst things that can happen to an individual or family is to be subjected to outrageous harassment in one's own home meaning that the home is no longer a haven where one can relax with family and so on. Out-of-control individuals frequently target people owing to their age, ethnic background, etc. and make their daily life a misery. It was appalling it happened over so many decades. Deputy Shortall, Deputy Conaghan, other Deputies and myself highlighted this outrageous situation on a daily basis in fora such as Dublin City Council. Often those engaged in anti-social behaviour were able to do so with impunity and the legislative lacuna following the Supreme Court decision made the situation even more difficult, so I welcome the protection in the Bill afforded to those making complaints about anti-social behaviour, in particular in section 7(5).

The second important issue affected by the updated system of tenancy warnings is the matter of rental arrears. I welcome clarification of the law in this regard. I would have some concern that an action to recover by a local authority can be taken within two months of such a tenancy warning having been issued under section 6. It would appear this is a very short time-frame and perhaps it is something the Minister of State could look at again in the amendments. The northside law centre has suggested we introduce a code of conduct on rental arrears similar to the one in place in Northern Ireland. It is a little like the future of our judicial and policing system in that the time has come, in many respects, to emulate what happens in the North.

A general note I would make about tenancy warnings, which is welcome from a fair procedures point of view, is that there is the potential in the Bill to have a review undertaken of the decision to issue a tenancy warning, as contained in section 10. However, as with the concerns expressed by Focus Ireland, it appears to me that the time limit for requesting a review of a tenancy warning of ten days is too short.

I welcome the provision in Part 2 of the Bill for excluding orders to be made against certain individuals, such as in the case of those engaging in anti-social behaviour. Again, there is an issue about individuals between 12 and 18 years of age and whether Tusla and other child care agencies would be involved as a result of the orders made under section 19.

Part 3 of the Bill outlines extensive provisions concerning a new system of tenant purchase. I recognise that tenant purchase has been very useful in the past. Many of us come from local authority housing, myself included. My grandparents bought out, or had begun to buy out, the tenancy. That certainly provided an avenue for people to develop their lives and their families. Many people might say now is not the time to be giving priority to this and that the priority should be the social housing construction programme and creating a much greater supply of social housing. From my first glance at the Construction 2020 document and consideration of this Bill and of other things which have come from the Department, the very grave error made

20 to 25 years ago was effectively to surrender to developers and landlords and to allow them to determine our housing provision.

The Minister of State is, unfortunately, under the direction of Fine Gael, in many respects. In my experience Fine Gael and Fianna Fáil are joined at the hip when it comes to planning and housing at local government level, as the Minister of State knows. We still have not addressed the fundamental problem of housing provision.

Deputy Róisín Shortall: I welcome the opportunity to speak on this legislation, although I would point out that the standard practice is to allow Members two weeks to consider a new Bill. This is a fairly substantial Bill with 51 sections. The idea of publishing it last Friday and having the debate this week is quite unreasonable and one would have to wonder if the Government's concern is more with the election and being seen to be doing something for the election rather than giving Members adequate time to consider the Bill.

However, having said that, I welcome, in principle, most of the provisions of the Bill but we need more detail on some aspects of it. Indeed, there is some provisions in the Bill about which I have some concerns. As others said, the Bill seeks to make three important changes to the whole area of housing legislation and I want to deal with each of those three areas. The first concerns changes to section 62 of the Housing Act, which I very much welcome. We have waited a very long time for the Department's response to the High Court judgment of February 2012. This has been raised on umpteen occasions in this House, including on the Order of Business and by way of parliamentary questions. There was no ultimate sanction in terms of local authority tenants engaging in anti-social activity. While that sanction might rarely be used, it is very important it is there. It left local authority staff quite powerless in local communities in terms of dealing with serious anti-social activity.

Why was it that the Minister of State did not fast track that legislation? She knew there was a lacuna there for some time and the difficulties it was causing? It was regrettable that she did not allocate more resources to tackling it. I understand two of the officials who had been dealing with it moved on to something else and a long period of time was wasted in terms of dealing with this pressing issue. As a result of that, local authorities were very much left in the lurch and they were unable to execute evictions against people who were perpetrating serious anti-social activity against their neighbours. We all know evictions should be the final recourse. Nobody wants to see people being evicted on any kind of large scale but, as I said, it is important it is available as a last resort for local authorities.

In the short time I have had to look at this, and while I welcome in it in principle, only time will tell whether it is strong enough. I certainly would have liked to have had an opportunity to consult Dublin City Council officials in this regard. They have been lobbying for the legislation to be updated for a very long time but, unfortunately, the timescale provided did not allow for that which is regrettable.

I welcome the introduction of tenancy warning procedures, which is a good idea. The Minister of State might clarify the position in regard to excluding orders which are also an important part of the measures available to local authorities in terms of dealing with anti-social activity and I very much welcome that provision in this Bill. However, I would like clarification on the lower age group against whom excluding orders can be used. It is certainly not enough to ensure a situation where a local authority has to notify the HSE or the Child and Family Agency. The State cannot be in a position where it makes a minor homeless and then wash its hands of

responsibility. There must be a clear handing over procedure involved and I am not sure the legislation is sufficiently robust in that regard.

In regard to the new tenant purchase scheme, I very much welcome the extension of opportunities for people to purchase their homes but I would give it a guarded welcome in so far as there is a real danger we would end up losing a lot of the housing stock. Experience has shown that has happened in the past where extremely attractive schemes were offered to people and the State ended up with a very much depleted housing stock. We need to ensure that does not happen again. I would like the Minister of State to clarify whether tenants in local authority maisonettes will be included in the purchase scheme because that is not clear in the Bill. Clearly, the terms have to be attractive for tenants but they should not be too attractive. We need to ensure the State maintains sufficient housing stock to meet the needs that are there, which we know are very substantial.

I welcome, in principle, the proposal to introduce a new housing assistance payment. The Minister of State will be aware that I have been campaigning in this area for a number of years and I brought forward proposals on this and I am glad to see a number of the proposals have been included in the provisions. There are two great benefits from switching people from rent supplement to such a payment. The local authority pays the full rent directly to the landlord, so issues with tax evasion, poor quality housing, anti-social behaviour, security of tenure and so on can be effectively dealt with. The system also has the potential to prevent the loss of deposits which is very prevalent under the rent supplement scheme. It is estimated that approximately €7 million is lost every year as a result of this. It is not clear what the position is in regard to deposits under this housing assistance payment. If the onus is on the tenant to secure the housing, how can she or he do this without putting down a deposit? Who pays the deposit? If it is the tenant, how will it be reimbursed and how can one ensure it is reimbursed? How will the deposit be retrieved by the local authority when the tenant moves on? I would be grateful if the Minister of State would clarify those points.

The second great benefit of moving tenants onto a local authority's differential rent scheme would be to remove a very significant unemployment and poverty trap. The vast majority of welfare recipients are better off when they take up employment, except of course many of those who are on rent supplement. One flaw, however, is that under Part 4 of the scheme, households benefitting from HAP will be deemed to have their housing need met. While the provisions of the Bill should provide for a better deal for tenants and improved security of tenure over the current rent supplement arrangements, the scheme far from meets the long-term needs of low income families. This provision is particularly unfair on existing tenants who have a place on their local authority's waiting list. What is to happen to them? If the provision is not removed from the Bill before enactment, it will seriously undermine the attractiveness of the scheme for tenants.

I would also like to know the amount of extra resources local authorities will receive to manage the extra properties and the responsibilities in regard to tenants who will come under that remit. Will HAP tenants have a tenancy agreement with the local authority, and will it have the same provisions as tenants have in local authority housing in respect of anti-social behaviour? We all know from dealing with problems of anti-social behaviour at local level that at least under section 62 there was a provision for dealing with that by local authorities. The big problem related to rent supplement tenants causing trouble locally was there was no mechanism for dealing with them. I seek clarification from the Minister of State as to whether the Bill will deal with the issue. The responsibilities of landlords should be set out clearly. While I welcome

the provisions in as far as they go, I stress that the Bill goes nowhere in terms of tackling the major housing problem we have at the moment, which principally relates to the lack of supply.

I have not had a chance to read Construction 2020 but I have serious concerns about what has been mooted in recent days in respect of the mortgage insurance scheme. That would be a retrograde step for the Minister of State to take because it would only fuel the spiralling crisis. That is not the problem; the problem is one of supply. The points made by Deputy Wallace were important. I refer to the need to put in place measures to free up development land and to introduce punitive taxation measures to bring the land into use.

I again appeal to the Minister of State to look carefully at some of the measures open to her to deal with one element of housing, namely, improving the supply of good quality accommodation for older people in order that they can surrender their houses or sell them and free up family homes. There is a lot of spare capacity throughout the country. The financial contribution scheme was used very widely in the Dublin City Council area in my constituency to very good effect. The scheme was very successful but it has ceased now as funding is not available. I strongly appeal to the Minister of State to consider reintroducing the scheme because it has the potential to address a number of housing supply issues.

Acting Chairman (Deputy Jerry Buttimer): I call Deputy Maloney, who is sharing time with Deputies Spring, Bannon and Heydon. I remind Deputies that debate on the Bill will adjourn at 4 p.m.

Deputy Eamonn Maloney: I welcome the Bill. I always make my welcome of Bills conditional. I do not think there is such a thing as perfect legislation that resolves every issue it is supposed to tackle. I welcome the thrust of the Bill and thank the Minister of State and her staff for their input.

I agree entirely with what Deputy Shortall said in her contribution, which I will not repeat, on anti-social behaviour. She also, correctly, raised the issue of tenancies.

In terms of the broader debate on the lack of housing, I have no doubt those on the opposite side will find opportunities to criticise the Minister of State. However, she cannot be held responsible for the collapse of capitalism following the end of the Celtic tiger. Some of those who were architects of that are not in the Chamber. Regardless of what is fired at the Minister of State about her efforts to try to resolve the emergency crisis, none of the blame rests with her. What she is doing is trying to sort out an absolute mess because of the effective abandonment of social housing, or council housing as I prefer to call it. When we debate housing issues, I always like to qualify my interest by saying I was born in a council house and I live in a council house. I am proud of both facts. I listened to some of the debate yesterday and today and I am not sure how often some speakers have been in a council house or council estate. That is another matter with which we are confronted during such debates - listening to people who are experts on how the rest of us should live and behave.

The Minister of State is trying to resolve an issue that started when I and other Members were members of local authorities. I was mayor of the second largest local authority, South Dublin County Council, and the best local authority in the country. I well remember being in the chair of the council at a monthly meeting in 2008 and having to read out a letter from the then Department of the Environment, Heritage and Local Government telling the second largest local authority, as it did other local authorities, that it could not build any houses because it

14 May 2014

would not get money to do so. That was the start of it. No council houses were to be built and that decision was followed year after year.

There are different aspects to what the Celtic tiger did for this country. Some people benefited but many others further down the social ladder never saw a shadow of it. That includes those who would have required social housing. In effect, part of the fall-out from the end of the Celtic tiger, apart from emigration and increased unemployment, was the abandonment of the building of council houses. The approach has continued. I dare say the Minister of State, the Acting Chairman, Deputy Buttimer, and others would be pleased if council houses were to be built, but one needs money to do so. Given that one has an economy that is creeping its way up from the bottom, how can Members tell the Minister of State she must build hundreds of thousands of houses as if there was a war chest or money to be found in a garden at the back of Merrion Square? That is not the way things work in reality. People are being misled by some of the contributions. What interest does any Member of this House have in keeping people out of a home? A home is a basic social necessity. If we had money, we would build houses. Why would one not do so? In spite of the Bill's shortcomings, I thank the Minister of State and her departmental staff for tackling, for the first time in many years, issues that require to be addressed.

Deputy James Bannon: I thank the Ceann Comhairle for affording me the opportunity to speak on this important Bill. I welcome the opportunity to do so.

As public representatives we see every day the growing and changing demands for housing supports. We need a system of housing supports that is more efficient, effective and coherent to better serve people's needs. The Bill is a key step in the right direction.

4 o'clock

Early enactment is essential to enable the housing assistance scheme to be rolled out throughout the country without delay. This is probably the most important part of the Bill. This new scheme is aimed at reforming social housing payments and is targeted at people who have been on rent supplement schemes for more than 18 months. Tenants will source private accommodation themselves, with rent to be paid directly to landlords by the council. An important advantage of the scheme will allow tenants to work without losing their rent supplement. Instead an adjustment will be made to the payment taking the tenant's income into account.

Tackling substandard housing and privately rented accommodation is a priority for me and I firmly believe we should have access to secure, quality and affordable housing.

Debate adjourned.

Establishment of Joint Committee of Inquiry into the Banking Crisis: Motion

The Taoiseach: I move:

(1) That, having regard to section 12 of the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 and Standing Order 107C, a Select Committee be appointed, to be joined with a similar Select Committee of Seanad Éireann to form the Joint Committee of Inquiry into the Banking Crisis, to develop a relevant proposal for conducting a "Part 2 Inquiry" into certain aspects of the banking crisis for submission to, and evaluation by, the Committee on Procedure and Privileges under Standing Orders 107B and 107D.

(2) In developing the relevant proposal, the Joint Committee shall consider—

(a) the appropriate scope and terms of reference for any such Inquiry to be conducted, including the method by which the initial investigation into the matter the subject of the Inquiry should be made,

(b) the functions and powers required to be delegated to the Joint Committee to allow it to conduct such an Inquiry, and

(c) such other related matters as the Joint Committee considers necessary.

(3) (a) The Select Committee shall consist of seven (7) members, of whom—

(i) notwithstanding Standing Order 90, the Chairman of the Select Committee shall be Deputy Ciaran Lynch, and

(ii) the other members of the Select Committee shall be Deputies Pearse Doherty, Stephen S. Donnelly, Michael McGrath, Eoghan Murphy, Kieran O'Donnell and John Paul Phelan,

and the provisions of Standing Order 92(2) and (3) shall not apply.

(b) The Chairman of the Select Committee shall be the Chairman of the Joint Committee.

(4) The quorum of the Joint Committee shall be five (5), of whom at least one shall be a member of Seanad Éireann, and that quorum shall be present for the duration of all meetings of the Committee.

(5) The Joint Committee shall have the following powers:

(a) the powers defined in Standing Order 83(1), (2), (2A), (4), (5), (7), (8) and (9); and

(b) the power to nominate persons to assist it in its deliberations; and such persons shall attend such meetings as the Joint Committee may determine.”

The Irish people have suffered great hardship due to the banking crisis. Hundreds of thousands of people lost their jobs. Many more have suffered pay cuts, while more again have been forced to emigrate. A generation of people has suffered the consequences of negative equity and the following collapse of the construction sector. Ireland lost its economic sovereignty and had to be bailed out. The country was placed under the supervision of the troika while difficult decisions were taken to return the public finances to order.

In these circumstances, the Government believes that the Irish people are entitled to a full account of the banking crisis. While there have been a number of useful public reports, and much public commentary, we believe that an investigation through an Oireachtas committee is the most appropriate way to establish the full truth about the collapse of the Irish banking system. It is important that people know the facts. It is for the Oireachtas to establish the facts behind the policy and administrative failures that led the banking system to the edge of collapse.

The matters the committee will be investigating are important and serious. As Members of the Oireachtas, elected by the people, we have a duty to ensure that the origins of the crisis

14 May 2014

are thoroughly investigated and understood. It is clear that there was a breakdown in corporate governance and risk management in the financial sector. It is also clear that there were failures of public policy and regulation by the Government and public service. We need to learn the lessons to ensure that a crisis of this nature can never happen again.

Since coming into office in March 2011, the Government has been working to facilitate an effective banking inquiry. Deputies will be aware that a Bill to amend the Constitution to establish an Oireachtas inquiry system was published in the summer of 2011 but the referendum held in October that year was defeated. As a result, new legislation was required and the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Bill was passed in July 2013.

In September 2013, I announced in the Dáil that a banking inquiry under the Act was the Government's preferred option. New Standing Orders required under the Act were approved by the Dáil and Seanad in January and February 2014. These Standing Orders create the parliamentary framework for establishing an inquiry. The Committee on Procedures and Privileges will have the power to receive submissions from committees, provide guidelines on how to conduct inquiries, give compellability consent, have oversight powers over the inquiry, and report to the Dáil before it votes on any terms of reference for an inquiry.

They also set out a mechanism for dealing with a perception of bias on the part of a member of an inquiry committee. This provides for the Committee on Procedures and Privileges to consider any allegation of bias and, having taken appropriate evidence on the matter, to make recommendations to the Dáil. In February 2014, all political parties and the Technical Group were offered a briefing by Oireachtas officials on the new Standing Orders.

On 30 April the Tánaiste and I announced our intention that an Oireachtas inquiry be established under the Act. As set out in the motion, the inquiry will be undertaken by a dedicated joint Oireachtas committee chaired by the Chairman of the Oireachtas Joint Committee on Finance, Public Expenditure and Reform, Deputy Ciarán Lynch. The Government Chief Whip recently consulted with the other political parties and the Technical Group about this proposal and signalled his intention to bring this motion to establish such a committee before the Dáil. It is intended that the joint committee will have nine members, comprising seven from the Dáil and two from the Seanad.

It will be for the new Oireachtas committee, once established, to submit proposals to hold an inquiry, including draft terms of reference for the Committee on Procedures and Privileges to consider and recommend for approval by the Houses of the Oireachtas. To be effective, the inquiry should have very clear terms of reference. It will be necessary to put the necessary administrative and procedural supports in place for the inquiry committee. The next phase will involve gathering relevant information, after which the committee will need to analyse the evidence and conduct oral hearings. The final phase involves the preparation and submission of a draft report to both Houses.

While a considerable amount of work has already been completed at official level, a lot more detailed work will now have to be undertaken by the inquiry committee before public hearings can actually commence. Estimates of the cost will also need to be prepared by the committee for the Houses of the Oireachtas Commission to agree with the Department of Public Expenditure and Reform.

While the terms of reference of the inquiry is a matter for the members of the Oireachtas

committee to consider and for the Oireachtas to approve, I believe that the inquiry should focus on issues surrounding the banking collapse that have never been fully explored and establish the facts. The inquiry provides an opportunity to consider the public policies and regulatory decisions which allowed the crisis to emerge; the actions of banks, auditors and other parties which led the banking system to the verge of collapse; and how the crisis situation was managed when it happened.

Those who made the policy decisions and those responsible for the implementation of those policies should come before the committee and explain their role. Likewise, those in positions of responsibility in the banking and financial sector should explain their actions. Compellability powers are available to committees under the Act. I believe this is an appropriate role for the Oireachtas as the elected representatives of the people. This will be an all-party Oireachtas committee. The Oireachtas committee system has been reformed in recent years and the committees have a proven track record of working on a cross-party basis, including investigations and the new pre-legislative scrutiny arrangements.

As Members are about to embark on this inquiry, it is timely to reflect briefly on the progress the Government has made in restoring the country's economic stability. After three years of sacrifice, hard work and rebuilding, Ireland successfully exited the EU-IMF funding programme last December. Ireland was the first country inside the euro area to emerge successfully from an EU-IMF bailout, which was a significant vote of international confidence and an important milestone. The Government has completed its phased return to the international bond markets at historically low interest rates. Moreover, Ireland has regained lost competitiveness and has rebuilt its international reputation as a brilliant location for investment and jobs. The economy is growing and unemployment has declined from a high of 15% to 11.7% at the end of April, which is the lowest level for five years. While still unacceptably high, the rate is moving in the right direction with the private sector now creating more than 1,000 new jobs a week. Finally, the Exchequer returns for the end of April show the Government is ahead of its fiscal targets for 2014 and on track to reduce the deficit below 3% in 2015.

While the Government has no intention of taking its foot off the pedal, it is gratifying to see that the efforts and sacrifices of the people are paying results. Confidence in Irish banks is returning and has helped to reduce reliance on eurosystem funding and to bring an end to the bank guarantee in 2013. While much remains to be done in areas like mortgage arrears and credit for small to medium-sized enterprises, SMEs, we are well down the path to a normalised banking system. In addition to the significant overhaul of bank boards since the crisis, a new fitness and probity regime has been put in place for all regulated financial providers requiring prior approval by the Central Bank of key posts. The Central Bank and Financial Regulator has been comprehensively overhauled and its powers and resources significantly increased. In addition, major changes to financial regulation are taking place at European Union and eurozone levels.

In parallel with its response to the economic crisis, the Government is implementing an ambitious programme to reform the way politics and Government works in Ireland. This includes comprehensive legislation to protect whistleblowers, which currently is making its way through the Oireachtas, as well as reform of Ireland's freedom of information regime to remove the substantive restrictions introduced in 2003 and to extend freedom of information to all public bodies. It also includes the development of legislative proposals to regulate lobbying, work to overhaul the legislative framework in Ireland for ensuring ethical conduct by public officials, a significant extension in the remit of the Ombudsman, two phases of Dáil reforms, including an enhanced role for Oireachtas committees, as well as legislation for the establishment of a reg-

ister of corporate donors, public disclosure of political donations and an obligation on political parties to publish accounts.

The Government also recently published a draft national risk assessment for consultation. This aims to help avoid mistakes of the past by ensuring and encouraging open debate on the risks Ireland faces and how these can be mitigated. I hope the work of this inquiry will identify if any other reforms are required to Ireland's financial, political and public service systems to ensure the people are never again failed so badly by the institutions of the country.

As I was preparing this statement, I recalled the words of Albert Einstein that are quoted in the programme for Government in the context of the Government's commitment to honour the trust vested in it by the people, namely, "Learn from yesterday, live for today, hope for tomorrow." I believe these words are apt as Members begin the process of establishing all the facts regarding the banking crisis in order that the mistakes of the past are not repeated. I am confident that the proposed all-party Oireachtas committee, which will be chaired by Deputy Ciarán Lynch, will prove an appropriate and effective means of achieving this objective. I therefore commend the motion to the House.

Tánaiste and Minister for Foreign Affairs and Trade (Deputy Eamon Gilmore): I am pleased to support this motion to establish an Oireachtas committee to inquire into the banking crisis. Ireland is now into the sixth year of a crisis that has inflicted untold hardship and disruption on the people. The Government has spent the last three years picking up the pieces of a disastrous banking crisis and the equally disastrous response to it. The people have endured a long and deep recession, it has been necessary to take painful and difficult measures and for three full years, Ireland had lost full control of its destiny because the then Government was forced to seek assistance from an EU-IMF programme. When the Government came to office, the live register was heading for half a million people. At its peak, the unemployment rate exceeded 15% and the cost of Government borrowing peaked at 14%. Today, the Government has stabilised the situation, with bond yields at approximately 2.7% and unemployment having fallen for 22 consecutive months. The Government's focus has been and continues to be on dealing with the problem, fixing the economy and looking to the future.

As a country, we need to move on. We must move on to the next stage of realising the fruits of recovery. We need a national renewal that is based on ensuring that recovery is felt in the lives of the people. However, that does not mean we can gloss over the past. If we fail to learn the lessons of history, we are doomed to repeat them. While there have been a number of reports and studies into the crisis, there has been no publically-conducted inquiry into what took place. I believe the people are entitled to see and hear from those directly involved in this saga. I believe they should come before an inquiry, set out their own understanding of what took place and answer questions on it. I also believe those involved are themselves entitled to a hearing in the public domain. I am acutely conscious that during the crisis and in the aftermath of events such as the bank guarantee, various accounts were in circulation as to what occurred. Some political figures have been able to give their account of events but others have not and many public servants, some of whom are now retired, were never given an opportunity to explain what happened from their point of view. It is important, in the interests of fairness, that these people have a chance to tell their story. While the committee that Members are establishing will have powers of compellability of witnesses, I have no doubt but that many witnesses are not just willing but are anxious to tell their story.

I am pleased that Deputy Ciarán Lynch has agreed to take on the role of chairing this com-

mittee. I have no doubt that this is an onerous task, which will require a lot of commitment on the part of the committee members. Significant preparatory work already has been done by the staff of the Houses of the Oireachtas, including on the important logistical matters that must be addressed. The work of the inquiry also will present a challenge to the staff of the Houses of the Oireachtas and I wish them well in that work. The preparation of detailed terms of reference for the inquiry is a matter in the first instance for the committee and I do not wish to prejudge their deliberations in any way. My own view is that the task confronting them is to establish an efficient inquiry which gets to the heart of a number of matters quickly and fairly.

The purpose of the inquiry should be both to cast a light on what has happened and to learn from it. The Government already has introduced a number of important reforms to strengthen regulation and to prevent another crisis. Vital changes have taken place in the European financial architecture which mean that were another banking crisis to arise here or in another European Union member state, it would be handled differently. Indeed, it might be said that Europe has learned quite a lot from the Irish experience, if somewhat belatedly. However, we must be sure that all the right lessons have been learned here and we will only do that through a proper inquiry. A number of questions stand out, which I hope and expect the committee to examine. We all know at this point that the crisis had its origins in an unsustainable property bubble that was fuelled by inappropriate tax incentives. There were several moments when this could have been reined in but it was not. We also know the property bubble was pumped up and driven by bad lending decisions in banks. In effect, what came into being was a toxic triangle between politics, property development and banking. We need to know why this developed as it did and why it was not stopped. We also need to know why the problem became a crisis and why a crisis became a disaster. We need to know more about how and when the problems in the banking system were first identified and what was done about them. We know, for example, from Nyberg and others, about the work of the domestic standing group, which was established to look at contingency plans in the event of financial instability. We know that the possibility of a special resolution regime for banks was mooted, but a decision appears to have been made not to pursue this option. This was particularly unfortunate, in light of what was to follow. Most important of all, we still know very little indeed about what happened on the night of the blanket guarantee. We have some hints and a number of stories but we are yet to hear directly and in a structured fashion, from the people involved about what exactly happened that night. We need to know why the decision was made in such an atmosphere of crisis. We need to know which Ministers were involved. We need to know why one of the most important decisions in the history of the State was apparently made after an incorporeal Cabinet meeting. We need to know what options presented themselves and why such a far-reaching guarantee was the option chosen.

Some of this ground has been partially covered in the Nyberg and Honohan reports, but only part of it, and critical questions remain unanswered. We need far more than the dry narrative of a technical report. We need to understand how events came together that led to that decision which fatally linked the Irish State to a failed banking system, apparently with such little understanding of the implications that would follow. We need to know also why Anglo Irish Bank was allowed to continue to operate for several months after the guarantee, with it not being nationalised until February of the following year, a period of months when the State had guaranteed a rogue bank but did not exert control over it. We need to know what influence was brought to bear on the Government's decision that night. What was the role of the banks that came to be covered by the guarantee and what were their expectations about what would happen to Anglo Irish Bank? Did the immediate impact of the guarantee mean that even at that stage

hard decisions were dodged and people sought to avoid dealing with reality? We need to know more about the role played by external actors, if any, and what pressures Irish decision-makers believed themselves to be under. We should look at the decision to establish NAMA which in many ways led to the undermining of the State's credit rating, as the enormous execution risks involved in the NAMA strategy undermined confidence in the both the banks and the State.

The story of the Irish crisis is one of a country that in the 1990s began to achieve a previously unknown prosperity. It was a country that was growing and creating employment on the back of an exporting economy and doing the right things to promote growth. That sustainable growth was then taken over by a different growth pattern which saw the emergence of a property-led economy where prices and costs were driven up by an expanding property sector, where jobs and incomes were generated by an unsustainable cycle of selling property to each other. It led to new jobs and higher tax revenues from transaction taxes that could not be sustained. The country was exposed to increasing levels of risk, such as the risk of jobs being lost in construction, the risk of knock-on consequences for the wider economy, the risk of large losses in the banks, the risk of financial instability, and the risk to the State of the link between bank debt and sovereign debt that was not adequately appreciated at the time. The problem for our country is that all of these risks were realised all at once. The great question that faces us is why, in the face of all these risks, the decision was taken to link the fate of the banks to the fate of the State. We need to know the answer to this question, not just because of the risk that it might happen again but because of the risk that some other problem will be allowed to build up without being adequately addressed.

This Government has introduced a national risk assessment process, but the really key question is why such a large problem built up, with no one shouting "Stop", and why, when the moment of crisis arrived, the needs of the banking system were protected and the people were ultimately left vulnerable.

After years of deep crisis, the country is finally in recovery mode. Throughout our history, Ireland has seen too many examples of where boom is followed by bust. Of course, we are affected by the normal business cycle, but too often the hard work and enterprise of the people, including the good work of the public service, has been allowed to be squandered by bad politics and bad policies. There has been too much pain and too much hardship just to move on without devoting the time and resources to learning the lessons. This is a task that it is right for the Oireachtas to take on. There is plenty of cynicism about politics and politicians, but there is no doubt in my mind that the Oireachtas is the right place to hold this inquiry. I have no doubt that Members of the Oireachtas have the capacity and the skill to take on this task. I commend the motion to the House and I wish the members of the committee every success in their work.

Deputy Micheál Martin: On at least half a dozen occasions since this Dáil was convened, the Government has announced the imminent start of an Oireachtas inquiry into the banking crisis. Now that such an inquiry will finally happen, we need to be very clear about what the inquiry will seek to achieve. My party welcomes an inquiry and has said from the first day of this Dáil that we believe it has an important role to play in dealing with the aftermath of the effective collapse of our financial system and its damaging long-term impact. This does not mean we will support efforts to politicise the inquiry, to narrow its focus and to indulge in a highly selective approach to a serious national issue. We have had elements of that already in the Tánaiste's contribution and in some of his remarks which prejudice this inquiry. It has been our stated preference in the interest of openness, fairness and transparency to have an independent Leveson-type inquiry. If this Oireachtas inquiry is to serve any positive purpose, if it is to

answer a clear public demand, and if it is to reflect well on the Houses, it must mark an end to the cynical and partisan approach which has dominated how the Government has approached it.

In the six years since the crisis emerged as a public issue, there have been countless debates about it. These debates have added little to public understanding of the crisis because they have been driven by people putting politics first. Public disillusionment with politics has been actively fed by a response which has mainly been about trying to exploit the crisis rather than to understand it. I refer to the many debates in this House on the banking crisis since September 2008. They record Deputy after Deputy lining up to say that they knew exactly who is to blame.

Deputy Arthur Spring: Not true.

Deputy Micheál Martin: In addition, there has been the active promotion of conspiracies and a refusal to accept clear evidence which disproves these conspiracies. Most cynically, there has been the constant attack on the motives of individuals and the making of snide, misleading and cynical comments. This is not a limited concern. All the evidence is that the public have grown wary of how parties in this House behave. The public have come to doubt whether politicians are interested in understanding the crisis or just exploiting it.

The establishment of this inquiry is unique in our history, not just because it is the first inquiry under a new statute but more fundamentally it follows the rejection by the people of a constitutional amendment which the Government intended as the basis for stronger powers for this specific inquiry. In promoting the failed amendment, the Government said repeatedly that its first use would be in a banking inquiry. The only issue which arose during that referendum campaign was whether Members of the Oireachtas could be trusted to behave impartially when making findings about individuals. The answer was “No”. The people did not trust that politicians would use their new powers fairly.

The tendency to prejudge issues before an inquiry has begun is one which has a long history in this House and, unfortunately, the inquiry is being established against the backdrop of repeated comments giving a direct party political judgment. The Taoiseach’s comments last week are just the latest in a long list in which he and his colleagues have already announced an answer to the question this inquiry is supposed to answer.

I wish my constituency colleague, Deputy Ciarán Lynch, well in his appointment by the Government to the role of Chairman of the inquiry. It would have been a better precedent if the Government had been willing to consult on this matter, given that the inquiry is supposed to be non-partisan. I know that Deputy Lynch will acknowledge that he has previously made statements in this House and elsewhere, giving his fixed opinion about the banking crisis. His speech in this House in January 2010 on the very issue of a banking inquiry left no doubt that he believed it was already known what had happened and who was to blame. It would be a good start to a genuinely non-partisan inquiry if instead of just claiming impartiality, he and others would expressly explain how past words will not be allowed to prejudice the inquiry.

The public want to understand what happened, why it happened, what would have stopped it happening and how to stop it happening again. It is not true to state that six years on we know nothing or nothing has been inquired into. On top of independent expert reports, countless accounts have been written and a large number of documents released, of which the three principal ones are the Regling-Watson, Honohan and Nyberg reports. While the Nyberg report was conducted in public, it was comprehensive in its account of a range of issues. We also have

14 May 2014

six years of experience of the context in which the banking crisis emerged and the actions that have restored stability here and throughout the eurozone.

There was a deep regulatory failure here and in much of Europe and the United States. Activity took place that either bordered on illegality or was allowed to continue when it should have been stopped. As I have stated repeatedly in the past six years, the Government bears its responsibilities. This House failed to show any real interest in the regulation of the banking sector before the crisis. Financial regulation was not an issue in any general election before 2011.

There was a wider complacency informed by large numbers of independent assessments, both domestic and international. Vitally, there was the European context of a new currency and central bank being established without any uniform approach to regulation or bank resolution. If the inquiry is to address the demands of members of the public rather than party interests, it will have to fulfil two general conditions. First, it must be genuinely independent and objective and, second, it must inquire into the full range of issues behind the banking crisis, not only political areas that have been cherry-picked.

The committee will begin its work against a backdrop in which the Government has not demonstrated an eagerness to allow real independence by committees. The campaign last year to leak material against Deputy John McGuinness and to try to remove him as Chairman of the Committee of Public Accounts was as crude as it was political. Thankfully, at least one Government Deputy was willing to expose the behaviour of the Government in that case. Deputy McGuinness has continued to show independence in his role, even in the face of aggressive attempts by the Government to limit his committee's work.

As I stated, the announcement by the Government that it had chosen the inquiry's chairman was a poor start. Equally, the Taoiseach's attempt to make it an explicitly political inquiry did nothing more than reveal what has been a standard tactic. If the Government wants the inquiry to be genuinely independent, the committee should adopt a formal rule, to be agreed with the Government, that Ministers will not communicate with members about the committee's work. The Government should also inform the Secretary General to the Government that Ministers should not be informed of requests for documentation or other evidence that are submitted by the committee.

I have followed up the Taoiseach's deeply cynical and crude statements that files concerning the bank guarantee were disappeared "behind radiators" or otherwise. Following a correspondence with the Secretary General to the Department of the Taoiseach, who is legally responsible for the protection of all public records in that Department, he has confirmed that the Department is in compliance with its responsibilities under the National Archives Act.

There is no great mystery about the decision on the guarantee. Deputies may disagree with it if they wish but the implication that those involved or anyone else have hidden something is despicable, baseless and the lowest form of politics. It reflects badly on those who indulge in such behaviour and if it is continued in this inquiry, it will undermine the public standing of the inquiry.

I completely reject the idea that to be robust in inquiring into this issue, one must question the good faith of those who took critical decisions. While legitimate criticism must always be allowed, equally, the good faith and public interest of individuals cannot be pushed aside for

party purposes. If this is to be a genuinely independent and useful inquiry, it will need to have significant expert advice available to it. This does not mean that its members need people who can write politically effective questions for them but qualified individuals who can help guide them through highly technical issues, as well as help ensure that they focus their work on issues which address the root causes and course of the banking crisis, rather than just those areas where media attention is easiest to secure.

If the inquiry is allowed to be genuinely independent and non-partisan and behaves as such, it will receive the goodwill of all sides of the House and, more important, of the people. This is not enough, however. The inquiry must not have its terms of reference fixed to focus on a handful of events. Only a broad inquiry is capable of going wherever the evidence leads and addressing a crisis which cannot be understood through soundbites.

While the Taoiseach has pre-judged the root of the regulatory failure underpinning the crisis, this clearly has to be a central element of the inquiry's work. If one looks back at the debate on the 2003 Act, one finds that the opposition to the proposed regulatory framework was entirely based on the inclusion of consumer protection in the work of the Financial Regulator. No one predicted that what was being proposed would fail in the manner it did. While the deficiencies of principles based regulation are now clear, what is not clear is that any then established regulatory approach would have prevented the bubble and subsequent crash.

The reforms introduced in 2010 by our late colleague, the former Minister for Finance, Mr. Brian Lenihan, remain the only significant changes to the regulatory system that have been enacted in the last six years. This being so, Fine Gael and the Labour Party clearly cannot claim that there is an alternative regulatory blueprint which has been neglected.

Every independent expert has pointed to the centrality of European policies in the credit bubble and collapse and their implications for national finances. The progress that has been achieved is considered to be overwhelmingly the result of the major changes made to European Union policies in the past three years and the radicalism of the President of the Central Bank, Mr. Mario Draghi. The impact of now abandoned European policies on Ireland must be included in the inquiry's work and so too must an honest evaluation of the specific constraints under which decisions were taken at various points. The old rhetoric of simply telling Frankfurt and others to get lost is long past tired. Freedom of action is nice for political speeches but an illusion if one wants an honest understanding of a crisis such as this.

The inquiry should take a detached look at the assessment of risk and preparation of economic forecasts. The Government has taken a number of initiatives in this regard. These remain unproven and, in the case of the Irish Fiscal Advisory Council, its recommendations have been ignored. What we need is an honest assessment of how the forecasts were so consistently wrong. This is not just an Irish issue. The European Commission was very bullish about Ireland in 2007 and early 2008. In 2007, the OECD studied our property market and stated that prices were reflective of strong fundamentals.

In terms of the work of the Oireachtas, the inquiry should examine how the Oireachtas failed to play a role in at least advocating policies to prevent the crisis. In the years immediately before the crash, the House spent more time debating greyhound doping than the prudential regulation of the financial sector.

Deputy Peter Mathews: Hear, hear.

14 May 2014

Deputy Micheál Martin: Nearly every significant debate involved calls for policies to spend more and tax less. The manifestos of the main parties, including my own, for the 2007 general election were all silent on the impending crisis.

As I stated, if the inquiry is allowed by the Government to be independent and expert in its work and operate under broad rather than narrow terms of reference, it could make a major contribution to increasing public understanding of the banking crisis. I have nominated Deputy Michael McGrath as my party's representative to the Dáil element of the committee's membership. As he indicated, he will do his work in the spirit of helping to ensure that it is a rigorous and meaningful inquiry.

Let the inquiry be free of the partisan politics we have seen in the past. Let it avoid the trap of claiming revelations where information is already known. Let it be genuinely expert and driven by a wish to understand rather than exploit this deep and damaging crisis. It is in this spirit that the Fianna Fáil Party supports the proposal before the House.

Deputy Pearse Doherty: Cuirim fáilte roimh an deis labhairt ar an ábhar seo. Cuirim fáilte freisin go bhfuil, ag deireadh thiar thall, an rún seo os comhair an Tí inniu agus go bhfuil muid ag cur tús le coiste le breathnú ar cad a tharla agus ar an ngéarchéim eacnamaíochta a tharla sa tír seo suas go dtí 2008 agus ar na cinntí a glacadh ag an am sin agus ar na himpleachtaí don tír seo agus do cháiníocóirí agus shaoránaigh na tíre seo a thit amach as sin.

I am glad finally a motion has come forward from the Government to set up a banking inquiry. I am conscious also that we are having this debate a week from an election but I believe we will see genuine movement in this regard over the next several weeks. It is important this banking inquiry is dealt with robustly, that it is fair and gets to the core of what was going on in the regulatory system at the time, in the circle of politics and among developers and the banks. It is important to get to the bottom of what led to the decisions taken by those in relevant authority and why we continued with those same decisions later on when it was clear they were in error.

The Government has talked a very good talk about this inquiry but it has taken three years to get here. The Taoiseach spoke about the 2011 constitutional referendum on Oireachtas inquiries, which we supported, but which was rejected by the people, as is their democratic right. However, quite some time has elapsed since the referendum. I was convinced the reason we were not having an inquiry was because of the Anglo trial and other trials involving that bank that are yet to commence. In fact, I was quite surprised this motion was tabled this week, given the fact there is an impending trial involving Anglo Irish Bank over the next several weeks. Hopefully, those with responsibility for bringing wrongdoers to account will be supported in their efforts. We never know; there may be other trials. One concern for committee members is that the efforts of the inquiry could be halted or frustrated as a result of other developments in the courts.

The investigation and inquiry that we are about to commence can be no substitute to criminal investigations into those who may be guilty of wrongdoing in the lead-up to the banking crisis or even its aftermath. It will not be any substitute to meaningful convictions of those who have been found guilty of misconduct. A banking inquiry conducted by Parliament will always be limited. The public will be frustrated by those limitations, however. Today, I was asked how some of the senior bankers involved are seldom convicted and, even when they are, lenient sentences are handed down. Not to be political, an analogy made to me was the recent incident involving a Labour local election candidate and a woman annoyed with all politicians who

ripped up the candidate's election literature in front of him on her own doorstep. The following day the litter warden was on her doorstep with a fine for €150. Much of the frustration out there is that there seems to be one rule for a certain cohort but another for others. It is important we actually deal with those expectations from the very start and ensure people realise no one will be convicted as a result of an inquiry and that it is limited in its scope.

The terms of the inquiry will be crucial. Deputy Martin has addressed the whole issue of confined terms of reference for the banking inquiry. Everyone comes to this committee with their own opinion, background and experience. I do not want to see the terms of the inquiry expanded so much that we actually do not get down to business. There are also issues, however, such as the fact the banking guarantee expired in 2010 but was renewed by this Government. This Government also gave a large injection of capital into the banks, as well as making the first promissory note payment. There are issues the committee will have to deal with itself. I welcome the fact the terms of reference will be left up to the committee because this is a serious issue affecting so many of our citizens that we need to get this right.

My party will support the nomination of Deputy Mathews to the committee of inquiry. If the Government actually engaged with us at the start about the number of members, we would not have this amendment to the motion. I will also support his motion that calls for the bankers to be compelled to come before the inquiry and account for their practices. Who would not? With respect to the Deputies who put their names to this motion, however, it is playing politics with an issue that is too serious. The committee should be allowed to define its own terms of reference. If this is the only term of reference that we are going to agree here tonight, then it just makes a mockery of the inquiry from the start. On the matter of compelling the banks to attend the committee, I will support such a move at the committee. Accordingly, I and my party will support this motion here this evening.

It is important the issue of bias is dealt with. There has been a major discussion about this in the media. There has also been discussion, provoked by elements in political circles, that certain Members would not be fit or proper to serve on the banking inquiry. My own name has been mentioned. I am glad I was nominated by my party to represent it on this inquiry. However, it has been five years and nine months since the banking crisis began. In that time, we have lost economic sovereignty, had an early and bitter general election in which we saw the then Government parties, Fianna Fáil and the Green Party, virtually decimated from the standing they had until then, and the Taoiseach's party swept into power on the basis of bank reform and accountability. Who has not made a comment on bankers? I recognise the issue of bias must be dealt with. However, it cannot be so tight as to prevent the majority of Members taking part in the inquiry. It does allow for any citizen, any banker or any regulator to challenge a member of this inquiry on bias. There may be people from past government parties who may believe there is nothing bad to say about bankers. There are many others, however, who genuinely believe that some of the actions of those in authority and financial institutions were reckless.

There is also an irony in that the Minister of State, Deputy Kehoe, who brought forward this motion, was the most outspoken in this Chamber on bankers. In a debate on 13 October 2009, he called a certain banker "a gangster". Later he said he would not withdraw it because he believed in his heart and soul that is what the banker was and then went on to name another banker. Looking back at the Official Report on 13 October 2009, not one Member, including whoever was in the Chair at the time, actually raised an issue about the Minister of State, an Opposition Deputy at the time,-----

Deputy Paul Kehoe: The Chair did.

Deputy Pearse Doherty: It is not recorded in the Official Report. It shows the opinion of people at the time, as well as the frustration. It is important that those who ask the questions at this committee are those who are placed with the authority of this House.

I have many concerns as to how we will actually progress a banking inquiry. There are some who do not see the point in this inquiry while many others suspect it will be another fudge by politicians. There are some who believe that it will be merely an attempt to have a good go at Fianna Fáil and the Green Party, and their decisions.

I have stated already that I believe this inquiry is important. I believe it is far above party politics. However, there are issues on which we have to go into the political sphere because it is Ministers who made these decisions. There were meetings that happened with the then Taoiseach, former Deputy Brian Cowen, and others who were in senior positions with senior bankers where it was not fully revealed what was said at that time, and these issues will have to be dealt with at any banking inquiry.

The success of any inquiry will be measured on the information that it manages to attain, whether from individuals such as bankers, politicians, regulators or officials, but also the documents pertaining to the period of the banking crisis. I revealed in the past that some of these most sensitive documents have gone missing. Deputy Martin and the Taoiseach have had their regular exchanges about documents going missing down the back of the radiators, etc., with Deputy Martin suggesting that has not happened, but it is has now been proved categorically that certain sensitive documents that related to the recapitalisation of Bank of Ireland have gone missing. I refer to a document which was written to the then Minister for Finance, the late Brian Lenihan, at the time by somebody who happened to be an accountant or adviser to the former Taoiseach, Mr. Bertie Ahern, in regard to the recapitalisation of Bank of Ireland. That document has gone missing within the Department of Finance. We know that. They owned up to the fact it has gone missing. The copy of that document which was also sent to Bank of Ireland has gone missing within Bank of Ireland. There has been talk about conspiracy theories, etc., but when two sensitive documents go missing in two different institutions that, one expects, do not leave documents lying about, then it fuels those who have questions as to how could this happen and what are the chances of it happening. These issues have to be either dealt with and knocked on the head or dismissed and the inquiry will have to do that.

Recently *The Irish Times* published an article dealing with the recollections of the bankers involved in the run-up to the guarantee which were recorded. I have questions about these recollections. One aspect that was common to those involved is that they all stated that they took minutes in hard copy - indeed, some of them stated that they took digital recordings of the meeting that they attended that fateful night. At the same time, however, there are others in the highest places of society, whether those in the Regulator or politicians, who have selective memories or memory loss when it comes to those areas.

The issues surrounding the compelling of witnesses to attend and what the committee compels in terms of materials will be crucial to the inquiry and it is important that there is no obstruction to the committee's inquiry. For example, there has been a debate raging in this State about the Trichet letter. In response to Ms Martina Anderson MEP of Sinn Féin, the ECB has stated that the Government should not release the Trichet letter to the banking inquiry if it is asked to do so without first seeking the approval of the ECB, and Mr. Trichet has stated that he

does not intend attending the committee hearings if he is asked to do so. While Deputy Martin spoke about the Government not being involved, it is important that this is an inquiry on behalf of the State and those partners, such as the ECB, should be fully supporting, and co-operating with, this inquiry.

If we are to reach the full potential of a banking inquiry, then all of the members of that committee will have to leave their party allegiances at the door and become representatives of the Irish people in their questioning, not defensive of the role of their party in the banking crisis. If we want the committee to operate in that fashion, then it needs to be designed in that fashion.

I look forward to working with the other members of the banking inquiry, defining the terms of reference and, hopefully, outlining a process on how we can uncover some of the truths of what went on in the lead-up to the banking crisis, the decisions that were taken and the reasons for those decisions, and the consequences afterwards. It will be hugely challenging. I hope we will not be frustrated in our efforts. It is something the Irish people demand and deserve and, hopefully, we can live up to that challenge.

An Ceann Comhairle: Deputy Ross is sharing time equally with Deputy Donnelly.

Deputy Shane Ross: I see every reason why the Irish people should find out what happened to the banks, and what is happening to the banks currently, and that the veil of secrecy which surrounds those events which have been outlined to us by the Tánaiste and Minister for Foreign Affairs and Trade should be lifted. Indeed, it is essential that those who wish to know about it should find out about it and that there should be transparency introduced to those decisions, how they were made and why they were made because of the danger of these mistakes happening again. We should know what happened. However, I am doubtful about the way that this inquiry has been set up, not only the timing in that it has taken so long in that it is nearly six years after the guarantee but about the capacity of this House and its Members to make a judgment on an event in which they are so pivotally involved and interested.

The main controversy surrounding this inquiry has been the issue of bias. I may be the only Member of this House who immediately eliminated himself from this inquiry, not because I would not have been on it anyway but because I felt, having written a book about bankers which was pejorative in the extreme, I was not objective. The book was condemnatory. It revealed matters which I did not know when I started to write it. It gave me a certain view of bankers and the banking sector which was undoubtedly biased. Let me say here now, I am biased against bankers. I have an in-built, but learnt, bias against bankers. I believe the way that the bankers behaved at that time and continue to behave now is indefensible and I believe that I am unsuited because of that bias to be the judge or jury, or to ask questions, at an inquiry of this sort because I would be coming from a certain position of hostility. That may be a somewhat extreme case, but it is there and it is documented.

What I worry about in this area is that virtually everybody in this and the other House comes into that category to a greater or lesser extent, not to such an extent as I do. I am aware, because I have done some work on it, that virtually everybody who knows anything about this subject who has written or spoken about it in this House has come from a certain position and has reached conclusions, none of which could be described objectively as balanced. I happen to think they are right, but they are not unbiased. The conclusions to which they have come follow reading a great deal about the biggest controversy to have been inflicted upon the Irish people, maybe in the history of the State. They are biased in the sense that they are anti-banker,

14 May 2014

and God bless them that they are so. That is what politicians are paid to do - to take positions on situations of that sort. They would not be able to leave their policies or the political parties, and park them, when they go into a committee of that sort. With the best will in the world, nobody in this House ever behaves like that. They may be able to disguise them for a certain amount of time, they may try hard to be impartial, but they are politicians. We all have opinions and we do not park them when we embark upon a given course of action. We still have those opinions and we come from those positions.

I suggest the decision to allow politicians to take this inquiry immediately gives those who want to discredit it ammunition and also gives bankers who will be asked hard questions a great excuse for taking them to court and for saying that there is bias, because there is bias. I want to see an inquiry with credibility, not an inquiry where those members of it will be the focus of the attention of many of those who will be the witnesses immediately questioning begins.

5 o'clock

In such circumstances, the issues would be disguised and camouflaged. The deplorable decision to provide for a Government majority on the committee will mean the banking inquiry will be controlled by the Government. It will be politically controlled. The terms of reference will be set by politicians with an obvious and plain agenda. Although I have great respect for the Deputy who will serve as chairman of the committee, I do not think a Government representative should have been chosen. This body will be politically controlled by the coalition. When controversies arise over the terms of reference, as they undoubtedly will, the Government will decide what happens - what is allowed and what is not. The first indication of this is already with us, in the form of the decision not to extend the committee's terms of reference to the present day.

The focus of the Tánaiste's speech was on the night of the bank guarantee, which was a night of great shame for the Government of the day. I have just read his speech, which suggests "we need to know which Ministers were involved". Although he is right - we will want to find that out - it ill becomes him to focus on that when introducing this motion. It looks like the Labour Party intends to use this inquiry to nobble Fianna Fáil. I have no time for Fianna Fáil or the Opposition and I never have done, but I see this as an unashamed attempt to put a particular party in the dock for political reasons. I expect the timetable for this inquiry to be structured to ensure that party's most high-profile people are put in the dock in the run-up to a general election. Decisions on when witnesses do and do not appear will be made by Fine Gael and the Labour Party. That is what is going to happen and that will discredit this inquiry. I deeply regret the fact that the Government, in establishing this inquiry and accepting that politicians will participate in it, did not allow people who are seen to be politically impartial to take precedence. Rather than politicians taking all the seats on the inquiry, I would like citizens to be selected to serve on this inquiry on the basis of a jury as was done in the case of the Constitutional Convention.

Deputy Stephen S. Donnelly: I think we need an inquiry into what happened. I listened carefully to the Taoiseach's opening statement, which I broadly welcome. I think the Tánaiste strayed unnecessarily into politics right at the start. It was an unnecessary tone with which to open the debate. I felt that the Taoiseach got the balance reasonably right.

We already know a few things. We have had three reports. The report that was published by Klaus Regling and Max Watson in 2010 looked into the macro-situation and the institutional

conditions that led to the crisis. In the same year, the Governor of the Central Bank, Patrick Honohan, looked at the Central Bank's regulatory failings. In 2011, Peter Nyberg produced a report looking at the policies and practices of the banks, the public authorities and the auditors that drove the country towards the bank guarantee. I hope we will not spend too much time there because there are many things we do not know. There would be great value in knowing some of them. There are many questions to be asked about specific events leading up to the guarantee, such as the failures of the Cabinet, the Department of Finance and the Dáil. A reference to the role of the Dáil was absent from the opening statements of both the Taoiseach and the Tánaiste. They referred to the Cabinet and the Government of the time. I remind Deputies that Dáil Éireann is constitutionally obliged to hold the Cabinet to account. I hope the Dáil is looked at as well. There are questions to be asked about what the Dáil did. We should also focus on the foreign actors, including the ECB, foreign Governments and foreign banks. I would like to see these things discussed.

We do not know the rationale for the guarantee being so wide. Regardless of the decision to offer a guarantee on the night, I think the public is very interested in the nature of the guarantee. I would certainly like to know why it was so wide and why it went backwards. In his report, Patrick Honohan raised the many unanswered questions regarding the rationale for continuing with the guarantee. He concluded that he could broadly understand the rationale for the guarantee that existed on the night, but that the decision to implement such a broad guarantee year after year was inexplicable. That is why it is so important for the rationale for the decision of this Government and its predecessor to make payments to bondholders to be examined as part of this inquiry. There could be an awful lot of public value to be had from such an examination.

It is entirely possible that this inquiry is going to fail. Many Members of the Oireachtas will spend a great deal of time on it. It is entirely possible that we will fail. The inquiry could be taken off track by political point-scoring and bickering on the part of those who might try to defend or attack. The timing of the inquiry is extremely unfortunate. The establishment of a banking inquiry in the fourth year of this Government's term is a huge mistake. It is entirely possible that the inquiry will continue until shortly before the next general election. That would make it very difficult for people not to get political, especially if former senior Fianna Fáil Ministers or current Ministers are called around that time. The timing is unfortunate. This inquiry should have been held two years ago.

I was pleased to see the representation on the committee. I have worked with several members of the committee and I know other members of it. I do not know who the two Senators on the committee will be - this was not covered in the introductory remarks - but I hope, in the interests of getting the right skill set, that Senator Seán Barrett is still being considered. I know he is keen to be involved. It would be a great shame if the Oireachtas were to decide not to avail of an offer from a professor of economics to sit on a banking inquiry. Obviously, that is a decision for the Seanad. I hope Senator Barrett is still being considered.

The banking inquiry could be incredibly useful. I recently sat down very late at night to write a piece about the inquiry with an instinctive bias that it will be a complete waste of time. I really tried to challenge my thinking, however, with the result that the piece I finally wrote said the opposite. I convinced myself at approximately 2 a.m. not that it will work, but that it could work. I listed four areas in which real value for the future could be achieved if we can pull this off. First, I hope we will be able to demonstrate that the Government, the Civil Service and the regulators need to be transparent and accountable. Second, I think we will be able to investigate and might be able to show that there is a need for a Parliament that holds the Executive to

account, as per the Constitution. Third, I hope we can examine Ireland's case for retrospective recapitalisation because it is important to examine whether there was deception from the banks, as per the Anglo tapes in which a policy of entrapment was suggested. Fourth, we can investigate whether this Government and its predecessor came under much foreign pressure to pay bonds and honour guarantees, etc. In addition, we can look at the level of potential culpability of the banks in the mortgage crisis. We have talked about whether they abandoned prudential lending. Some of them have said they did so. There are many areas in which we could succeed and in which we have potential, but of course many people expect us to fail.

When I was preparing for this debate this morning, I looked at the Edelman trust barometer, which compares the level of public trust in business, institutions and governments across various countries. Last year, Ireland was ranked sixth from the bottom. This year, we were ranked third from the bottom, with Poland and Russia being the only countries to get a worse score. Only the Polish and the Russian people have less trust in their institutions than the Irish people. Given that this year's figures were compiled before the recent revelations about the administration of justice in this country, it is possible that we have fallen below Poland or Russia. Who knows? It is a pretty bleak situation. According to this independent comparative analysis, there has been an almost total collapse in trust between the Irish people and the institutions of the State. The Oireachtas is obviously one of those key institutions. I think people expect us to fail and to descend into bickering and political opportunism. I hope that does not happen.

I would like to conclude by putting two suggestions to the Minister of State, Deputy Kehoe. The Government could do two things to set this on the right footing and which it might consider before the vote. First, it could add an eighth, non-Government member to end the Government majority. Rightly or wrongly, the Government majority has many people thinking this is a set up because the Government can out-vote the non-Government members on any issue. Adding one non-Government person would get rid of any lack of trust. Second, could the Government, and the other parties, Fianna Fáil and Sinn Féin, not state publicly that they are removing the Whip from their members on the committee?

Deputy Peter Mathews: Hear, hear.

Deputy Stephen S. Donnelly: That might be a very powerful signal. I know, work with and have great respect for many of the committee members. Might the Minister of State, Deputy Kehoe, ask the Taoiseach and Tánaiste to announce that no Whip will be applied to the Government members of the inquiry and let them do the best job they can on behalf of the country?

Deputy Michael McGrath: I am pleased to have an opportunity to contribute to the debate on the motion establishing a joint committee to hold an inquiry into the banking crisis. Although I very much support the holding of such an inquiry, this is not the type of inquiry I would have established. It has one hand tied behind its back before it starts because it will be, by definition, a political inquiry conducted by politicians. Some of the commentary, right up to the level of the Taoiseach, in recent months leads me to believe some people have prejudged the inquiry before it has even held its first meeting.

The Tánaiste's opening remarks today were laced with politics and political innuendo, which does not set the right tone for the commencement of a very important Oireachtas inquiry. The entire Oireachtas system is on trial. If we are incapable of demonstrating that we can act independently and conclude an inquiry into a matter of significant public interest, we will, again, have failed the people and further fuelled the growing disenchantment with politics.

The other reason I believe the inquiry is starting with one hand tied behind its back is that we are unable to make adverse findings against any individuals. Many people will feel disappointed and let down by the outcome of this inquiry. It is important we lay out in very clear terms the expectations of this inquiry. Nobody will go to jail, lose their jobs or have their pensions reduced as a result of the inquiry. As Deputy Pearse Doherty said, it is no substitute for criminal proceedings and for actions to be taken by the State authorities against those who are guilty of wrongdoing. By virtue of the *Abbeylara* judgment, this inquiry will not be able to make any such adverse findings but is likely to inquire, record and report. The most we can hope to achieve is to hold to account in a public form all the actors involved in the different aspects of the crisis. This will not be an insignificant achievement and it is vitally important we do it.

The inquiries that have been conducted so far, particularly the statutory inquiry by Mr. Peter Nyberg, were conducted in private. People want to see bank employees, the Financial Regulator staff, Government members, professional advisers, auditors and all those who played a role in the crisis being held accountable in a public forum. If, through asking the right questions, we can achieve a comprehensive compendium of everything involved in this banking crisis from beginning to end, we will have provided a level of service to the people who want us to do that.

There are some fundamental aspects that must be included in the inquiry. The policy response to the crisis in September 2008 and the decision of the bank guarantee by the then Government will be a very important part of the inquiry and we will need a detailed account of how the decision was made, the advice received, the considerations taken into account, the reasons for the decision and the consequences. However, it will be a missed opportunity if we do not get a proper handle on the factors that led up to the crisis, not in an abstract way. We must find out what was going on in the board rooms of the financial institutions concerned.

Deputy Peter Mathews: Hear, hear.

Deputy Michael McGrath: They must be brought before the inquiry and asked the hard questions by the members of the team as to why they radically departed from the traditional banking model in the years leading up to the crisis. What were the credit committees doing? Why was there no proper assessment of risk in those institutions? Why were they relying on cheap money on the inter-bank markets and lending it out long term substantially to one sector of the economy, the property sector? The role of the Financial Regulator, which had statutory responsibility for the regulation of the institutions, will be a crucial aspect of the inquiry. Some of the evidence in the recent Anglo Irish Bank trial concerning the Financial Regulator was extraordinary. I can say no more than that for fear of being accused of bias. It is vital we get into that in detail.

All the institutions had clean audit reports in the years leading up to the crisis. The external auditors, who were paid handsomely during those years, also need to be held to account for their role and the decisions they made. The professional advisory firms, which advised the Government and State agencies on the health of the financial institutions, must also be held to account for their role and the advice they gave.

The Tánaiste's remarks very conveniently excluded any policy decision or development since the current Government came to office. It would be a mistake for the inquiry to do the same. The role of the international authorities, particularly the European Central Bank, must be an important part of the inquiry. It might suit some to blame the bank guarantee for everything,

14 May 2014

and say it was the sole reason that €64 billion of losses fell on the shoulders of Irish citizens. However, at the end of the bank guarantee, in September 2010, some €20 billion of senior bonds which came out of guarantee and were completely unsecured, were paid in full. The role of the ECB was very significant in that regard and correspondence exists from November 2010 on that matter. That must be brought to the floor of the inquiry and those involved must be questioned. The Government saw it but failed to impose losses on those same senior bondholders and was rebuffed by the ECB. I take a very dim view of what we are hearing from Frankfurt, that the ECB may object to the release of the relevant correspondence.

Deputy Peter Mathews: Hear, hear.

Deputy Michael McGrath: The former president of the ECB does not seem inclined to come before the inquiry. While there is national responsibility and all the parties must be held to account, there is also international responsibility, particularly regarding the role of the ECB.

As a Fianna Fáil representative on the inquiry team, I am not going to protect anybody. When former members of the previous Government come before it, I will hold them to account without fear or favour, as I will do with every witness who comes before the inquiry. We must all go into the inquiry with that attitude. The Taoiseach must also be invited to come before the inquiry because, as Deputy Donnelly said, the role of the Dáil is critically important and he must substantiate his specific allegation about an axis of collusion between one bank and my party and be held to account for his assessment of policy from 2002 onwards, when he was leader of the Opposition.

This cannot be a one-dimensional inquiry. We must all enter this process with a spirit of independence and impartiality. We will be charged with the very onerous responsibility of asking the right hard questions of those who come before us. My party will support the amendment before us that Deputy Peter Mathews be included on the inquiry team because of the very specific skill-set and experience that he has with banking matters. Embarking on an inquiry like this without somebody like Deputy Mathews would be akin to starting a match with the best player on the substitute bench. We must ensure we have the right and best people taking part in this inquiry from the outset.

I welcome that we are holding an inquiry, although this is not the type we would have established. I would much rather see the inquiry conducted outside the reach of politics by a High Court judge, for example, and public confidence in such an inquiry would be far greater as a result at a time when public confidence in politics generally is so low. We should be under no illusions in thinking those involved in the banks and public authorities will just come into the inquiry and ask what we want to know. They will of course bring their lawyers, as is their statutory right, and there is a major concern that this issue could lead to legal wrangling and get bogged down. We need to deal with that issue from the outset.

I wish Deputy Ciarán Lynch the very best in his role, as he will have a very tough job. He has been an effective chairman of the Oireachtas finance committee, although I reiterate my view and that of my party that the chairperson of this committee should be outside of politics, as should the entire inquiry. That horse has bolted and the decision has been made. We will co-operate fully with the inquiry and conduct our own questioning robustly and without fear or favour.

Deputy Seán Crowe: I apologise if I caused any delay. We welcome the motion, the con-

tent of which has been discussed since the Government came to power, and its hand has eventually been forced by public opinion. It is hard to believe, especially by the people who have suffered, but it is approaching seven years since the first signs of this crisis became visible. As pointed out by many commentators, we have had four reports dealing with the events of the period, with countless inches of newspaper column space. We have also had books and television programmes produced about it, with experts coming and going. We have heard much but seem to know very little about what happened in the period. Finally, it appears the Oireachtas, the elected Members of the people, are set to examine what happened over that time, and I hope the required information will eventually emerge.

Many people outside do not believe the truth will ever emerge, and they think facts will be covered up, information will be lacking and people will not remember circumstances. The feeling is we will hear all sorts of excuses. I spoke to a group of people before coming to the Chamber and when I mentioned I would discuss this motion, I was told we would never get the truth of what happened. We are approaching this on the assumption that many sound people will be part of this committee, and I hope the truth will finally emerge so we can get a sense of what decisions were made and the reasons behind them.

This motion is a technical setting up of the committee and leaves the nitty-gritty of the detail of terms of references and house rules to the committee. My party has nominated Deputy Pearse Doherty, our finance spokesperson, to the committee. He will be thorough and fair in his actions at all points of the committee work. We need to be honest about what this bank inquiry can deliver, as it will be no substitute for criminal investigations into those who presided over the banking crisis and fall-out which destroyed so many families and individuals. It will certainly be no substitute for convictions of bankers and prison sentences for those whose greed, avarice and incompetence brought this State to its knees; these people include bankers, politicians, speculators and developers. Nor will any inquiry make up for the mistakes of the past or lift the unjust burden from the people. We are still paying for Fianna Fáil's incompetence and Labour and Fine Gael's blind commitment to that policy of not standing up for Ireland and its people. That is a matter for the inquiry to investigate and I hope the facts will emerge.

There has been no progress whatsoever on recapitalising our pillar bank debt through the European Stability Mechanism, ESM, despite the Government's announcement in June 2011 of a "game changer" and a "seismic shift". Additionally, this Government has formalised as sovereign the toxic Anglo Irish Bank debt and burdened future generations with a debt that is not the people's, never mind that of people not yet born. The country as a whole and small and medium enterprises and households in particular are still drowning in debt and this Government has no plan to deal with it. Rating agency Fitch released a report today indicating Irish mortgage debt is at its highest peak yet. Six years into this crisis and householders are still bearing the brunt of bad decisions.

There is a very cruel irony in thousands of people now living under the threat of eviction or so-called voluntary surrender because of the economic collapse caused to some degree by some of the same banks that are now sending thousands of letters to working people across this State telling them they must leave their home. We must always remember the human effects that the banking crisis has brought us, and let us not pretend that we would be facing water charges, the universal social charge, property and household charges now if there had been no banking bail-out. If the Government goes ahead with its plan to bring in another €2 billion in cuts and taxes, we will reach the €32 billion mark in cuts and taxes under Fianna Fáil, Fine Gael and Labour. That is more or less the same amount of debt from Anglo Irish Bank and Irish Nationwide with

which the people were burdened by Fianna Fáil, and now thanks to this Government we will be burdened with it for generations.

That is the context we must always remember. It is one of increasing poverty. I attended an event yesterday where I heard about 0.5% of an increase in the poverty rate. At the same time, supports for people in poverty are slowly being filleted, gutted and removed. There have been attacks on the community sector and people who worked with those at a disadvantage. We also have mass emigration, which is tearing the heart from rural Ireland in particular and 136,00 households which cannot pay their mortgages. It is the equivalent of one person leaving the State every six minutes because of a lack of hope, jobs or prospects. This context concerns people who are struggling to pay their bills or send their children to school who will now be asked to pay for the water they drink. That is not the fault of the banks but rather the fault of the two bad Governments we have had and their poor choices. Sinn Féin opposes austerity and will continue to oppose bad decisions and provide realistic alternatives. No banking inquiry will distract us from that. There is genuinely a better and fairer way and we have been joined by others in that analysis.

We support this motion and my party hopes to play a full role in the committee by asking the questions the people want to be asked. It needs to be fully empowered to compel witnesses as necessary. To get to the truth we need the full co-operation of all parties, including the various sheltering account bodies and firms which played a central role. I would particularly like to hear the Taoiseach's thoughts on a recent reply from the ECB to my party colleague, Martina Anderson MEP, expressing great alarm at the idea of its role and in particular the role of former President Trichet in our crisis. Will An Taoiseach, as Head of this Government, insist that the November 2010 letter from Trichet to Brian Lenihan is released?

Many people want to know exactly what happened during that period. There is a great deal of cynicism in the general public about the prospect of a real inquiry that will get to the bottom of this matter. There is a feeling that those in power will protect their friends and those who were in power at that time. We have a huge responsibility. If we fail in this task people will never forgive us, particularly those who are suffering so much, who did not create the problem, played no part in it and who did not party day and night during the Celtic tiger period. We have a responsibility to those people, the working poor, who are carrying that unfair burden. Hopefully this banking inquiry will give them some answers. I look forward to the inquiry being set up. Like everyone else we will follow it on our TV screens, in this House and through the print media. People are crying out for answers and hopefully those answers will come.

Deputy Finian McGrath: I thank the Leas Cheann Comhairle for the opportunity of speaking in this urgent debate on certain aspects of the banking crisis. For many years I have made my views on this issue known, nationally and locally, so I have ruled myself out of the proposed banking inquiry. I have major concerns about this inquiry, that it will become too political and not deal with the real issues, the causes, the effects and the urgent need never to let such a crisis happen again. It needs to deal with the core issue of greed and rampant capitalism. People should not be afraid to say that in this debate.

It gets up my nose to hear some commentators say that we all went mad during the boom, borrowing and spending during the Celtic tiger years. Many did not do that. They got on with their lives and tried to stay out of debt even when we were bombarded with letters from banks and lending institutions, egging us all on to borrow or buy apartments in Abu Dhabi or elsewhere. That is how it was but many ignored the pressure and now they are paying for the ac-

tions of others. This should be said of the majority of decent people who go out to work every day and those who are unemployed, who did not get involved in this rampant greed. That to me is a grave injustice and people need to accept that reality.

Let us quit the spin and the waffle and deal with the truth and the facts. The Government may spend €20 million on this inquiry but we find it difficult to get €100,000 for an excellent child care service to save 260 children in the Darndale area and for 100 jobs in an area that needs jobs and investment. I raised this issue here a couple of weeks ago. That is the kind of front-line service and debate we should have. These services have suffered and should not be excluded from this debate. Last night, €30 million was granted to Páirc uí Chaoimh in Cork yet the Government cannot find €100,000 for a child care service in Darndale, money for housing or €100,000 for a football stadium. We need to be realistic and get our priorities right. We need to be open to different ideas about the type of inquiry we should have, many of which could be very effective.

According to “Brian’s Blog” on *planware.org*:

We need is [sic] a new type of inquiry which is a mix of tribunal and commission and provides for membership by politicians and others. It should have subpoena and discovery powers, take evidence under oath, make findings, exclude lawyers, be open to public and televised, have an independent chairperson, engage expert support staff, hold private hearings by exception, have power to refer to . . . [the] Gardaí and so on. There are plenty of examples of this type of inquiry including the US’s Financial Crisis Inquiry Commission which is examining a much more complex crisis than Ireland’s and required to report by the year end...

The Government needn’t spend three months scoping its flawed approach to a banking inquiry. Instead, it should look at the terms of reference for the Financial Crisis Inquiry Commission. Most of them are relevant including role of regulator; monetary policy and availability of credit; accounting practices; tax incentives; capital requirements; credit rating; lending practices; concept of “too-big-to-fail”; corporate governance; compensation structures and levels; legal and regulatory structures; quality of due diligence; and fraud and abuse. To these, I’d add role of media and commentators; role of ministers and government departments; and relationships between politicians, developers and bankers.

Needless to say, a proper inquiry would not stop at September 2008 and should investigate the basis for the bank guarantees (relating to liabilities exceeding €400 billion), Nama (cost to taxpayer unknown but could exceed €10 billion), nationalisation of Anglo Irish Bank (€4 billion injected and another €6+ billion to follow) and provision of €7 billion in preference shares to Bank of Ireland and AIB (at a time when their combined market capitalisation was a fraction of this) with billions more to follow.

These are the types of financial transactions that have to be examined by inquiries.

Writing in *thejournal.ie* Damien Kiberd reminds us that we have already had: (1) the Honohan Report, (2) the Regling-Watson Report, (3) the Wright Report; and (4) the Nyberg Report.

The authors of these reports had much in common. They were largely academics and senior public servants. They were not business people or even bankers.

There is also the problem of Deputies and Senators running a bank inquiry. Time is a huge

problem.

According to Eoin O'Malley writing in *thejournal.ie*:

TDs and Senators simply do not have the time to conduct many inquiries properly themselves and perform their roles as legislators/ representatives fully. Even in normal committee proceedings TDs line up to ask the same question but often don't even hang around to listen to the answer. If you look at one of the reasons for the success of the DIRT inquiry it was because previous work by the C&AG had already established many of the facts of the case.

That is being said behind closed doors. Many Deputies will spend two days a week on this and will be off the pitch for legislation and their local communities. We need to address this because it will be a very time-consuming project. O'Malley continues:

The Commission of Inquiry is a better model. There are issues about whether it should be in public or if it should be chaired by judges or a group with expertise in the area. The Nyberg Report on the banking crisis was a good example of a commissioned inquiry working. But the main issue that is rarely considered in popular commentary is who commissions the inquiry.

The 2004 Commissions of Investigation legislation that the Nyberg Report was a product of has at least one major flaw. Commissions are set up by the executive, exactly who parliament is supposed to scrutinise. It's for this reason the excellent (but not very juicy) Nyberg report wasn't able to venture too deeply into government decision making.

I put forward those proposals because it is important that we hear different views and dissenting voices on this issue.

The Technical Group has nominated Deputy Donnelly. I would not get involved because I have made many comments on the banking crisis in recent years. I commend Deputy Donnelly as the representative of the Technical Group and I know he will do an excellent job because, as he told me, one of the main reasons he was elected was to push this issue.

Someone who has been excluded is Deputy Peter Mathews, who also has a major contribution to make to this issue. He should be included as a member of the select committee of inquiry. A parliament that excludes people who have a special knowledge, skill and interest in the issue of the banking crisis and the financial services and that does not include people like Deputy Peter Mathews is making a major mistake. It is not an inclusive democratic parliament if people like him are excluded from this, particularly when it would be acknowledged across all parties that Deputy Mathews has made a major contribution to the debate on the banking crisis and the financial crisis. I appeal to the Minister and the Taoiseach at this late stage to add an additional place to the select committee to include him in order that it can get on with the job. We nominated Deputy Stephen Donnelly who is a man of great ability.

I will conclude with a quote by Damien Kiberd with which I totally agree. Recently he wrote:

This country is suffering from paralysis by analysis. The only people to gain are lawyers. They're the guys who keep the meters running every time you hear the words "Tribunal, public inquiry or court case. [...]"

The bureaucrats who were responsible for economic management and the regulation of banking from 2000 to 2010 have almost all retired, as have the key political figures. Almost all of the major bankers have moved on too.

I welcome this debate and urge the Minister and the Government to listen to some of the sensible proposals in regard to the banking inquiry that have been put forward today.

An Leas-Cheann Comhairle: The next speakers are Deputies Shortall and Mathews, who are sharing time.

Deputy Róisín Shortall: In the time I have I want to make two brief points. First, there seems to be a view forming that the Government does not want the inquiry to go beyond the date of the blanket guarantee and certainly not into its period in office. The decision of the Government to continue the previous Government's policy of repaying in full the senior bondholders of the banks needs to be investigated and understood. In terms of the financial cost to the State, that decision was probably the second most important decision taken, and yet it is one where we know almost nothing to explain it and explain why both Government parties felt they had to do a U-turn on their election promises. It seems fairly certain that this Government came under external pressure to make that decision, but without an investigation we do not know and we will not be able to determine how fair, or otherwise, the pressure put on them was.

Second, it is certain that Patrick Neary as regulator, the then senior people in the Department of Finance and the Central Bank, senior bankers and Fianna Fáil and Green Party politicians will be brought before the committee, but there has been very limited reference to senior ECB officials being called before the committee, in particular Jean-Claude Trichet. His period as head of the ECB spans both the current and previous Governments' terms of office and his evidence would be very helpful in understanding the crisis. Mr. Trichet's dismissive response to this proposal is completely unacceptable and must be challenged. A serious concern about this inquiry is that it is more about politics than establishing the truth. Ensuring the entire period of relevance would be inquired into would help to allay some of those concerns. I ask the Minister to consider that.

I strongly support both amendments to the motion before us.

Deputy Peter Mathews: I move amendment No. 1:

To insert the following subparagraph after subparagraph (3)(a)(ii):

“(iii) that Deputy Peter Mathews be an additional professionally qualified member of the Select Committee of Inquiry into the Banking Crisis,”

I put on the record that I wish to thank the Ceann Comhairle because there was a great danger that this debate may have gone ahead without any of the Independent Deputies who do not belong to the Technical Group having a voice. That would have been travesty of this Parliament. I thank the Ceann Comhairle for that and I appreciate it. It was with reluctance that the Government conceded that yesterday.

This is an extremely important landmark for this country and it should be done honestly, openly and transparently, setting aside politics. The reason is that since 2009 when the crisis exploded into the destruction that was left, 250,000 people have emigrated, 385,000 remain on the live register of the unemployed, which is a total of 635,000, which is equivalent to nine

14 May 2014

stadia the size of Croke Park full to capacity or 16 stadia the size of the Aviva Stadium full to capacity. Moving on to the families in mortgage arrears, which number 135,000 to 140,000, that equates to nearly 500,000 based on there being 2.7 people per household. If we add the 90,000 on the housing waiting lists, we begin to get some sort of feel for the hurt, distress and financial destruction that followed from the collapse in 2008.

The Taoiseach said in his contribution that we want to have the origins fully understood. That is actually quite easy and straightforward to do but it has been avoided so far. All one needs to do is to look at the balance sheets of all the licensed deposit-taking banking and building society institutions starting in 2001 through to 2008 at six monthly intervals and one will see the evidence. They are the facts, not opinions. It is not like an artist or a sculptor giving his or interpretation of things. They are the cold facts. Those balance sheets show that the greatest credit pyramid in the history of Europe was building up in Ireland. Iceland, a little island, had it at ten times smaller than us, but we had it. The evidence is there. If we end the picture with the collapse in 2008 and the bank guarantee, which will be another thing to examine and inquire about, the boards of directors of the institutions of which they are the directors and the stewards have prudential responsibility to make sure that the balance sheet management of the assets they create from the deposits that they take are properly managed prudentially and that loan to deposit ratios, which are the fractional reserving principle, are adhered to, so all we have to do is bring in the boards of directors from between 2001 and 2008, sit them down and their auditors behind them, present the balance sheets and ask them to make their observations on the history - the journey - from 2001 to 2008. One cannot have a credit bubble which supports an asset price bubble unless there is a pyramid building up. To take, for example, Bank of Ireland's balance sheet at 2008, it had a loans to customer deposits ratio of 158% instead of 90%. In addition, it had senior secured bond funding on its balance sheet of €61 billion - 40% of the Irish national income. That is crazy stuff.

I will not go into further details but we can see how simple it is if we know the questions to ask, and they have been there but nobody wanted to hear those questions. Being left off a committee in July of last year, I did not get a chance even to make a contribution. I have sat in and listened to other people and witnesses, whether it was Patrick Honohan of the Central Bank or management from the banks, talking about different things and I could not ask questions because the Whips and the Government said I could not and that I was off the committee. It was absurd.

I thank the various Members from the other parties and from the Technical Group for supporting the amendment to include me on the select committee. I wrote to the Taoiseach and to the Ceann Comhairle, as Chair of the Committee on Procedure and Privileges, in January saying that I would very much like to serve. This is a matter of service for the people. It is not politics. In some ways I am glad I am no longer in a party and that I can do this - on the face of it totally objectively - namely, help by asking the right questions during the course of the inquiry.

There is the next stage which is the how the bank guarantee came about, the consequences of that and, as Deputy Shortall said, what sort of pressures were put on the previous Government and so on. We need to inquire about the prudential capital assessment reviews as well.

I will give a little anecdote. In July and August 2009, before Professor Honohan was appointed as Governor of the Central Bank, I was in his office in Trinity College showing him the analysis of the up-to-date balance sheets of the six Irish-owned banks. There was no chance that the figures produced by the so-called experts for the loan losses that would be associated

with the NAMA transfers would be correct, but it was again dismissed. Mr. Elderfield has also left his position. It is funny how many people have left after completing less than half their terms of office in the Central Bank or the Financial Regulator. He claimed they had the models from BlackRock Solutions, Boston Consulting Group and Barclays Capital which showed that the capital assessment requirements were accurate. I said that if one looked at the balance sheets and remembered that €200 billion of extra turbo-charged lending was done in less than four years by six Irish banks, there was no possibility that when everything stopped more than half of that would be collected. That was the true indicator of the scale of the losses, but it was dismissed.

We need to be objective. Luckily my training is in auditing and I can be objective. The facts speak for themselves. The bits of the jigsaw are in the box and it is a matter of placing them out there and getting all the directors of all the institutions to show us whether individually or collectively they understood what they were doing. More than 1.5 million Irish people are distressed as a result of the consequences and they need to hear it. They do not have the time to read Watson-Regling, Honohan or Nyberg reports. They need to see visibly those people who had the fiduciary responsibility.

I ask that the amendments be supported in the interests of the people we are here to serve. I believe we should take off all our political clothing for the purpose of this inquiry and do it professionally, honestly and well. It can be done and it should be done.

Deputy Ciarán Lynch: Today, we as parliamentarians are being provided with an opportunity to demonstrate that this Parliament can carry out a fair and balanced inquiry that will answer many of the key unanswered questions behind the banking crisis that has impacted heavily on Ireland and the people.

The people have waited a long time for this inquiry to be established. Today is the first step and a journey of work remains ahead of us. I acknowledge many of the comments made in today's debate about public expectation with regard to this inquiry. It will certainly not be a replacement or a substitute for, or an alternative to the courts. This is an inquiry that will operate within its own terms of reference.

First, the committee must draft an inquiry proposal and terms of reference, and develop an inquiry plan. It is then a matter for the Committee on Procedure and Privileges and the Houses to approve the inquiry proposal. Today, we are at the beginning of a process, not at the end. While an inquiry has been long in coming, I urge people to be patient as we prepare for the public part of that inquiry. As we move on, certain aspects will draw further media attention, but there is a job of work to be done to prepare to be in that space and I ask people to be prepared in that regard.

This is the first time that an inquiry of this type will be carried out under the Houses of the Oireachtas (Inquiries, Privileges and Procedures) Act 2013 and it is an opportunity for our Parliament to demonstrate that it can carry out a fair and balanced inquiry to answer the key questions that remain behind the banking crisis. It is crucial that the inquiry should be understandable in what it will set out to achieve and measurable in its objectives and terms of reference. A key element is that the inquiry should be conducted in an open and transparent manner.

It is incumbent on us all to ensure that this parliamentary inquiry is communicated as widely as possible using the many public information services such as Oireachtas television, a dedi-

14 May 2014

cated parliamentary inquiry website, webcasting and social media. The benefit of doing so is that it allows for a first-hand account to be given by those involved in one of the major events in the history of the State and allows the people to see and hear those people called on to give their evidence in the public domain.

The inquiry must have clearly set out timetables and timeframes. It must not just look to the past, but must examine how our current systems are operating and ensure that we have a financial services infrastructure, along with oversight institutions, that are robust and fit for purpose into the future. This will ensure that the crisis is not revisited upon us again.

We need to approach this inquiry with open minds. Nobody has the monopoly on wisdom and no one should prejudge the outcome of this inquiry. This inquiry gives us an opportunity to demonstrate an example of Parliament at its best. It is an opportunity to leave our club jerseys at the committee room door and do an important job of work on behalf of the people.

6 o'clock

Amendment put:

<i>The Dáil divided: Tá, 34; Níl, 85.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Adams, Gerry.</i>	<i>Bannon, James.</i>
<i>Broughan, Thomas P.</i>	<i>Barry, Tom.</i>
<i>Browne, John.</i>	<i>Bruton, Richard.</i>
<i>Colreavy, Michael.</i>	<i>Burton, Joan.</i>
<i>Cowen, Barry.</i>	<i>Butler, Ray.</i>
<i>Crowe, Seán.</i>	<i>Buttimer, Jerry.</i>
<i>Daly, Clare.</i>	<i>Byrne, Catherine.</i>
<i>Doherty, Pearse.</i>	<i>Byrne, Eric.</i>
<i>Dooley, Timmy.</i>	<i>Cannon, Ciarán.</i>
<i>Ferris, Martin.</i>	<i>Carey, Joe.</i>
<i>Grealish, Noel.</i>	<i>Coffey, Paudie.</i>
<i>Kelleher, Billy.</i>	<i>Collins, Áine.</i>
<i>Kirk, Seamus.</i>	<i>Conaghan, Michael.</i>
<i>Kitt, Michael P.</i>	<i>Conlan, Seán.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Connaughton, Paul J.</i>
<i>McDonald, Mary Lou.</i>	<i>Conway, Ciara.</i>
<i>McGrath, Finian.</i>	<i>Coonan, Noel.</i>
<i>McGrath, Mattie.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>McGrath, Michael.</i>	<i>Costello, Joe.</i>
<i>McLellan, Sandra.</i>	<i>Creed, Michael.</i>
<i>Mathews, Peter.</i>	<i>Daly, Jim.</i>
<i>Murphy, Catherine.</i>	<i>Deenihan, Jimmy.</i>
<i>Naughten, Denis.</i>	<i>Deering, Pat.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Donohoe, Paschal.</i>
<i>Ó Fearghail, Seán.</i>	<i>Doyle, Andrew.</i>

<i>Ó Snodaigh, Aengus.</i>	<i>Durkan, Bernard J.</i>
<i>O'Brien, Jonathan.</i>	<i>Farrell, Alan.</i>
<i>Ross, Shane.</i>	<i>Feighan, Frank.</i>
<i>Shortall, Róisín.</i>	<i>Ferris, Anne.</i>
<i>Smith, Brendan.</i>	<i>Fitzgerald, Frances.</i>
<i>Stanley, Brian.</i>	<i>Fitzpatrick, Peter.</i>
<i>Timmins, Billy.</i>	<i>Flanagan, Charles.</i>
<i>Tóibín, Peadar.</i>	<i>Gilmore, Eamon.</i>
<i>Wallace, Mick.</i>	<i>Griffin, Brendan.</i>
	<i>Harris, Simon.</i>
	<i>Hayes, Tom.</i>
	<i>Heydon, Martin.</i>
	<i>Howlin, Brendan.</i>
	<i>Humphreys, Heather.</i>
	<i>Humphreys, Kevin.</i>
	<i>Keating, Derek.</i>
	<i>Kehoe, Paul.</i>
	<i>Kelly, Alan.</i>
	<i>Kenny, Enda.</i>
	<i>Kenny, Seán.</i>
	<i>Kyne, Seán.</i>
	<i>Lawlor, Anthony.</i>
	<i>Lynch, Ciarán.</i>
	<i>Lyons, John.</i>
	<i>McEntee, Helen.</i>
	<i>McGinley, Dinny.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>Maloney, Eamonn.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Dara.</i>
	<i>Murphy, Eoghan.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>Noonan, Michael.</i>
	<i>Ó Riordáin, Aodhán.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Mahony, John.</i>

14 May 2014

	<i>O'Reilly, Joe.</i>
	<i>O'Sullivan, Jan.</i>
	<i>Perry, John.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Quinn, Ruairí.</i>
	<i>Rabbitte, Pat.</i>
	<i>Reilly, James.</i>
	<i>Ryan, Brendan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Twomey, Liam.</i>
	<i>Varadkar, Leo.</i>
	<i>Wall, Jack.</i>
	<i>Walsh, Brian.</i>
	<i>White, Alex.</i>

Tellers: Tá, Deputies Peter Mathews and Mattie McGrath; Níl, Deputies Paul Kehoe and Emmet Stagg.

Amendment declared lost.

An Ceann Comhairle: Does Deputy Peter Mathews propose to move the second amendment?

Deputy Peter Mathews: I do.

An Ceann Comhairle: Could he formally move the amendment, please?

Deputy Peter Mathews: I move amendment No. 2:

To insert the following paragraph after paragraph (5):

“(6) That, in relation to the banking inquiry, the terms of reference include that all the members of the boards of directors of the licensed deposit-taking banking institutions and building societies during the years 2001 - 2008 inclusive, including the six Irish owned institutions (AIB, Bank of Ireland, Permanent TSB, Anglo Irish Bank, EBS and INBS) and the foreign owned banks (ACC Bank, NIB (later Danske Bank), Ulster Bank, KBC Bank, Bank of Scotland Ireland and First Active), be compelled to attend the banking inquiry to answer questions on the balance sheets and funding and lending policies of their institutions during the years 2001 - 2008 inclusive.”

Amendment put:

<i>The Dáil divided: Tá, 35; Níl, 85.</i>	
<i>Tá</i>	<i>Níl</i>

<i>Adams, Gerry.</i>	<i>Bannon, James.</i>
<i>Broughan, Thomas P.</i>	<i>Barry, Tom.</i>
<i>Browne, John.</i>	<i>Bruton, Richard.</i>
<i>Calleary, Dara.</i>	<i>Burton, Joan.</i>
<i>Colreavy, Michael.</i>	<i>Butler, Ray.</i>
<i>Cowen, Barry.</i>	<i>Buttimer, Jerry.</i>
<i>Crowe, Seán.</i>	<i>Byrne, Catherine.</i>
<i>Daly, Clare.</i>	<i>Byrne, Eric.</i>
<i>Doherty, Pearse.</i>	<i>Cannon, Ciarán.</i>
<i>Dooley, Timmy.</i>	<i>Carey, Joe.</i>
<i>Ferris, Martin.</i>	<i>Coffey, Paudie.</i>
<i>Grealish, Noel.</i>	<i>Collins, Áine.</i>
<i>Kelleher, Billy.</i>	<i>Conaghan, Michael.</i>
<i>Kirk, Seamus.</i>	<i>Conlan, Seán.</i>
<i>Kitt, Michael P.</i>	<i>Connaughton, Paul J.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Conway, Ciara.</i>
<i>McDonald, Mary Lou.</i>	<i>Coonan, Noel.</i>
<i>McGrath, Finian.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>McGrath, Mattie.</i>	<i>Costello, Joe.</i>
<i>McGrath, Michael.</i>	<i>Creed, Michael.</i>
<i>McLellan, Sandra.</i>	<i>Daly, Jim.</i>
<i>Mathews, Peter.</i>	<i>Deenihan, Jimmy.</i>
<i>Murphy, Catherine.</i>	<i>Deering, Pat.</i>
<i>Naughten, Denis.</i>	<i>Donohoe, Paschal.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Doyle, Andrew.</i>
<i>Ó Fearghail, Seán.</i>	<i>Durkan, Bernard J.</i>
<i>Ó Snodaigh, Aengus.</i>	<i>Farrell, Alan.</i>
<i>O'Brien, Jonathan.</i>	<i>Feighan, Frank.</i>
<i>Ross, Shane.</i>	<i>Ferris, Anne.</i>
<i>Shortall, Róisín.</i>	<i>Fitzgerald, Frances.</i>
<i>Smith, Brendan.</i>	<i>Fitzpatrick, Peter.</i>
<i>Stanley, Brian.</i>	<i>Flanagan, Charles.</i>
<i>Timmins, Billy.</i>	<i>Gilmore, Eamon.</i>
<i>Tóibín, Peadar.</i>	<i>Griffin, Brendan.</i>
<i>Wallace, Mick.</i>	<i>Harris, Simon.</i>
	<i>Hayes, Tom.</i>
	<i>Heydon, Martin.</i>
	<i>Howlin, Brendan.</i>
	<i>Humphreys, Heather.</i>
	<i>Humphreys, Kevin.</i>
	<i>Keating, Derek.</i>
	<i>Kehoe, Paul.</i>
	<i>Kelly, Alan.</i>

14 May 2014

	<i>Kenny, Enda.</i>
	<i>Kenny, Seán.</i>
	<i>Kyne, Seán.</i>
	<i>Lawlor, Anthony.</i>
	<i>Lynch, Ciarán.</i>
	<i>Lyons, John.</i>
	<i>McEntee, Helen.</i>
	<i>McGinley, Dinny.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>Maloney, Eamonn.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Dara.</i>
	<i>Murphy, Eoghan.</i>
	<i>Nash, Gerald.</i>
	<i>Neville, Dan.</i>
	<i>Nolan, Derek.</i>
	<i>Noonan, Michael.</i>
	<i>Ó Ríordáin, Aodhán.</i>
	<i>O'Donnell, Kieran.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Mahony, John.</i>
	<i>O'Reilly, Joe.</i>
	<i>O'Sullivan, Jan.</i>
	<i>Perry, John.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Quinn, Ruairí.</i>
	<i>Rabbitte, Pat.</i>
	<i>Reilly, James.</i>
	<i>Ryan, Brendan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Twomey, Liam.</i>
	<i>Varadkar, Leo.</i>
	<i>Wall, Jack.</i>
	<i>Walsh, Brian.</i>
	<i>White, Alex.</i>

Tellers: Tá, Deputies Peter Mathews and Mattie McGrath; Níl, Deputies Paul Kehoe and Emmet Stagg.

Amendment declared lost.

Question put and agreed to.

Housing (Miscellaneous Provisions) Bill 2014: Second Stage (Resumed)

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

Deputy James Bannon: One of the most frequent queries raised with me is the condition of some privately rented properties and the failure of some landlords to provide adequate storage facilities for tenants to store their household rubbish. This issue needs to be addressed and it is vital that we have an enforcement of standards regulating the private rental sector to combat the bad conditions in these privately rented properties.

Access to affordable housing should be a basic right of everyone. We must remember that homelessness is not just an urban issue, but a rural reality. I have discussed with the Minister of State the huge numbers on the waiting list in my village. There are no suitable houses for tenants and approximately 28 people are on the waiting list in the small village of Legan in County Longford. I know she is working on addressing the issue.

We are moving in the right direction and have moved away from the heavy dependence on emergency accommodation in hostels and bed and breakfasts. Agreement was also reached with NAMA to make more than 2,000 properties available for the purpose of social housing through leasing arrangements with local authorities and housing associations.

When the crash came and home prices fell, a huge amount of financial folly was exposed. As the saying goes, one only learns who has been swimming naked when the tide goes out. There were far too many assumptions and speculation which has left us with far too many ugly sights in some parts of the country. The scourge of ghost estates and the plentiful supply of cheap housing must be addressed. Whatever the cause or causes, the numerous ghost estates in the midlands have been well documented on RTE programmes and in the local papers. They are a proof of the excesses of the Celtic tiger years, the greed of some developers and poor planning.

This morning, when speaking during Leaders’ Questions, the Taoiseach stated that we are building 25,000 new houses every year. The Government should reconsider the decentralisation of State services and the headquarters of such offices as the medical card review office and SUSI to the midlands where there is a plentiful supply of cheap housing. There is an urgent need to diversify. Balanced regional development is required in the interest of economic development and more healthy lifestyles for our people.

It is obvious that the link between property demand and supply was stretched to a totally unrealistic length. The recession and reducing immigration broke the fragile chain. Population growth failed to meet the number of estates that were developed and unemployment has changed the rural and urban profile. As unemployment figures rose, workers gravitated towards urban centres in search of jobs.

14 May 2014

Whether we want more than 600 ghost estates across the country is not the issue. We have them and we have to do something with them. Unless positive action is taken, these estates will become the slums of 21st century Ireland to the detriment of the rural landscape. It is important to prioritise innovative ways of selling off properties in ghost estates. Incentives such as tax concessions should be given to returning emigrants, many of whom would be happy to be able to come back to their roots. This would be a win-win situation as money would be spent locally in shops, restaurants and pubs which would be of huge help to the local economy. The same applies to those who wish to move from cities to rural areas, particularly those of retirement age. This needs to be addressed.

Does the Minister of State have any proposals to introduce a tenant purchase scheme? It is important to sell off some of our housing stock. The old tenant purchase scheme expired some time ago and I would welcome the introduction of a new scheme as soon as possible.

Deputy Arthur Spring: I agree with the previous speaker on the tenant purchase scheme. I encourage the Minister of State and the Department to examine the idea of local authorities being in a position to provide finance again. As we all know, with the onerous regulations put upon financial institutions one needs a secure cash flow and a substantial deposit whereas in a tenant purchase scheme, the loan to value ratio of the house one is buying and the conditions are advantageous and it is less speculative by nature. The best place for many of these people to get loans is from the local authority rather than from a financial institution.

I also encourage the Minister of State to consider a public-private partnership whereby funding could come from credit unions which would not provide direct mortgages but might have money on deposit which they could give at a preferable rate to local authorities, thereby servicing the same clients. This idea should be considered. I have spoken to some members of the credit union movement who see validity in it. On Monday, the Minister of State was good enough to visit Tralee, the town I come from, with regard to the regeneration programme. There is €100 million on deposit in the town at present and the interest rates are low. If it were State guaranteed, it would be off-balance-sheet for the Government and could provide the possibility of people purchasing houses. The money could be used for the housing list. The same town has a waiting list of approximately 2,000 people.

Most of the people on the housing list are in receipt of rent allowance. This is a big bugbear of mine. I was the chair of the housing strategic policy committee on Kerry County Council from 2009 until I was elected to this House. One of my observations and ideas is that landlords have had the benefit of the most secure form of tenant known to any financial institution and that is the State. They have seen exponential increases, particularly in the Dublin area, in the value of their properties over the past while. I am of the opinion that traditionally tenants in Ireland, particularly in the private sector, have never been provided with the level of tenure and security which is essential for their well-being, particularly those with families. This is achieved throughout Europe but it is not what we have here. It was very suitable for landlords to have tenants in place paying rent which were paying down debts while the values of the properties were increasing and potentially the investment was returning a yield. I am conscious of the fact these people are not in a home for longevity. They can be at the mercy of the landlord or the financial institutions. They set up homes, families and communities but they can be moved on and this is starting to happen. There is an increase in activity and people are starting to sell properties. In such cases, provision must be made for the tenants.

I will put forward an idea that should be examined. In the event that one is looking to

provide someone with rent allowance, it should be along the lines of the rental accommodation scheme, RAS. However, there should be the option of taking a purchase price on such properties if they are the subject of rent allowance for a prolonged period not just in respect of a particular tenant, but if it is provided to someone who is in receipt of rent allowance. In the town I have just given to the Minister of State as an example, 2,000 people are on the housing list, the majority of whom are in receipt of rent allowance. Consequently, the provision of stock means a great number of people essentially are benefiting from the State paying their mortgages while paying the rent.

I believe the ownership of a house is essential for good communities. One area at which one looks is the provision of landscaped green areas. When one visits an area, it is always encouraging to see a green area on which a couple of young fellows and young girls have thrown down sweaters to make goals and who are playing sport. I refer to the level of anti-social behaviour in areas with green spaces that encourage people to play sports or which simply accumulate numbers of young people who are under supervision in such green areas. It is not rocket science and architects will tell one it is possible to breed a level of community involvement through the design of what the Minister of State intends to do and I can tell that the Government intends to build social housing in the future.

Another area on which I wish to see money spent is the plight of the homeless people I have been encountering. One issue is the banks are not giving people the necessary leniency to enable the latter to get on to a housing list and get their rent supplement. I dealt with a case fairly recently in which an individual was able to sign up for his dole but as most of it was going on his rent, he was living on a small amount of money. He was unable to get rent supplement and in such a situation, a person is being tipped towards homelessness. The facilities are not in place to look after such cases and a provision should be put in place with immediate effect whereby someone could be provided with a rental allowance for a short period until a review is carried out on it.

I compliment the Minister of State on the regeneration projects. A great service is being done for the country in this regard, which everyone in this House welcomes. However, there is also a problem that emanates from the lack of job creation outside the key areas. While there is talk of rents rising in Dublin and Cork, this it is not happening nationwide. I recognise the country was in a bad place financially, etc., but consideration must now be given to the regions. I want people to be able to live there, to raise families, to be able to look after their parents and to build up their communities and, consequently, jobs must be created, particularly in the regions. As for IDA Ireland's regional strategy from 2015 to 2022, I impress on the Minister of State the need to have a strategy whereby the Government tries both to build houses for social protection purposes and to build communities, which will involve the creation of jobs and giving people sustainability in the regions.

While I welcome what is being done today, more can be done with regard to the progression of the economy. I would like as many people as possible to own their houses. I do not believe the rental predicament is terribly favourable here, particularly with a buoyant market. It is about creativity and a little imagination but as I stated, my major bugbear relates to rent allowance and the fact that neither the tenant, the local authorities nor the Government has any ownership over such properties. Consequently, people can be tossed out at short notice, which is unfortunate and unacceptable to me. While this predicament arises from where we are at present, it is something that can be resolved with the help of a couple of the creative ideas I have tried to convey.

Deputy John Browne: I welcome the opportunity to say a few words on the Bill. All Members are out on the canvas trail at present in their respective constituencies and one major issue on the doorsteps is housing or the lack thereof. At many doors to which one goes, people are living in overcrowded conditions. They are living in mobile homes at the back of houses and really, matters have regressed to the dark days of the 1960s and 1970s with regard to the inadequate housing available to families throughout the country. There are approximately 90,000 people on the social housing waiting list, including up to 3,000 in County Wexford, which constitutes an enormous number of people who are awaiting and seeking housing. RAS is working reasonably well although I note a recent report from Wexford County Council indicated that the total number of transfers to RAS thus far this year has been 31, while the target is 140. It is almost the middle of May and yet the council has only achieved 22% of its target. One reason is the council is finding it very difficult to get a supply of houses from home owners who go on RAS. In addition, the condition of some houses I have visited on the campaign trail that are under RAS certainly leave much to be desired. They are sub-standard and of poor quality. The Minister of State might comment on what facilities local authorities have to inspect houses in RAS because when I make representations to the housing officer, he or she usually tells me the onus is on the house owner to carry out the repairs. Some of them certainly are not terribly helpful and are treating people on RAS with utter contempt.

The legislation before Members is being rushed through in an effort to prevent any meaningful debate on its substance. As there will be no Dáil sittings next week, I presume the Bill will conclude this week. For those who are homeless, on social housing lists or renting on low and middle incomes, the economic recovery's most tangible impact is to make the prospect of home ownership and stable accommodation a more distant possibility than ever. As I stated, the Bill does not address the chronic lack of supply in housing units or Government inaction on the matter. Instead, it seeks to address matters that would be relevant, were there an adequate supply of social housing and a rental market that was not in crisis. Unfortunately, this is not the position facing the people at present. The Bill provides for a scheme of tenant purchase of existing local authority houses broadly along the same lines as the incremental purchase schemes for new local authority housing. In her response, the Minister of State might explain this provision in greater detail. Did she give consideration to selling off the local authority stock at a reduced rate? There was such a sell-off, I believe it may have been in 1989, in which council houses were sold off at half price. A huge number of people availed of that scheme and, as a result, the councils avoided the repair costs for those houses in the intervening years. The Minister of State might give serious consideration again to such a "sale of the century" or whatever one wishes to call it, in which people who were in a position to buy the houses could buy them at a reduced rate. The local authority would no longer be responsible for the repairs or the upkeep of those houses.

The new housing assistance payment, HAP, will be made by housing authorities in respect of rent payable by households that are qualified for social housing support for rented accommodation that has been sourced by the households concerned. I always thought the scheme being operated by the community welfare officers was very good. They were on the ground and were very much aware of people's needs. In general, they ran a very good scheme. I am unsure whether handing this over to the local authorities will improve matters. I sometimes wonder whether it will make matters worse. It depends on who is the local authority's housing officer at the time because some of those with whom I have dealt in the past at local authority level certainly would not be too helpful to people who now wish to avail of this scheme. I again ask the Minister of State to spell out how the scheme will work in reality.

At present, many people avail of rent supplement but because of the cap placed on it, they are unable to avail of the full amount and as a result, are obliged to put some of their social welfare payments towards the rent, some of which is going under the counter and some over the counter, to be able to acquire housing. I am unsure whether this is the best system in which the State should be involved because the rent supplement scheme should take into account the value of houses in a particular area.

Members have heard a lot of talk about the rental value of houses in Dublin going through the roof. The rental value of houses in rural Ireland has also increased because of the significant lack of housing. Landlords have been implementing regular rent increases. The money available through the supplementary rent scheme does not meet the full rent. As a result, many tenants are accepting inadequate substandard facilities which do not meet the needs of families.

Some people avail of the deduction from social welfare payments and this will become a mandatory deduction. Up to now the tenant could decide whether he or she wished to participate in that scheme. It is unfair that this will become mandatory. Many people availed of the scheme in the past. Rent arrears is one thing but a mandatory deduction may not take into account the person's ability to pay and other commitments. I always encourage people to pay their rent before everything else in order to ensure a roof over their head. In my view the mandatory deduction scheme is a form of bully-boy tactic.

I refer to the increasing levels of homelessness, both in cities and in rural towns. A problem that in the past was confined to cities such as Dublin is now an issue in rural towns where many young people are homeless. For example, they are living under the bridges or on park benches in my own town of Enniscorthy and in other towns in Wexford. The situation is escalating and it needs to be tackled. Different organisations in the city are very involved with homelessness. I refer to the work of Fr. Peter McVerry and others. However, the situation is different in rural Ireland because there are not many organisations involved. It is an issue that needs to be tackled and it is a concern that so many young people are homeless because of alcohol abuse. The situation in rural Ireland needs to be taken into account as well.

I have raised with the Minister of State the issue of the social housing list and NAMA. There have been consistent delays in the transfer of NAMA properties. To date, only 500 houses have been transferred to local authorities. I do not understand the reason for the delay. In my home town of Enniscorthy, the local authority purchased a number of houses from a builder who ended up in NAMA. The council could not deal with the bureaucracy associated with NAMA and it withdrew from purchasing houses from NAMA and instead purchased houses on the open market. I ask the Minister of State to explain to the House why NAMA continues to transfer such a small number of houses. Does the problem lie with the local authority or is there fault on both sides? The system has not been working satisfactorily, which is regrettable. NAMA has a significant number of properties in Wexford on its books. These are lying idle and are not being made available to those 3,000 on the local authority housing waiting list.

It is questionable whether this Bill is going in the right direction. It is rushed legislation and such legislation comes back to bite politicians and the Government in particular. I ask the Minister of State to spell out what she means by the new HAP scheme and how it will be implemented by local authorities. Will the housing sections of local authorities need a special unit to deal with the scheme? Will it be all over the place like the rental accommodation scheme because different people are dealing with it on different days of the week? The housing section of the local authority should have a specific section with expertise and training to deal with the

14 May 2014

scheme. The community welfare officers were up to speed on this scheme because they had many years of experience which has now been lost and the local authority officials will have to begin again. I suggest a training system for the staff who will be dealing with the HAP scheme. I ask her in her reply to explain the continuing delays in the NAMA reallocation of houses on its books.

An Ceann Comhairle: Deputy Peter Fitzpatrick is sharing his time with Deputies Tony McLaughlin and Tom Barry. It will be five minutes for Deputies Fitzpatrick and McLoughlin and ten minutes for Deputy Tom Barry. Is that correct?

Deputy Peter Fitzpatrick: That is correct. The incremental purchase scheme has been introduced as a new purchase option to meet the needs of those requiring long-term housing supports and to assist those households with low incomes to make a start on the route to home ownership whereby the house is sold at a discount price and the purchaser becomes the full owner at the time of sale.

The incremental purchase scheme applies to newly built houses only and does not include apartments and flats. Existing tenants of a local authority, approved housing body or rental accommodation scheme, RAS, who are willing to move to a newly built house and approved housing applicants are eligible. The household means policy will determine income eligibility and affordability. A household must have a gross annual income of not less than €15,000. Income from social welfare, social assistance payments, allowances, pension allowances and other welfare benefits are not assessable income for the purposes of the incremental purchase scheme, except where this is a secondary source of income, for example, where a person receives a social welfare payment in addition to income from employment and-or where the spouse or partner of an employed applicant receives a social welfare payment. Some types of benefit will not be accepted as income. A household which previously bought a house from a local authority is not permitted to buy a house under the incremental purchase scheme.

Discounts to the purchase price are applied under three bands. Band No. 1, household income €15,000 to €19,000, will receive a discount of 60%; band No. 2, household income of €20,000 to €29,999, will receive a discount of 50%; while band No. 3, household income of €30,000 plus, will receive a discount of 40%. I ask the Minister of State to examine the provision for the amount to be saved in order to qualify for the scheme as this seems to vary and it needs to be clarified.

An incremental purchase scheme will also replace the tenant purchase scheme which closed for new applicants at the end of 2012. The new scheme will cover local authority houses, other than newly-built houses, or newly acquired houses and local authority apartments, which are covered by the existing incremental purchase schemes.

I refer to the main elements of the new model scheme. On the sale of the dwelling, the authority places an incremental purchase charge on the dwelling of the proportion of its value equal to the discount to the purchase. The charge withers away in equal annual proportions over the charged period, provide the tenant purchaser complies with the terms and conditions of the sale, notably, the use of the dwelling as the household's normal residence. If the purchaser breaches a condition of the sale during the charge period, the authority may suspend the annual release on its charge for the year concerned, in which case the dwelling's owner must, on the expiry of the charged period, make a payment to the authority to clear the outstanding charge on the property.

If the tenant purchaser wishes to resell the dwelling during the charged period, the housing authority has first option on buying it back at its current market value, less the value of the outstanding incremental purchase charge. Where the authority does not buy back the dwelling, the tenant purchaser must, on the sale of the dwelling during the charge period, pay the authority the value of the outstanding incremental purchase charge on the property, subject to not incurring a net loss on the resale.

Housing assistance payment will facilitate the transfer of responsibility for the provision of rental assistance to persons with long-term housing need from the Department of Social Protection, currently provided through the rent supplement scheme, to housing authorities, including the provision of a mandatory direct deduction facility to recover rent contributions due to the housing authorities from the welfare payment made to housing assistance recipients and local authority tenants. Following the introduction of the housing assistance payments, rent supplement will continue to be audited by the Department of Social Protection for households in the private rental sector. In the main, such households have lost income through unemployment and require short-term income support to pay their rent. These households will not generally require a social housing assessment and it will be expected that a return to employment will obviate the need for long-term support for such households.

I welcome the provision of an additional €50 million for social housing, of which €20 million will be spent on vacant units, €10 million on capital projects largely directed at alleviating homelessness and €20 million on local authority construction focused on higher needs.

Deputy Tony McLoughlin: I welcome the opportunity to express support for this reforming legislation which will benefit tenants, local authorities and the State. The Bill will also promote a return to employment and strengthen local communities by allowing residents to purchase properties in the areas in which they have settled. Furthermore, it will deal in a fair and efficient manner with anti-social behaviour in communities by empowering local authorities and facilitating decentralisation.

The current rent supplement system is not fit for purpose and requires a major overhaul. It has unintentionally developed into a long-term support. One of the main and unfortunate disadvantages of the current system is that most tenants are discouraged from taking up employment because they fear losing the supports available to them. This will no longer be the case under the new housing assistance payment, HAP, scheme. The new scheme will be operated by housing authorities and will give local authorities responsibility for all long-term supports, thus creating a better and more transparent system. While tenants will continue to have the freedom to source their own accommodation in the private rented sector, the local authority will pay the full rent to the landlord directly and the tenant will pay the contribution to the local authority. Landlords must be tax compliant to avail of the scheme and the rented accommodation will have to meet statutory standards. This will contribute to improved standards of private rented accommodation. In addition, the involvement of local authorities will guarantee transparency and clarity in the system.

The Government is committed to getting people back to work. Under the current rent supplement scheme, support is usually discontinued when a person or his or her spouse or partner returns to full-time employment. The new scheme will provide an opportunity for tenants to work without losing their rent supplement, with the payment being adjusted depending on income. This change will be welcomed by members of the public on the basis that it offers solutions based on individual needs and replaces the one-size-fits-all approach adopted by the

14 May 2014

previous Government. The new system was designed with fairness in mind and we will deliver on that objective.

The Bill also introduces a new tenant purchase scheme for local authority tenants linked to household income. The scheme will provide an opportunity for people to establish roots, become home owners and remain part of their community. It has been meticulously designed and all possible factors have been taken into consideration. Local authorities will offer tenants an opportunity to purchase their home at a discounted price. The scheme safeguards local authorities against possible losses as the legal framework in place ensures individuals will not make a profit at the expense of councils. Anti-social behaviour is also discouraged through the inclusion of a provision precluding purchase by those who are in breach of public order.

I have received numerous inquiries from tenants who wish to purchase their homes from Sligo and Leitrim county councils. This is an opportune time to offer people a realistic deal that will allow them to purchase their own home. I hope the Housing Finance Agency will respond with effective finance options because I fear the banks will not do so.

The Bill also deals with the termination of tenancy agreements by providing that this will be done in an open and transparent manner. It also introduces a new system for the repossession of local authority houses. This measure will only be applied where it is absolutely necessary and all other options have been exhausted. The Bill includes measures to deal with cases of serious breaches of the tenancy agreement, which will include antisocial behaviour and continued failure to pay rent or arrears.

It is essential that we provide a safe and pleasant living environment for our communities and tackle the issue of anti-social behaviour in a fair but firm manner. There is a perception that people will not respect a home if it is provided at a low rent. Social housing costs money and all tenants must respect the property they live in, irrespective of whether the local authority is the landlord. Councils must side with those living in local authority estates who take pride in their home and estate and ensure that those who have little respect for their properties are penalised.

The legislation regulates the provision of housing for the public by introducing crucial tools, procedures and a legal framework that will be indispensable for a smooth development of the sector in future. It also draws a clear picture of the Government's vision of a fair and hard-working society that provides opportunities for the prosperity of future generations.

I commend the Minister of State, Deputy Jan O'Sullivan, on her work on this important Bill. This time last year, the Minister of State visited two estates in County Leitrim where remedial works costing €1.6 million had been carried out. She observed at first hand the value of this investment and the comfort it brought to the residents of the estates. I hope similar works will be considered for other estates across counties Leitrim and Sligo if such schemes are open for consideration by the Department. In the meantime, I commend the Minister of State on the positive and progressive work she is doing on housing with a limited budget.

Deputy Tom Barry: I welcome the opportunity to speak to the Bill. Social housing is a major issue and one which is raised weekly in my clinics in Fermoy and Mallow. Some people have spent years on the housing list and it is difficult not to be moved when one listens to their distressing stories.

This is an extensive Bill and I will focus on a small number of key areas. An evaluation of actual housing need is required as some people are on several housing lists. I presume work is

being done on this legacy issue with a view to updating the list.

The shortage of two bedroom accommodation affects in particular separated men who want to contribute to their children's upbringing and care. In some cases, their former partners are working and they cannot be accommodated. This is a significant sub-group on the housing list and one which needs to be addressed.

The Bill also addresses the scourge of anti-social behaviour. Some of the points I made on this issue in 2012 remain valid. Anti-social behaviour is not the preserve of one section of society as it crosses all boundaries. The concept of a reviewer, as provided for in the Bill, should be expanded to become an assessment board. Assessment boards should incorporate local gardaí, public representatives and relevant members of the council executive. While I understand that concerns may arise about cronyism, a well structured board conducting an open process should negate such concerns. We must tackle the lack of transparency in decision making in this area.

Social housing is allocated on the basis that the beneficiaries will fit into a community and will not destroy the lives of people living around them. Garda vetting of applicants should be mandatory before housing is allocated. We are highly conscious of the right to a home and we place excessive emphasis on the rights of tenants, while underplaying their responsibilities to their communities and neighbours. It is not sufficient to have a person provide a self-assessment of his or her public order record. People who engage in anti-social behaviour remain in local authority housing estates, while their neighbours, who have not done anything wrong, feel that they must leave the estate. Many of those who visit my clinics want to leave a housing estate because of the actions of others. This is wrong. Many young people who are causing problems in residential areas never feature on lists of offenders because they do not have a criminal record. This issue needs to be addressed.

While I accept in principle the need to sell local authority housing stock because many tenants wish to buy their home, we cannot continue to sell this stock if we do not replenish it. Housing should be allocated in a flexible manner. For example, people approaching retirement may not need a three or four bedroom house or a home with stairs. For this reason, people must accept that housing will be allocated to meet their needs at certain times in their lives. Maybe at a later stage in life, they could move into an area with accessible services which would meet their demands.

7 o'clock

There are many unwilling landlords, those whose circumstances left them with housing stock that they cannot afford or want. Most are based outside Dublin. If we could see our way to taking these properties off these unwilling landlords, relieving them of this burden, we would have social housing stock immediately. It would also deal with the second problem of a debt overhang with which these landlords cannot deal. While some of these properties are in negative equity, when they are held by the State and rented in a progressive manner, the debt will be eventually repaid. The State has the advantage of time which the distressed householder does not. I accept this is a challenging proposal in tight economic times but these costs offset the alternative of default and subsequent welfare payments, along with dealing with the banks' impairment issues. Such a move would immediately release housing stock. It is a good time for the State to invest in such property because those trying to move a distressed asset will not be looking for top-of-the-market prices.

14 May 2014

There is a reticence among private landlords to take on social housing. I am a landlord myself and I understand exactly from where they are coming. We all have heard the horror stories of rented apartments destroyed by tenants with the landlord left to carry the can. In some instances, we need to protect landlords in this regard. Is there a need for the Private Residential Tenancies Board, PRTB, to become involved in arrangements where councils rent properties in the private market? The reviewer is already in place who can make findings and this arrangement sounds like duplication. I am not the best fan of the PRTB but that is for a different day.

I agree with the section that allows people to voice their concerns about anti-social behaviour by social housing tenants without fear of recrimination. However, if an oversight board was in place, this provision would not be needed. I have people attending my constituency clinic who are upset, some even suicidal, over the threatening actions of their anti-social neighbours. It is just not good enough for the State to support anti-social neighbours.

The Bill has teeth and will not allow people get away without paying a fair rent. I am not a great fan of deducting at source but I see the need to ensure rents are collected so as to be fair to all involved in social housing, particularly those who do their best to pay their rent. It is important everyone is treated equally. We need to be fair and compassionate with the rents we are charging. Some social housing tenants feel they are being charged rents that leave them with little to survive on afterwards.

Section 17 covers the death of a social housing tenant and recovery of the dwelling. We may need to be sensitive to the other occupants of a house, particularly those with children who may be going to school in the area. We must ensure fairness for occupants in such circumstances who have to move out of a house.

Overall, I am happy with the Bill's provisions. It is obvious the Minister listened to Members' requests. It will lead us into a mature discussion about the provision of social housing. Social housing means one does not have to own the house. It can mean a person is housed for their needs with a degree of flexibility. One's housing needs in one's 30s may not be the same when one is 70. As we all live longer and contribute to society for longer, flexibility in that manner will be welcome. Owning a house or a property over the past few years was very difficult because one simply could not sell if one needed to move on. Accordingly, the flexibility which was there long ago was gone.

I thank the Minister of State, Deputy Jan O'Sullivan, and her staff for their work on this Bill. It is a move in the right direction and people will recognise it addresses social housing provision. While there are criticisms of social housing from various sectors, it is one of the most important features of our democracy. This Bill moves in the right direction in providing for social housing that people deserve.

Deputy Brian Stanley: I wish to share time with Deputy O'Brien.

Acting Chairman (Deputy Bernard J. Durkan): Is that agreed? Agreed.

Deputy Brian Stanley: It is essential there is a major investment in the provision of social housing by local authorities across this State as soon as possible. Sinn Féin's party leader brought this up again today with the Taoiseach but he chose to ignore the issue with a sidestepping deflection as usual. Over the past several years, Sinn Féin has outlined how a €1 billion investment from the strategic investment fund would work for this sector but the Government seems to be intent on ignoring it. Many of the Government's initiatives in social housing pro-

vision, including those announced on budget day, are actual reiterations of old initiatives and ministerial photo opportunities. While they might help the Government parties get over the local elections next Friday, even Government Deputies, including the Acting Chairman, Deputy Durkan, acknowledge there is a significant need for local authority house building programmes.

Sinn Féin's figure of 6,502 houses being built from a €985 million investment is actually quite conservative. In many parts of the country, homes can be built for as much €80,000 and as little as €50,000. Laois County Council bought six houses last year for a little over €50,000 each which needed minimum renovation and now house six families. Averaged out at €70,000, the figure for new builds which could be delivered with that €985 million would be in excess of 7,000 units. That is before one even considers the extra for refurbishments.

Council housing is an asset, not a liability, to the State and local authorities. It has clear and undeniable benefits. It may have become slightly unfashionable for governments in the post-Thatcher era - what happens in England tends to spread here - when local authorities sold off large parts of their housing stock. It may have become unfashionable for local authorities to provide housing but that is exactly what we need to do. These houses would be homes for families who have had to endure a great deal of hardship due to the failures of Governments. The most vulnerable and the poorest members of society, those on the housing waiting lists, have already been victims of the harshest cuts and the effects of austerity of the current Government and its predecessor. The plan my party is putting forward would give them a secure and comfortable home and give them a chance to live in dignity and to raise their families.

Council housing also benefits local authorities by returning revenue in rents. Previously, I have given the example of one local authority which will bring in up to €5 million in rents this year. The maintenance budget is €720,000. Obviously, the capital loan must be paid off. I expect that Laois County Council will bring in €4.5 million to €5 million in rents this year and the housing budget for maintenance, on my recollection, is €720,000.

Local authorities bring in revenue from them. Instead of doing this, we are forking out money on RAS, social leasing and rent supplements, all of which are drains on the public finances and much of which is funnelled into private hands. What we have is short-term thinking. It is self-defeating. These schemes are being held up to be preferable to providing more long-term solutions. If the State were involved in local authority housing construction at present, it would create jobs for builders and would return straightaway 13.5% of the cost of materials in VAT to the coffers of the Exchequer. There would also be an increase in returns in income tax, universal social charge and PRSI, as well as other revenue that would flow from that, and the benefit of a drop in the live register which the Government and its predecessor estimated would save approximately €20,000 per head. Each person going back to work saves €20,000, and it is crazy that the Government believes it is acceptable for local authorities to spend millions of euro putting the homeless in hostels but will not put meaningful investment into local authority housing which has all these benefits. It can only be ideology. Whose ideology is it? Is it Fine Gael's or Labour's?

Deputy Jan O'Sullivan: Lack of money.

Deputy Brian Stanley: In Laois there has been no local authority house building for four or five years. There are six being built this year in Clonaslee, and that is welcome. Any new house is to be welcomed, but six is a drop in the ocean. There were two last year - one special needs and, as I recall, one for the elderly which was a maisonette. There is considerable need.

14 May 2014

There are 1,400 households on the waiting list and there is a significant amount of funding being paid out in the county in rent supplement, the rental accommodation scheme, RAS, etc. I ask the Minister of State to look at this. Obviously, my party wants to see it across the State, but I am highlighting the position in my county because I am familiar with it. We could take thousands out of rent supplement, off RAS and out of emergency accommodation. If one takes what we are outlining here, 7,500 households in receipt of rent supplement involves an annual bill of €32 million on that alone.

This drive by the Government to house people privately and subsidise private landlords has led to massively inflated rents due to a shortage of available properties and many tens of thousands desperate for a home. Rents across the State have risen year on year since the Government has taken office, and have risen 9% in the past 12 months. The average rent across the State is now €828 more a year, with an average monthly rate at €880, that is, the equivalent of paying an extra month's rent every year. This is in the context of a period of wage cuts, hours being cut, wage freezes and unemployment. The overall solution in the longer term is for the State to become involved in a major house building programme. I outlined some of the economic benefits of that. We must look at this on a long-term basis, not deal with matters merely on a short-term basis, as the opportunities arise.

I also highlight the need for rent controls. We need to have rent controls as soon as possible. With so many renters facing eviction due to inability to pay, we face many more becoming homeless if we do nothing. Rent controls are not a new idea and if operated in conjunction with social housing investment, can provide for a stable and affordable housing market. A Swedish policy review in 2013 found rent controls act as:

a safety valve ... that ensures that the performance of the housing market will not get progressively worse. Rather, tenancy rent control will lead to the establishment of a ... long-run equilibrium.

They found it of benefit in terms of stabilising the private rented market.

Rent control was also found to reduce tenancy turnover. I am sure the Minister of State has come across where tenancies are being ended so that the landlord can get the tenants out and bring in somebody at €100 a month more. I come across many such cases in County Laois. In Dublin, and some of the bigger cities, it is a significant issue.

Rent control would also stabilise communities. It would result in tenants in the private rented sector living in a more stable community and having a better quality of life. It is a feature in many European states where renting is seen as a viable long-term option.

I also want to speak in opposition to the inclusion in this Bill of the removal of funds at source from tenants in rent arrears. Rents must be paid. I am not arguing that rents should not be paid and my party certainly is not. However, what I have found to be the best solution here is negotiation between the local authority and the tenant, perhaps through MABS or a public representative or whoever, to cover rent arrears, and it works in 99.99% of cases. I have been involved in having many evictions halted. A few years ago, there was a family of nine who were facing eviction on a Friday where significant rent arrears had accumulated. That family has now cleared their rent arrears, they are in the house, they have better management of money and are back on top of matters, and that is far better than putting out a family, a couple with seven children, on the road. Negotiation is always better than including such measures. Of

course, deduction, if it is voluntary, is a great way, and often I have advocated that tenants take up that option of the household budget plan where they can have the rent stopped at source at the post office. It works well for many. I advocate that, but it is voluntary. We should encourage people to do that and to be good tenants. The measure, as it is outlined here, would mean that local authorities would not have to consider the individual difficulties and circumstances of someone in rent arrears and could bypass any kind of mediation such as I outlined to resolve the arrears. This would only thrust more vulnerable tenants into poverty.

There are many cases where tenants in difficult situations will from time to time develop arrears which they fully intend to pay off and maybe sometimes need a little professional help from an organisation such as MABS, but there are many single parents out there. A single parent with one child is on €217 a week. The Minister of State must be careful with this. That person is paying €40 or €45 a week in rent, which means he or she is left with €160 or €170, and has many other bills coming in. We need to be sensitive here. We are not dealing with those on €1,000 a week, €500 a week or even in many cases €300 a week, but with those on the bottom rung of the ladder, and we need to be careful to keep the rents as low as possible, get them to look after their houses properly which the vast majority of them do, and keep them in their homes and have stable communities. If the Minister of State comes along and gives the local authorities a big stick with which to beat tenants, it could be counterproductive in that some of them will become homeless whereas, in fact, what they need is a little professional help to pay their rent which, I accept, they must pay. We need to keep that incentive in place.

In conclusion, I want to highlight the issue of the Private Residential Tenancies Board, PRTB. The PRTB's staff has more than halved in the past few years. Their workload has mushroomed. The Minister of State does not need me to tell her what happens in such a situation. If one's workload doubles or nearly triples and one's staff is halved, they are under severe pressure. There is a considerable backlog of complaints. It is a slow process and it does not work for the simple reason that by the time a solution is found, the tenant or landlord who has complained has moved on to a new situation. The Minister of State needs to address that situation with regard to the PRTB.

Deputy Jonathan O'Brien: I have told the Minister of State previously that I think she has a very difficult job. Despite what many people say, the housing problem is not something that can be solved by throwing money at it. More complex issues than that are at stake. I would like to touch on some of them and make a few comments about the Bill.

The Bill deals with the area of evictions, which is difficult to deal with. The residents of many housing estates face the daily and nightly reality of the severe anti-social behaviour of a small minority of tenants. Such behaviour is not exclusive to local authority housing estates - it happens in every private and local authority housing estate. As I always say to people, at least there is some comeback when it happens in local authority estates. It is sometimes easier to go through the process to be followed when a family or an individual in such an estate is involved in serious breaches of the law or anti-social behaviour than it is to deal with someone who lives in a privately owned home in a private housing estate. In my opinion, it is wrong to evict a whole family because one individual is involved in anti-social behaviour. When a young child who is innocent in all of this is uprooted from his or her home and moved into a different community because of the behaviour of a parent or an older sibling, it might solve the issue for the community where the family was living but it does not solve the issue of the anti-social behaviour - it merely transfers it to the community where the family ends up living further down the road. I understand that when someone is evicted from a local authority house, it is the respon-

sibility of the local authority or the HSE to ensure that person is adequately housed. Eviction does not solve the problem - it simply moves it to another location. I should also mention that if someone is involved in serious criminal activity or anti-social behaviour, it is an issue for the Garda to get involved in.

The question of succession rights is a difficult one. It is fair enough for a person who was living with his or her parents in the family home - a local authority house - before they passed away to be asked to meet his or her housing needs in the private market if that person's high income or good job gives him or her the financial means to do so. I do not have an issue with that. Such a person should not take up a local authority house that could accommodate a more needy individual or family. While I have no issue with such a policy being pursued, the circumstances I have outlined do not always apply. There are different circumstances in every scenario. We need to take all of them into account. I would like to give the example of an elderly couple with a small income. They have a granddaughter who stays with them but is not on the rent book. Perhaps they have taken her in because she does not have a relationship with her own parents. I have experience in this regard, having spoken to a young girl who was in such circumstances. When her grandmother passed away, she suddenly found herself homeless, in effect, even though she had lived in her grandmother's local authority house for a number of years. The problem was that she was not on the rent book. A degree of flexibility used to be available to local authorities in such cases. Perhaps some of them used it to a greater extent than others. We need to be very careful in this area because we do not want to see anyone being made homeless.

The issue of downsizing needs to be considered in the context of housing succession rights. I will give a personal example. My mother lives in a three-bedroom house at the moment. It is too big for her. She does not need a three-bedroom house. My father has passed away. My brother, my sister and I have moved out. There is nobody there. My mother's grandchildren stay overnight occasionally. A three-bedroom house is too difficult for her. Ill health is starting to becoming an issue for her. Climbing up and down stairs is becoming an issue for her. The local authority finds it difficult to facilitate people like my mother who wish to downsize. It does not have the variety of properties for people to downsize into. I will give another example. An elderly man with a disability who suddenly finds himself living alone in a three-bedroom or four-bedroom house, having raised his family in that family home over the decades, might want to downsize into a bungalow or a little two-bedroom apartment. The local authority does not have the type of dwelling into which he could downsize. I agree with the downsizing scheme, which has the potential to free up larger family units that are much needed. If the local authorities do not have the properties to enable people to downsize, the scheme will be made redundant. This must be to the fore when local authorities are undertaking house-building or refurbishment schemes. There is a need for integrated housing schemes that comprise a variety of units and are not confined to three-bedroom and four-bedroom houses. Such houses are no good to the single people who account for 50% of those on Cork City Council housing list.

This Bill will provide for the mandatory taking at source of moneys to go towards rent arrears. Most local authorities have very good schemes in place, whereby they sit down with individual tenants and come to an arrangement for a certain amount to be paid towards arrears. It is not mandatory. There has to be a certain degree of flexibility. In my experience, a person who is in rent arrears for some reason - he or she might have lost his or her job or fallen behind on a few bills - is usually dealt with compassionately when he or she goes into a local housing office to sit down with a housing official. Housing officials usually deal with individuals on the basis of their needs by assessing their income and expenditure and working out how much

they should pay back. That is all well and good until something happens to that individual. There might be a death in the family, Christmas might be approaching, something in the home might need to be repaired or an additional amount of income might need to be spent on a piece of medical equipment. Housing officials seem to have no scope for dealing with that. They look at income and expenditure, but they do not take account of one-off costs that may arise. If tenants in such circumstances skip their rent payments for a week or two to pay for a doctor or hospital visit, they fall into arrears and start to encounter greater trouble.

There are bad landlords throughout the State. In my opinion and in my experience, having served on a local authority for almost 11 years, the local authorities are the biggest rogue landlords in the State. I have always said that. I firmly and truly believe it to be the case. Some of the housing stock owned by local authorities is not fit for people to be living in. Housing building inspectors inspect rental accommodation scheme properties to ensure they are of the standard required to allow the owner to become a landlord under the scheme. When the Minister of State was in Cork recently, she will have noted the scandalous condition of some of the housing in the city. There are people living in local authority homes without heating and hot water. This issue needs to be dealt with very quickly. The rental accommodation scheme itself is an absolute disaster waiting to happen. People are not being told at the time of taking up tenancies under the scheme that they are being taken off the local authority waiting list. Despite what local authorities may tell the Minister of State or her officials, I guarantee they are not telling tenants when they take up RAS properties that they are effectively off the housing list. Although some of those RAS properties are in very poor condition, people are in such desperate need of housing that they accept them. Then they inform their local authorities of problems such as faulty heating, leaking windows and broken doors, which the landlord refuses to repair. Although the local authorities sanctioned the properties for RAS, they say it is not their responsibility.

There are major issues in housing and this Bill, while it is welcome, is only a small step in the right direction.

Debate adjourned.

Message from Select Committee

Acting Chairman (Deputy Bernard J. Durkan): The Select Sub-Committee on Public Expenditure and Reform has concluded its consideration of the Protected Disclosures Bill 2013 and has made amendments thereto.

Discretionary Medical Cards: Motion (Resumed) [Private Members]

The following motion was moved by Deputy Caoimhghín Ó Caoláin on Tuesday, 13 May 2014:

That Dáil Éireann:

14 May 2014

noting the:

— continuing dramatic fall in the number of persons granted or retaining discretionary medical cards;

— persistent refusal of the Minister for Health and the Government to recognise the reality of this reduction and the hardship it is causing, despite numerous representations from the public, representative groups and Oireachtas Members;

— last-minute pre-election acknowledgement by the Minister for Health, prompted by a meeting of the Fine Gael Parliamentary Party, that a problem exists;

— statement by the Minister that he has asked Fine Gael Deputies to give him a list of ‘hard cases’; and

— Minister’s floating of the vague notion of a ‘third tier’ of services; and

calls on the Government to:

— reverse the cuts to discretionary medical cards imposed in the Health Service Executive, HSE, 2014 service plan;

— ensure that the HSE treats with due respect, consideration and compassion all applicants for medical cards, taking fully into consideration not only incomes, but the burdens imposed by medical conditions, illnesses and disabilities;

— consult with all Oireachtas Members, and not on a selective party political basis, on the effects of the cuts on citizens;

— extend free general practitioner, GP, care to all on a programmed, timetabled and transparent basis and in such a manner that, at the least, no one entitled to a full medical card under the current rules will lose any of the services provided under the card in the context of a free-GP-care-for-all system; and

- clearly set out in legislation entitlements to health care and, in line with the recommendation of the Constitutional Convention, provide for an amendment to the Constitution to recognise the right to health care.

Debate resumed on amendment No. 2:

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

“notes that:

- under the Health Act 1970, eligibility for the medical card scheme is primarily means-based and that the means basis for eligibility has been subsequently re-confirmed in legislation by the Oireachtas;

- the Health Act 1970, as amended, provides that persons who ‘are unable without undue hardship to arrange general practitioner’ services for themselves and their family qualify for a medical card;

- the Health Service Executive, HSE, is obliged to operate in accordance with the health legislation with respect to each individual and that the HSE’s assessment for a

medical card must 'have regard to the overall financial situation' of an applicant;

- the centralisation of the processing of medical cards at a national level, rather than at a local level as was the case before mid-2011, facilitates the assessment of all applicants for medical cards in a consistent and equitable manner irrespective of where they reside in the State;

- the HSE has produced national assessment guidelines to provide a clear framework to assist in making reasonable, consistent and equitable decisions when assessing each applicant;

- there has been no change in the policy, whereby the HSE continues to apply discretion to grant a medical card where a person's income exceeds the income guidelines; and

- the HSE's national assessment guidelines facilitate the application of discretion by decision makers in responding to the needs of the applicant when additional or exceptional circumstances exist;

commends the Minister for Health on directing the HSE to set up a clinical panel to assist in the processing of applications for medical cards involving discretion, where there are difficult personal circumstances;

further notes that there is no target to reduce the number of medical cards granted where discretion was applied; and

commends the Minister for Health:

- and the Government on providing resources to meet the increase in the number of medical cards and general practitioner, GP, visit cards since March 2011, which now stands at over 1.9 million or 42% of the population;

- on the passing of legislation to abolish restrictions on GPs wishing to become contractors under the medical card scheme;

- on the implementation of legislation to achieve savings under the medical card scheme through the use of generic drugs and reference pricing;

- on the savings being made in the cost of drugs for the medical card scheme through negotiations with pharmaceutical drug suppliers;

- on directing the HSE to examine how it can best assist patients and families to access the full range of supports and entitlements from the health service so that individuals, who are not entitled to a medical card, could still receive services that meet their needs;

- on commencing the most radical reform of the Irish health system since the foundation of the State, where access to health services will be based on need and not on ability to pay;

- on the publication of the White Paper on universal health insurance, which underpins the Government's resolve to deliver on the programme for Government commitment to end the inefficient and inequitable two-tier system and establish a single-tier health service, whereby everyone will be insured for a standard package of primary and

14 May 2014

acute hospital services under a universal health insurance system, which will be founded on the principle of social solidarity; and

- and the Government on commencing the introduction, on a phased basis, of a universal GP service without fees for the entire population within its term of office, as set out in the programme for Government, with the initial phase to provide a universal GP service to all children aged five and under.”

- (Minister of State at the Department of Health, Deputy Alex White).

Deputy Finian McGrath: I thank the Ceann Comhairle for the opportunity to speak on this very urgent and important motion. I support the many people who need medical cards as a matter of medical priority. Any society or state that does not look after its sick, elderly and disabled is one without compassion and a sense of social justice. They are required in this debate. It is time for tough decisions to ensure we protect the health of all our citizens and that is why I urge the Government to reverse the cuts to the discretionary medical cards imposed in the HSE's 2014 health service plan. There has been a continuing, dramatic fall in the number of people granted or retaining discretionary medical cards. Despite numerous representations from Deputies, Senators and city councillors throughout this State, the Minister for Health and the Government have persistently refused to recognise the reality of this reduction and the hardship it is causing. The Government has proposed the vague notion of a third tier in the health service.

I ask the Minister to reverse the cuts to discretionary medical cards. We must ensure the HSE treats all applicants for medical cards with due respect, consideration and compassion. We must ensure all Members of the Oireachtas are listened to on this issue. We must put health back on top of the political agenda and ensure we have equality for people in need. It is unacceptable in any society that people with disabilities, the elderly or sick people are denied medical cards. It is unacceptable for any Minister or Government to say they will consider individual cases. We were promised a democratic revolution, reform and equality. We must ensure medical cards are given to the people who need them. The Government must not turn its back on senior citizens, the elderly and the disabled.

Deputy Catherine Murphy: Last week a journalist from the *Mail on Sunday* contacted me. I had raised this as a Topical Issues matter on several occasions some months ago. The journalist asked me if the situation was the same or had deteriorated or improved. I told her what I saw, and what everybody else was saying, that it was getting much more difficult for people to get discretionary medical cards. She asked me if any of the people I was dealing with would talk to her and, to my surprise, when I telephoned six people every one of them was willing to go public. When people will put themselves in the public arena at such a stressful time to show what is going on demonstrates that things have changed.

This morning I raised the issue of a little girl, Moya Nason, who has cerebral palsy and who was featured in the article last Sunday. Moya is one of four children and is the only daughter of Orla and Andy Nason. They do not know what they will do if her medical card is taken away. Like several people, they have an extension until 31 May, and people are worried that once the election is over the extensions will also end. That is what they are saying to me. I know a family with a cardiac baby who has a feeding tube. One parent has had to give up work to care for the baby at home. Although the family is not terribly far above the income threshold, the baby did not qualify for a card. Something is wrong and we must seriously examine it. While

I understand what the Minister of State is saying regarding putting services in place, that is in the future. These people are in the here and now and are very concerned about it. While they expected to pay the local property tax, water charges and the universal social charge, they did not expect their vulnerable children to be hit by the Government. It is shameful.

Deputy Clare Daly: It is no secret that the HSE is an incredibly dysfunctional organisation. This House has had to listen to horrendous accounts of how vulnerable citizens are being let down by the Government and its appalling decisions to support refusals of medical cards. Although the Taoiseach told us earlier that it was unacceptable, there are so many cases, some in instances where the condition is either terminal or incurable, where there must be some more fundamental problem.

Is it partly a consequence of the public sector recruitment embargo and the fact that the Minister has outsourced much of the function of reviewing and assessing medical records? A German company called Arvato is reviewing medical cards. Is it correct that its staff has no training, no backup from the HSE or community welfare offices and no Garda clearance, are on the minimum wage and have no knowledge of our health situation? Arvato has replaced another private company which did a similar job. Perhaps that is one of the reasons we are getting the most bizarre judgements and decisions. The people charged with making those decisions have not been given the proper training, wages and conditions. It is a consequence of a bigger picture.

The other reason is the change in policy the Government has brought in and the damage it is wreaking on families. A seven-year-old girl in my area has infantile scoliosis and has had medical treatment since she was born including plaster casts and back operations. Although her family had a medical card since 2009, it was withdrawn in 2013 on the basis that their income was over the limit, even though the child's medical condition was worsening and their outgoings had increased. Despite going everywhere, they were consistently refused a medical card for the child. Although taxpayers and citizens are working and paying all the levies, when they need help they get no support. It is cruel and it is almost incredible that the Labour Party is in government while this is happening.

Deputy Michael Healy-Rae: I thank the Technical Group for allowing me some of its speaking time.

Deputy Finian McGrath: Hear, hear.

Deputy Michael Healy-Rae: I support the motion before the House because what has happened in the past three years is a disgrace. It is ironic that it is only now that the Minister for Health and the Taoiseach are waking up to the problem we have with medical cards, and it is only a couple of weeks before an election that they are admitting there is a problem. On this side of the House we have known there has been a serious problem with medical cards over the past three years as the goalposts have been moved. People in their 80s and other elderly people, as well as people with disabled children, are being sent letters of notification of a review of medical cards. These are people who had a stamp on the card indicating it would be valid until January 2016 and who thought they were safe and secure because they had the card. All of a sudden such people are receiving letters and they are terrified when they get their post. When these people's cards are up for review, in many cases the result is the card being taken from them.

14 May 2014

Even as late as today we hear how people were written to and asked whether a child still had Down's syndrome. For God's sake, what people are sending out these types of letters? At the end of the day, the buck stops with the Minister for Health, the Taoiseach and the Cabinet, which has collective responsibility. What about the lambs sitting behind the Cabinet with their heads down and their mouths either shut or open gathering flies and dust? These are the backbenchers but are they saying anything at parliamentary meetings? What is Labour doing about this and is it standing up for people by asking about people's entitlement to medical cards? Are they all sound asleep, not realising what is happening?

The Minister for Health is coming to Kerry next week. He is coming to coming to open a few hospitals, etc., with which he had nothing to do in the first instance.

Deputy Caoimhghín Ó Caoláin: Hear, hear.

Deputy Michael Healy-Rae: He did not provide one cent for them.

Deputy Finian McGrath: That was Bertie.

Deputy Michael Healy-Rae: He inherited them. He is coming down with a smile on his face.

Deputy John Lyons: That is enough for the *vox pop*. It is enough for the local radio. You can stop.

Deputy Michael Healy-Rae: Excuse me, you-----

Deputy John Lyons: You what?

Deputy Michael Healy-Rae: What is wrong with you?

Acting Chairman (Deputy Bernard J. Durkan): The Deputy should conclude.

Deputy John Lyons: You what?

Deputy Michael Healy-Rae: I want my chance to conclude. The Minister is coming down to open hospitals but he has terrorised people from Valentia to Tarbert by taking away their medical cards. These are disabled, elderly or sick people. At the end of the day, the buck stops with him and the backbenchers who now seem to have a voice. Where was their voice when it came to standing up for people?

Deputy Finian McGrath: Hear, hear.

Deputy John Lyons: Calm down.

Acting Chairman (Deputy Bernard J. Durkan): Deputies Joe McHugh, Eamonn Maloney, Ann Phelan, John Lyons, Michelle Mulherin and Jerry Buttimer are sharing time.

Deputy Joe McHugh: I am tempted to retort to the last speaker's contribution but I will not do so.

Deputy John Lyons: Do not.

Deputy Joe McHugh: We are on the cusp of an election and that contribution will go down well in the Deputy's constituency and the local electoral areas. It is important to point out that

although the Minister, Deputy Reilly, is not getting the credit for opening hospitals, it is funny that when the shoe is on the other foot, he would get the blame if things went wrong. That is politics and we are all men and women enough to live with that.

I acknowledge the presence of the Minister of State, Deputy White, in Letterkenny General Hospital this week when he opened a new pharmacy unit, and he was also in a position to inspect the ongoing good work on the developments in the aftermath of the worst crisis ever at the hospital last August when it was flooded. The Minister of State would have got a sense of the resilience and proactive nature of the staff, as well as the community's response to an absolute disaster last August. Although the matter has not yet been turned around, the Minister of State would have got a sense that things are going in the right direction. We were glad to have him there to see that first-hand.

We will not get a more emotive issue than medical cards and entitlements for people who are very sick, vulnerable and at their weakest. This can become a political matter and can be played to the advantage of some. Whether in Government or part of the Opposition, we all work in constituency offices with people, and we would all call for means to improve the process. The new system is centralised now, as opposed to the old system where we could contact people in Donegal, for example, when dealing with local people. We must acknowledge that the people working in the new centralised unit in Dublin are working hard and not just treating the process as a 9 a.m. to 5 p.m. job. They are working hands-on and experience the emotion of the issue. It is not a matter of being empathetic for the sake of it but they are going through the work. Perhaps we can get extra resources to the centralised unit. The appeals office in Ballyshannon is similarly staffed by excellent people doing their best, despite appeals piling up. Perhaps we could put extra resources in there as well. I know the Minister for Public Expenditure and Reform, Deputy Howlin, will read the transcripts of this debate and we must keep a sharp focus on the area.

Many of the people who come to my office are at their weakest and it is difficult for them to prove entitlement. This is how anxiety develops so we must consider that process of having to prove an entitlement through bank statements, medical evidence and doctor correspondence. That is hard work when people are at their weakest, and I know the Minister of State is very conscious of that. If we can critically evaluate the process and try to make it easier, people with cancer or severe health conditions will have an easier time. People are in a particular state of mind when they are trying to battle their own health challenges, and that is the difficulty. This is not just about having a medical card to go to a GP at every turn as it is also a financial issue. People may not have enough money to pay for prescriptions at a pharmacy so we must be very conscious of such difficulty.

Some people may miss the financial constraints so we should consider how this happens. Not every couple or single person is in the same position and although there may be a top line in financial considerations, not everybody is in the same boat. We should be creative and constructively critical in ensuring the process is not arduous or putting extra pressure on people at a very low ebb. These people may have had a medical card up to 2016 or 2017 but have had to prove their entitlement again. This contributes to much angst and we should be conscious of that.

There was a system of free medical cards given willy-nilly to those over 70 and it is difficult to take these from people or critically evaluate the position. At the same time the process must take in every individual's personal circumstances, which is also difficult. We must keep the

patient to the forefront, especially the most vulnerable. When people are at their weakest we must try to simplify the system to ensure we protect the vulnerable.

Deputy Eamonn Maloney: The debate about medical cards has been ongoing since their introduction in this jurisdiction, with its foundation in the work of that great socialist, Mr. Aneurin Bevan, the son of a Welsh coal miner. The concept of a medical card is about giving access to the medical system to the poorest people. It is a very precious and honourable process but it has never been without its teething problems across the water. It has been debated, on and off, since its introduction in the post-war period, and this is not the first time there has been a contentious debate about them.

I view these issues with reference to the basis of the concept. We have medical cards to ensure that those who do not have money have access to a GP. This applies not only to the individual but to his or her family. We should be proud of that. No system is without fault. Opposition Members have made valid points but we have to find a way to make this system better and ensure the people I am talking about have access to medical care. I am glad we make access to a doctor affordable. The emergency card for people who are terminally ill, because that happens, is progressive. We should cherish that. It is not without its problems. Like other Deputies, I have met people who have managed to get the emergency card in the shortest period and others for whom, naturally, it does not quite work out that way. There are criticisms on both sides regarding the imperfections of the system.

We should not lose sight of the fact that 42% of the population have medical cards, that is 1.8 million citizens. I know the number fluctuates. According to the HSE medical review for 2014, by year end an additional 60,000 medical cards will be issued. Given that the country is scraping itself off the bottom, to be able to contain medical cards and provide them to people who genuinely need them is the function of all parliamentarians. This debate illustrates the need for reform of the health system. If there was a change of Government tomorrow, God spare us, the new Government would be confronted with the difficulties that face this Government and the HSE, lack of money, the country getting off its knees and trying to provide fair access to health care for those who cannot afford to go to a GP or cannot access medical services.

Deputy Ann Phelan: This issue is extremely important to me and my constituency. Sometimes we pay lip service to debates. Tonight we should endeavour, with the Sinn Féin Members who are left in the House, to conduct a mature debate on medical cards. The system is not perfect but I do not want to terrify the public. It is a particularly Irish trait to terrify the wits out of people, no matter what we try to introduce, and spend the rest of the time trying to claw back the ground we lost.

I want to work with the Minister of State and I know he is committed to trying to solve some of the extremely difficult problems surrounding medical cards. We can do it only if we step back and see the difficulties. When people are afraid they cannot see a way forward. People have come to my constituency office who are terrified of the medical card review and of the bureaucracy they must deal with. If we try to work with them and make a good sound argument, 93% of people have their cards renewed. We should not lose sight of that fact.

This is the second time I have spoken about medical cards in the House. To reiterate what I said previously, the medical card system was centralised to make the system fair and depoliticise how they were granted. In the past people did not get medical cards because they were entitled to them, or on the basis of medical evidence, or because of their low income. In some

cases people got them because of the political party they supported. Centralising the system to depoliticise the process is the right thing to do. I accept there are difficulties but we will work through them.

Many people have called to my office saying their medical cards were removed because they slightly exceeded the financial threshold. Their medical need, however, outweighed their income but this was not taken into consideration. While in general the issuing of medical cards based on financial circumstances is very clear and definite, there are problems where people do not meet the criteria but have large medical expenses due to ongoing long-term illnesses or disabilities. This is not taken into consideration. Why should someone's financial means override their medical and personal hardship when assessing for a discretionary card? This is the second time I have expressed this view in this House.

There are also people who may not regularly need to attend a GP but when required, may need the security of a card should something happen. Sometimes it is most important to have the psychological security of having the medical card. The same people may be in receipt of medication on a long-term basis. They may also require the additional services associated with the medical card, such as those provided by the public health nurse. This is one of the difficulties we must face.

There are other groups of people such as cancer patients who are in remission. They should retain a full medical card for at least three years, irrespective of financial means. The provision of services in addition to free access to their GP, is of pivotal importance to many cancer patients and their families. We need to maximise this. Ultimately, this system not only has to be fair, but has to be seen to be fair.

Many recipients are unnerved when they receive a letter of request for renewal because it is so formal and no real guidelines are provided. I commend the Minister of State who is committed to tackling the issue. Fairness must be the core of the medical card system.

Deputy John Lyons: I worked as a secondary school teacher for 13 years before becoming a Deputy as I have said on umpteen occasions. One of the keys to being a teacher is to deal in fact not hearsay. I am not saying that anybody here today spoke completely on the basis of hearsay but all debates should be based on fact. If some facts are of concern we need to address them.

8 o'clock

I read through the briefing material that sets out the facts of the situation and through the material detailing the allocations of medical cards for the past ten years and while it has been reiterated already I want to compare the allocations at that time and now. Some 28.3%, or 1.145 million, of the population, had a medical card ten years ago and we expect that percentage will have risen to 40.8% by the end of this year. Many more people have a medical card today compared to ten years ago. People who are listening to or watching these proceedings or sitting in the Chamber might think that is due to the fact that more people are unemployed and they qualify on the basis of their financial circumstances. However, the facts speak for themselves; incrementally year in year out, bar perhaps one year when the figures plateaued, more people received medical cards each year during the past ten years. That is a fact.

We know that more people have a medical card now and that must be acknowledged. If a person was to come and listen to this debate, he or she would think that medical cards are

being withdrawn on a mass scale and that almost everybody who had a medical card has had it removed, but that is not the case. The fact is that many more people have medical cards today compared to ten years ago, that number issued has been growing year in year out through the good and bad times and this Government has increased the number of cards issued. As Deputy Maloney said, 60,000 odd additional people who do not have a medical card now will have one by the end of the year.

Another fact, as we all know, is that medical cards have been removed from people who perhaps in the light of things may have been entitled to a card. That seems to be factual. We need to sort out that fact, examine why that is happening and rectify it. The Minister of State is trying to do that.

I went out to Primary Care Reimbursement Service, PCRS, building in Finglas in my constituency a number of years ago to see how the new centralised system processes medical cards and in fairness to the public servants there they are doing a good, decent job. When a service is centralised or there is a move from one system to another, there can be kinks in the system that create problems and it is a question of identifying those and solving them. If people are still getting letters, and we heard about some of the cases that were mentioned today and I do not want to question them because I do not know the individuals concerned, those issues need to be sorted. If a person genuinely qualifies for a medical card, he or she should be entitled to it and all the necessary systems should be in place to make sure that happens. The centralised system is operating better today as opposed to this time three years ago but there are some kinks in it that are still causing problems. Nobody who is entitled to a medical card should be without it.

I wish to raise a few matters that I find frustrating. Even in a case where the guidelines would indicate that a person who is genuinely entitled to a medical card having regard to their circumstances should qualify sometimes that person does not qualify. Most of us, unlike the Deputy from Kerry, do not sensationalise matters and look to *vox populi*. I am not referring to the Sinn Féin Deputy from Kerry who is present but to a previous speaker and those who were here earlier will know what I am talking about. I can remember being only short of printing a medical card for a person who ended up qualifying for it and this was prior to the Minister of State's watch. This problem has been around prior to his watch and he should not be taking complete responsibility for it. Some people seem to have forgotten that.

We need to establish our debate around the facts. We need to deal with the issues that are coming up where things are not working out on a factual basis and we need to come up with solutions. The Minister of State is working on those types of issues and we speak regularly about them. If we want to give medical cards to some people who we think should have them, that would involve changing the legislation based on criteria other than finances and so on. It is important that we deal with this issue in the context of the facts and they have been missing at times. I cannot stand sensationalism because it scares people and we should not be in business of scaring people.

Deputy Michelle Mulherin: Without doubt the issue of medical cards is the single most common one raised at my weekly clinics around the county and that seems to be the experience of other Members throughout the country. A person may be making an application for the first time for a medical card. As a result of the level of unemployment, increasingly more people cannot afford private health care and are being pushed to seek a medical card. The applications I deal with may be for a discretionary medical card for a person who is seriously ill with cancer or some other serious illness, a medical card for a person aged over 70, a review or an appeal

and the list goes on. I would like to be very honest and fair about what I say here because this is a very delicate issue. People are vulnerable and are coping with an illness; those are the cases that I believe mostly need to be addressed, as opposed to those related to the basis of means. I am talking about people with serious illnesses or illnesses that seem to fall between two stools. We cannot be throwing oil on a fire - we can try to assist and examine the issue fairly and get solutions, but it is not helpful to incite fear in people, especially considering what they have to deal with.

Along the lines of what Deputy Lyons said, it is important in the national context that this debate allows us to examine what is happening in terms of the figures nationally. The Minister of State has told us that there are no changes in regard to the rules for the issue of discretionary medical cards. We know it is expected, based on figures that have been given, that an additional quarter of a million medical cards will be issued by the end of this year compared to the beginning of 2011 when this Government came into office. Some 41% of the population have medical cards and 49% have medical or GP cards. In terms of the reviews that caused so much fear for people, 96.5% of those with medical cards retained their cards.

With regard to those aged over 70, 93% have access to free GP services and retain that facility and about 80% have retained their medical cards, even in light of recent changes. Those headline figures are reasonable enough but there has been much fear and consternation about this issue in the media. Having had the experience of dealing with people who have had a difficulty or an issue in getting a medical card, I could offer a few reasons as to why they have found that to be the case. The system is not compassionate, reactive or responsible enough to hard cases. I have dealt with many cases and in one case the person concerned, who had a serious illness and really needed a medical card, felt that by the time they got the card the good was almost taken out of it such as the trauma of the process for the family but, nonetheless, that person got their medical card.

People's documents are lost too frequently. That is a basic issue. Documents cannot be found sometimes even when they have been sent by registered post. We are entitled to expect more than that for the people we serve. I have helped people to get a medical card and three months later their cases are being reviewed even though there has been no change in their circumstances. It is no wonder that fuels the idea that we are trying to take people's cards from them. There is something wrong there as well.

I know of a case where a mother had a baby with Down's syndrome. The child had complications and on the child leaving hospital the parents applied for a medical card. Nobody advised them of the long-term illness scheme or of the drug repayment scheme. I know the parents concerned, whom I will not name, will not mind my saying this because they have talked about it locally. Their child was due to be taken home from hospital on Christmas Eve and the mother was told that they would have to get certain equipment and they had to buy it using their credit card to bring her child home so that the child would be safe over the Christmas period. Nobody at any point told them of any of the other rights and entitlements they had and I find that unbelievable.

I have spoken to the Minister, Deputy Reilly, on this issue on a number of occasions in terms of the cases that have been brought to my attention and having listened to the experiences of colleagues. He has spoken of an integrated care package which would provide care for people who need appliances, medication and so on and these may meet their needs in many cases. An information campaign must be undertaken. I cannot understand why the PCRS cannot advise a

14 May 2014

person that if they are not entitled to a medical card they could be entitled under the long-term illness scheme or the drug refund scheme. It does not seem to give out any information like this.

On the budget situation and the term “probity”, we know a target was set to bring down spending from €133 million to €23 million. We need to be realistic. More people are applying for medical cards and it is a demand-led service. When the budget is being examined by the Cabinet if we are serious about delivering medical cards to people, the budget must match it.

Deputy Jerry Buttimer: We all recognise that medical cards are of extreme importance. They represent a very important social support that is supposed to provide access for those who cannot otherwise afford their required medical care. We must always remember that the primary purpose of medical cards is to support the patient. This focus on patients and their needs sometimes gets lost in the political infighting and in the system.

Everyone in this House is aware of very difficult stories of people who are just over the income limits and people who are over the income limits and have certain medical conditions, but cannot get a medical card. There are heart-breaking stories that all of us in this House can share. In saying that we, as politicians, have an obligation to reflect on the system and how we can make it better on behalf of the patient.

When people get letters stating their medical cards are being reviewed, it causes distress even if it is only a simple review process. For some people these letters translate to “they are trying to take away my medical card” or “I’ve lost my medical card”. Thankfully, in 93% of cases this does not happen. However, sometimes those working in the system processing the medical cards do not realise the impact their letters have on the individuals and their families.

Tomorrow the members of the Joint Committee on Health and Children will travel to Finglas to visit the PCRS. We will highlight with the staff and management at the centre the personal impact of how the system affects the patient. I pay tribute to the staff at the PCRS for the work they do as public servants.

While I accept there are difficulties in the health system, we must also recognise that in the past three years improvements also have been made, although these were not alluded to in the motion before us tonight. These improvements are down to the reforming Ministers and the hard work and dedication of staff in the health service.

At the peak of the boom and the beginning of the bust, adjusting for our very young population, Ireland had one of the most expensive health systems in the world. Since the Government came to power it has managed to do what Fianna Fáil failed to do - none of its Members is present in the House which shows their dedication to the health system - it has increased services even as it has cut costs. Hospital budgets have been reduced by 11% since 2009 while the number of people treated has increased by almost 13%. This is equivalent to a 24% productivity improvement. However, this is not about productivity but about the quality of the staff in our services. The number of people waiting on trolleys in 2013 was a third lower than in 2011 when those numbers were chronically high and this year already there has been a 9% reduction compared with last year.

The Government’s reform programme can and will do even more to make the system more efficient. However, as a Member of the Dáil and a public representative, I am becoming increasingly uncomfortable about the level of savings being demanded in the health area. There

seems to be a view among some that health is some kind of public sector ATM and if one just presses the right buttons, it can continue to deliver cash savings. The bottom line is that we have an ageing population and demand is growing. We cannot keep asking the men and women who work in the health system or the citizens who depend on the services that they deliver to keep taking a financial hit in the health area. It is not fair and it is completely unrealistic. I hope that in the wider health debate leading to UHI we will recognise that health services are demand led and are about people.

If we want a medical card system that does not operate on the basis of who one knows, as it was in the past, but functions based on the needs of people, we must change the legislation and change our approach to health which the Government is doing in regard to UHI. We must have in place regulations that allow the officials to make appropriate decisions so that we can meet the health requirements of those most in need in a way that is humane, full of empathy and that recognises there are people whose medical conditions deserve the medical card and the long-term illness scheme.

I challenge the Sinn Féin Members opposite. Their motion did not outline their solution and the way forward. They need to put the meat on the bones of their motion. They should not just play politics and go for populism. They must show us what is their policy by revealing their hand. I respect Deputy Ó Caoláin as a valued member of the Joint Committee on Health and Children. I call on him and his colleagues to attach to their motion the substance of what their health policy is because talk is cheap and they have done a lot of that in recent weeks.

An Leas-Cheann Comhairle: I call Deputy Tóibín, who is sharing with Deputies Ó Snodaigh, McLellan, Crowe, Pearse Doherty and Martin Ferris.

Deputy Peadar Tóibín: Some 1 million people in the State have been pushed into poverty and low-income and allowing some of these people to have medical cards is not a claim to fame, but a claim to shame in reality. Discretionary medical cards have been withdrawn - there is no argument about that. In the past three years 18,810 discretionary medical and GP-visit cards have been withdrawn. There is not a Deputy in this House who has not been contacted by individuals calling at their offices to detail the situation befalling their family members or themselves.

Specialist nurses from the Jack and Jill Children's Foundation have described the situation as critical. An open letter to the Minister for Health details how it is affecting them. Is it not shocking that those on the front line who are dealing with this on a daily basis are often the last to be listened to? These specialist nurses paint a compelling and distressing picture of the real life outcomes arising from the Government's decision to reduce the budget allocation to medical card provision.

In their open letter the nurses describe the situation regarding discretionary cards as critical. The letter states:

Parents are worn out, reduced to tears... worried out of their minds in relation to their child's medical card. The "lucky" ones who have a temporary 6 or 12 month medical card live in dread of the next review and the whole torturous process of form filling, rejection letters, more visits to GPs for supporting evidence etc. etc. etc. which starts all over again.

We are particularly worried about the parents who suffer in silence. The parents who

14 May 2014

have given up already. Depressed and beaten into submission by a system that is just too hard, where parents have to fight for every little support for their child.

What is truly shocking is that it has taken until recently for the Minister for Health and the HSE to finally concede that there is in fact a problem. The HSE's director of primary care has described as indefensible the withdrawal of discretionary medical cards from some patients. The Minister, Deputy Reilly, has floated the idea of a third tier in the medical card system. However, despite these admissions the policy remains in place. Reviews continue and discretionary cards are withdrawn from children whose condition has often deteriorated since the card was first awarded and their parent's financial situation in many cases has worsened.

It is impossible not to be emotive on this issue, which is such a difficult issue for citizens. What does it say about the values of the State, when Ministers stand up in the Dáil and justify withdrawing a medical card from a child with a debilitating medical need? What does it say about the State when it in effect abandons these parents who are caring for these children? Collectively in recent years we have had to face up to the trauma inflicted on children and young women in industrial schools, the Magdalen laundries and of course Bethany Home whose survivors have yet to have their injustice recognised by the State.

We should be in no doubt that today's treatment by the State of our most vulnerable citizens is tomorrow's moral scandal. How can any Government believe it is acceptable or right for this State to treat sick children in this manner? There is increasing evidence that this Government has little interest in the type and scale of reform necessary to fix the broken health system. The hurt and the anger felt by citizens across the State is palpable.

In Navan, our hospital services have been savaged in the past number of years. The HSE took surgery services away from our hospital in 2010. It was only when the hospital campaign put 10,000 people on the streets for a rally that we managed to reverse that services cut but only partially. The Minister of State's senior colleague, the Minister, Deputy Reilly, addressed that rally and stated that there would be no more cuts to services in the hospital in Navan until a new regional hospital was built, but this clearly has not happened. Somebody in the Department thinks it is a good idea for 19,000 people who use Navan accident and emergency department to go to Drogheda. The INMO asked for Drogheda to be closed to new admissions approximately four weeks ago because of the overcrowding there. Overcrowding leads to delayed diagnosis, delayed treatments, the spread of disease and sub-optimal outcomes.

This Saturday, another 10,000 people will take to the streets in Navan to defend our accident and emergency department. However, sick children, who face the cuts, will not be able to protest because they will not be able to make it to that protest. The Minister and the Government are going down the path of least resistance and that is where they are imposing the cuts. I urge the Minister of State to turn away from the path of least resistance and ensure these discretionary medical cards are in place.

Deputy Aengus Ó Snodaigh: I thought it was important that I take part in this debate because it is a harrowing one which we should not be having. The true measure of any society can be found in how it treats its most vulnerable members. I urge the Minister and this Government to think about the sentiments contained in that saying. If people were to look at the whole debacle around the medical card issue, in particular discretionary medical cards, they would understand that the score cards the Taoiseach mentioned when he appointed the Ministers would state they have failed miserably, in particular those with life threatening diseases, those who are

terminally ill and those who have conditions which do not go away and which they are being asked to prove time and again as reviews take place. We have seen such cases in the media.

I and every other Deputy can instance cases where people have come to us, although, thankfully, we have been able to intercede on their behalf. In some cases, the HSE has eventually listened to the cases we have presented and has renewed the medical cards. However, it should not be up to me or to anybody else in this House to intercede because the documentation I receive is the very same documentation the HSE receives and loses quite regularly, as others have said. It cannot make a determination, or else it makes the wrong determination, in the cases of people who have terminal diseases. I have dealt with too many cases in the past number of months for this to be a once-off clerical error. The system denies everything in the first instance in the hope that people will go away or will experience anxiety, frustration and give out about the system but will not do anything about it. Earlier, a Deputy talked about the fear factor and that this debate would generate fear among the public. We are not generating fear among the public; it is the HSE and the refusal to grant a medical card to people in those circumstances which are generating fear among the public.

I dealt with a case recently of somebody with Huntington's disease. His wife did not apply for a medical card and yet she got one while the person who is terminally ill - there is no change in such cases but regression - and who has the same income did not get a medical card. That is absolutely crazy. It took three months for the HSE to grant a medical card which resulted in trauma for that family. They are not constituents of mine but they came to me as a last resort because they had gone to others who did not manage to get a medical card. After one look at the documentation, I said this was crazy.

I have dealt with cases in my area also and time and again where it is blatantly clear that a case warrants the granting of medical cards as there is not enough income to sustain the family if it has to pay for medical devices, medical care and so on and yet the State refuses the person the medical card. Time and again it has not taken into account the fact that the disposable income of a family will have disappeared not just because of the crisis, but because of budgetary cuts, the universal social charge, the property tax and the increase in energy price and so on. That all adds up and yet the Government ends up forcing an ill person to make a decision as to whether to heat the home to keep well or to pay for medicines out of what little the person has. Far too often, the person makes the wrong decision which will cost the State a lot more at the end of the day because he or she will end up in the accident and emergency department or in hospital because he or she did not get the care required. The bureaucracy is absolutely crazy.

Time and again forms are sent to elderly people who are asked the same questions they answered the last time they applied. The situation will not have changed. Their mother-in-law's maiden names will not have changed. If one is an 80 year old person, who cares what the mother-in-law's maiden name is? I would say the mother-in-law is well dead at that stage. That is how crazy the system is.

I will give one example of the uncaring attitude of the HSE. Recently, a 20 year old, who is mentally and physically disabled, was told that his allocation of incontinence pads was to be reduced to two per day. That shows the attitude of the HSE. That must change and a more caring approach must be taken to people in our society who deserve medical aid.

Deputy Sandra McLellan: I agree with previous speakers that the withdrawal of medical cards is probably the issue we have to deal with most on a daily basis in our constituency

14 May 2014

offices. There is not a Deputy in the House who does not have heartbreaking cases of people being refused discretionary medical cards. We could wallpaper the building twice over with the representations we have made on behalf of our constituents. It is frustrating for us but it is a matter of life and death for many men, women and children we represent.

It is in these very corridors that the real decisions about medical cards are made. It is Government policy that determines whether someone receives the lifeline of a discretionary medical card. My experience as a public representative is best reflected in some of the stories of my constituents but a huge concern to me would be the many people presenting to my constituency office who cannot afford their medications and are not taking any medication at all. A two year old with juvenile idiopathic arthritis needs a drug called methotrexate which comes at a cost of €250 per month but it is not covered by the drugs payment scheme currently. The family applied for the medical card and was refused but that is now under appeal. The family live in fear that if it loses this appeal, it will be forced to pay €3,000 per year required to cover the cost of the drug.

The Government's practice of random reviews of the over 70s is harsh and unnecessary and it has also led to chaos and stress for some of our most vulnerable senior citizens. Notices go to wrong addresses. I had two cases in the past two weeks where the renewals were sent to the wrong addresses and the people's cards were stopped. This is not acceptable. As a result of Government cuts and shortages, these senior citizens lost their medical cards. It is Government policy which is causing this stress and heartache.

Another thing which I cannot understand and which I have come across on at least six occasions in the past few months is where sixty nine and a half year olds are having their medical cards reviewed. By the time the review is done, they turn 70 years of age and they have to go through the process again. This has not just happened once or twice but it seems to be happening quite a lot.

Another case in my home town of Youghal concerns a family of nine whose medical card went to its old address. Because of the mistake, the family lost their medical card and had to reapply for it. The process is supposed to take 15 working days but it has taken several months and the family has had no cover for the entire period. The confusing part of the situation is that when the card was previously due for renewal, the letter came to the current address and therefore it is difficult to understand how on this occasion the letter went to an address the family lived at years ago.

Further bureaucracy is heaped on those citizens who are having their cases reviewed. The State will not accept evidence during the process of a review. In other words, if a family is refused a medical card and if they choose to have the application reviewed, it must be done within 14 days. Any extra evidence including medical letters, letters from agencies and consultants may well take longer than the two weeks allocated. Those important support letters are then excluded from the review. The very evidence needed for the review is being excluded. Further to that, if there is a change of circumstances in the family when the review is taking place, that too is ignored.

The Government is being given the opportunity to change the situation. It is decision time for the Government in terms of whether it will continue to oversee a chaotic medical card system or if it will step up to the plate and radically reform it. Another issue relates to paperwork constantly going missing. People register paperwork yet it still goes missing. When e-mails

are sent a request is made that they are sent again with scanned documents that also go missing.

Sinn Féin calls on the Government to reverse the cuts to discretionary medical cards imposed in the Health Service Executive service plan for 2014. We call on the Government to ensure that people receive the due respect, consideration and compassion they deserve when applying for medical cards. The recent announcement by the Minister for Health that he intends to introduce universal health insurance is deeply concerning. It is a radical shift in public health policy and it will only serve to make a genuine universal health care system even more difficult to achieve. It puts private insurance companies at the centre of our health care system which is deeply concerning. We call on the Government to set out in legislation entitlement to health care and in line with the recommendation of the Constitutional Convention to provide for an amendment to the Constitution to recognise the right to health care. I urge Government Deputies to support the motion.

Deputy Seán Crowe: On a daily basis in recent weeks, the television, radio, newspapers and Internet have been saturated with countless cases where medical cards have either been withdrawn or made almost impossible to obtain for the most seriously ill children. Every Deputy in this House has probably been lobbied or made aware of a number of such cases in his or her constituency. We are approached daily with stories of difficulty, hardship and constituents who are out of their mind with worry. They call seeking advice on appeals or ways to get back their medical card.

The *status quo* does not point to a system that needs tweaking or a new set of directives. In reality, to borrow a phrase from the Minister for Transport, Tourism and Sport, Deputy Varadkar, the HSE medical card system is not fit for purpose. It does not serve well at all the people in need of its support. In fact, sick people and their families are viewed as a burden or a thorn in the side of the health service. Nowhere is that more apparent and scandalous than in relation to children. It is bad enough that through misspending, improper planning or preparation, a lack of political will and the inaction of successive Governments, sick children in this country continue to endure decades waiting for a proper and desperately needed new children's hospital. Now it seems that those most in need of the medical services of the State are being sidelined by Government policy as the system deliberately tries to rule them out rather than welcome them in.

Could someone explain why a constituent of mine should have her medical card withdrawn for her eight year old with cancer in favour of an unconditional medical card for a healthy five year old next door? Where is the logic or fairness in such a decision? Could anyone explain the situation to the family or the child? Families faced with a seriously ill child do not have the time or energy to do anything else but concentrate on coping and dealing with the illness that has befallen their child. Do those involved in the health system not realise that? The last thing such families need at such an immensely difficult time is to have to negotiate with a difficult, time-consuming and grossly unfair system to secure full eligibility to health care for their child.

In the past 44 years since the 1970 Health Act, no significant campaign has been mounted to change what is a problematic and archaic system. I suspect this is because families faced with a seriously ill child, while badly served by the system, can do nothing more than put all their energy and time into the care of their children and home. It is an understatement to suggest that many have remained quiet, unheard, anonymous and voiceless. That is understandable. However, this week I am aware of a new campaign by parents to effect change on the outdated and crude Act that governs medical cards. I can only imagine that this is because the situation has

become critical for so many families that they are left with no other option.

Our Children's Health campaign is a sincere effort by parents that aims to make an addendum to the 1970 Health Act that will grant an automatic medical card to any child diagnosed with a life-threatening or serious illness or a congenital condition for the duration of their treatment and beyond. That would remove any possibility of mistakes or, as one Member said, sinister political party cards and unjust discretion on the part of the HSE when granting medical cards. It is only right that families with seriously ill children would be afforded every support by the State without condition, prejudice or arbitrary complicated and humiliating means testing. I and my party have great sympathy for the parents and their children and will listen and support their just cause.

It is not good enough for the Government to continue to say it will look at the situation and issue further guidelines and instructions to HSE staff, or indeed ask them to be friendlier or more approachable in their dealings with hard cases. It is time for rights-based policy and legal change in this area in order that we can say that as a society we will protect our most vulnerable citizens and put children first, especially children and their families, who through no fault of their own have to endure devastating hardship, not because of means but due to life-threatening or life-limiting illness.

Deputy Pearse Doherty: The slogan was "Every little cut hurts". It is very clear that the slogan has borne fruit because there are many people hurting from the little cuts and the big cuts that have been introduced by the Government and the previous Government. We know that €30 billion has been taken out of the economy over the past six years. We debated last year's budget in the autumn of last year which included a figure of €130 million for what were called "probity measures". They were medical card cuts. Yet we hear the backbenchers and we will hear the Ministers say there is no such policy in place. We heard the Chairman of the Joint Committee on Health and Children talk about the heart-breaking stories of those who were just above the eligibility threshold but the message to them was to suck it up because it is not a policy issue, it is a systems issue. Staff should just be nicer to people when they tell them they fail to meet the guidelines in terms of eligibility for a medical card or in cases when a card is being reviewed and one is no longer entitled to one. The message from the Government is to suck it up because it is very clear it is not taking the blame. The blame lies with the civil servants and public sector workers who are not nice enough to those who apply for medical cards or have their cards reviewed.

The Minister has a new language to describe the situation. He used to speak about medical cards being renewed but now they are reviewed. In the real world everybody knows what is happening. Everybody knows that it is a real and vicious cut to the eligibility for medical cards. In my offices in Donegal, Gweedore and Ballybofey every single week, a number of medical card issues present. The cases relate to both old people and young people. When the Government initiated a whole-scale review of medical cards, streams of people came to my offices. Elderly people broke down in tears in front of staff in the office because of the fear they would lose their medical cards. Not all of them did but some of them did. They are people who built the health service, who contributed to running the country, who kept this country alive in very difficult times and the Government has abandoned them in their hour of need. As other speakers stated, there are many heartbreaking stories which would bring us to tears. The Minister wants his own Deputies to give him a list of hard cases, but they are to be found in every village and parish throughout the State. The Government needs to accept there has been a change in policy and a targeting of the elderly and the weakest in society. The Minister also needs to

acknowledge he is not up to the job. He has presided over a fiasco in the Department of Health for the past three years. Perhaps he did not hear, but some of his backbenchers have started to call him a reforming Minister, and this is code if we have ever heard it.

Deputy James Reilly: In Sinn Féin maybe.

Deputy Pearse Doherty: The figures are undeniable. In March 2011, before the so-called revolution, 97,120 people held full medical cards or GP visit cards on a discretionary basis. In March 2014 the figure was 78,310. This is a drop of almost 20%. It is not down to any great improvement in the lives or income of people. We know this much. It is down to the heartless cuts imposed by a Government which is out of touch with reality. This is what is at the core of it. We only have to listen to other evidence provided by Down Syndrome Ireland, which stated half the people with Down's syndrome have either had their medical cards cut or are in danger of losing them due to Fine Gael and Labour Party policy.

The Government is out of touch. The fact the Minister is even asking for a list of hard cases shows he is completely out of touch. What really hurts people is how they are treated unfairly. Did the Minister see the documentary, "Jackie's Story: My Life My Legacy" which was screened on TV3 last night? If he did not see it he should do so. He should examine how the health system failed this woman. She has a terminal disease and is preparing for her own funeral. She is concerned about her children. The Minister should listen to her words as she explains how she could not afford her prescription and had to leave the medication on the counter. Later that evening the fair pharmacist paid the prescription charges. This is not an isolated story. Pharmacists in Donegal have told me similar stories, perhaps not with regard to patients who are terminally ill with cancer. Anybody watching the programme would have to have a heart of stone not to be reduced to tears. This was broadcast in the same week the Minister for Finance stood on the tarmac as he watched Donald Trump roll into Shannon Airport. There needs to be some fairness in society. We need some equality. The Government needs to stand up for those silent sufferers. I ask the Minister to do the right thing and reverse the cuts.

Deputy Martin Ferris: It seems that nowadays I stand up here more often to talk to, and even plead with, Ministers about the distress I see in my constituency and the people who approach me for help. The single, clear message coming from this Government is that if one is in trouble, one is on one's own. If one's mother needs care, if one's child has special needs, if one has lost one's job, if one has an accident, if one's child gets into trouble, whatever it is, do not come looking for support or help from the Government. No, if one has a problem one can pay to resolve it or go away, even if that problem is a long-term, terminal, painful or immobilising medical condition or disease. If one has no money to pay, then tough. The Government is about balancing books, the bible according to the troika, and after that no humanity, solidarity, compassion or ordinary human decency comes into it.

The Minister, the Taoiseach and the Tánaiste have stood in the House and told us, again and again, that there was no change in criteria for issuing or, more commonly, withdrawing discretionary medical cards, even though we know that in 2009 the rate of discretionary medical cards was one in 18, but last year it had dropped to one in 33. The Minister knows this too, and it is a shame on him and the Government. As the election campaign progressed over the past few weeks and Fine Gael and Labour Party canvassers had the audacity to knock on people's doors, they were told again and again of the suffering caused by the withdrawal of medical cards. They got windy and the Minister got a roasting at a Fine Gael parliamentary party meeting. That is when we began to hear about a third tier and the amazing discovery by the Minister of

some hard cases which were causing concern, and he then referred to administrative problems.

I would love to know what he calls a hard case. What is the definition of a hard case around the Fine Gael and Labour Party Cabinet table? Would it be, for example, like a couple in my constituency, where she has asthma and he has a heart condition and high blood pressure? Their cards were taken away and during every one of the months it took to get them back, they had to make a hard decision. What decision was this? It was which of them would get their medication and which of them would hope for the best, as they could not afford to fill the prescriptions for both of them. They came to the decision that her inhalers were more important. This man ended up in hospital with a stroke as he had gone without his blood thinning medication for so long. Would this be a hard case?

Deputy Doherty mentioned Jackie's story. Jackie is my friend and neighbour. I am well acquainted with her story and have been for quite a considerable time. It is a hard case. This woman is going to her death. She was denied prescriptions by the Government and the HSE. Would this be a case that causes concern for the Government?

Leaving aside human compassion and decency, it saves no one any money that instead of giving the man I mentioned his medication, the health service now has the greater cost and use of resources of treating him in hospital for a stroke. This man will end up in rehab, probably in Dún Laoghaire. There is not a Deputy in the House, or a canvasser going from door to door, who has not heard about the suffering, hardship and stress that this is causing.

In the circumstances, I see how the Minister was quoted in the *Irish Examiner* as stating "My main concern is two-fold - number one, that people get the care they need but number two, to protect the taxpayer." To protect the taxpayer against what? Does he really expect us to believe that people are faking illness to get a medical card in order to pull off some sort of a scam? In his anxiety to root out some kind of imaginary scam on behalf of the taxpayer, he has ignored the advice of those on the front-line of the health service: the family doctor, the local GP and the men and women who call again and again for the resources to run a proper primary care service. Best practice internationally, expert reports and recommendations and simple cop on indicate that a properly funded and resourced primary care service is the least expensive and most efficient way to keep the population healthy. It is the way to go to stop people getting seriously ill and the most effective vehicle for health promotion. When I go home this week I will see Jackie again, as I do every week. What the Government has done to Jackie and the couple I mentioned is an indictment on what it has done to the people of Ireland.

Minister for Health (Deputy James Reilly): At the outset, I want to reject out of hand the notion that there is any deliberate culling of cards as Deputies Ó Caoláin and Kelleher allege. During the course of the debate yesterday, and again this morning during Question Time, Deputies continued to insist that there has been a change in policy in the application of discretion. I reject this. The health service must operate within the bounds of the law set by this House, and I expect it to do so in a respectful, fair and equitable manner.

The Deputies point out that the number of medical cards issued on a discretionary basis has decreased, and this is true, but it is important that we understand why this is the case, and that we are honest about this, particularly with the people we represent. There is no deliberate cull as the Deputies would like people to believe. Rather it is the case that many households whose income was previously marginally over the threshold, and therefore got a card on a discretionary basis, subsequently experienced a fall in income, and now qualify for a medical card with-

out any need for the exercise of discretion.

Deputy Seán Ó Fearghail: For God's sake.

Deputy James Reilly: It is important that Deputies understand the facts, and do not twist them so as needlessly to frighten people.

Since the Government came into office, approximately 6% of those who held medical cards issued on a discretionary basis in March 2011 have been found ineligible. In other words, the vast majority still have a medical card. Of those who had medical cards issued on a discretionary basis in March 2011, approximately one third still have a medical card because the Health Service Executive has exercised discretion. Moreover, nearly 50% of them still have a medical card because their income is below the guideline and there is no need for discretion to be applied. However, that does not suit the story from the Deputies opposite. The balance, approximately one eighth of the total, lost eligibility as they did not respond to the renewal notice, did not complete the review process, were deceased or other family members were awarded a card.

I assure Members that I am very concerned about these cases. As a medical doctor, I know only too well the worry and practical difficulties that can result from the loss of a medical card, especially for those who have had a card for some time. However, I also have an obligation to ensure that the health system operates within the law as it stands. Unfortunately, that means that in some cases, even when medical expenses are taken into account, the household's net income remains over the guideline amount and often by several hundred euro a week. I also have an obligation to ensure that discretion is applied fairly and this was not the case in the past. For example, in 2009, while three medical cards were issued on a discretionary basis per 1,000 of the population in County Meath, the equivalent number in north Cork was 53, that is, more than 17 times as many. Was that fair or equitable? I do not believe this situation is acceptable and nor does my party or the Government. That is why the Government is committed to ending the unfair two-tier health system and to bringing in universal access to primary care under a universal health insurance policy. However, I realise that some of the households affected include people with ongoing medical conditions. As I wish to ensure a supportive and compassionate response in such instances, I have asked the HSE to consider how best we can ensure these families receive all the supports that are available because in many instances, medical needs can be met without a medical card and without recourse to a means test.

The Government remains committed to delivering a fair, safe and high-quality health system in which people can access health services on the basis of their medical need rather than on their ability to pay. It is making progress and although it is not there yet, the Government has provided funding for the increased number of medical and GP-visit cards issued since it came into office. This funding means that at present, 42% of our population has access to GP services without charges. Moreover, the Government has done what its predecessors did not even try to do, which is to reduce the high costs in the health system in order that more people can be treated and can be treated more quickly and better. I am determined to press ahead with the most radical reform of the health system in the history of the State. The Government is working hard to end the inefficient and inequitable two-tier system it inherited and to replace it with a fair, safe and high-quality health service, supported by universal health insurance where access to services is based on need and not on ability to pay. This is right for the health system. It is right for the health service staff who have worked so hard, making significant personal sacrifices to reduce costs, while delivering better outcomes and most importantly, it is right for patients and all users of the health service.

14 May 2014

An Leas-Cheann Comhairle: I call Teachta Adams, who is sharing time with Deputies McDonald and Ó Caoláin.

Deputy Gerry Adams: This week, the parents of seriously ill children launched a new statewide campaign, Our Children's Health, to protect their medical cards. In response, the Government's newly appointed Minister for Children and Youth affairs, Deputy Charles Flanagan, stated: "I would hope that everybody who needs a medical card in this country [mar dhea] would have one." He needs to do much more than hope. First, everyone who needs a medical card does not have one. The Minister for Health and everyone else knows this. Second, this type of response, which is indicative of a dysfunctional Government, is causing serious distress to many citizens. It is pathetic and completely unacceptable. The Government, from the Taoiseach downwards, is denying its role in creating and sustaining this crisis. However, it has been brought to its attention time out of number by Opposition parties here in the Dáil, as well as by Labour Party and Fine Gael backbenchers. Incidentally, where is the Labour Party tonight? The test of those backbenchers will be how they vote on this motion later.

In case the Minister is in any doubt in this regard, the HSE's national director of primary care, Mr. John Hennessy, has acknowledged the reality. He has stated the removal of discretionary medical cards from some patients has been indefensible. He has stated it is causing unnecessary levels of anxiety and frustration for families, particularly those families dealing with serious disability. Moreover, the root of the scandal is the willingness and indeed the eagerness of the Government and the Minister for Health to allow seriously ill and vulnerable citizens to be targeted in a money-saving exercise. Access to medical card cover is subject to a means test instead of medical need and that is wrong. Mr. Hennessy has argued that the renewal process in certain cases involving profound disability requires a far more integrated process in a way that ensures all entitlements and health service supports, particularly non-means tested services such as supplies of medicines, equipment and other support services, are maximised.

As Members debate these issues with the Minister, families are dealing with serious illness and disabilities in their homes. Their burden is being added to by the decisions the Minister is taking. For example, Ms Mary O'Kane from Laytown is 86 years of age and is living alone. Her medical card was withdrawn following self-assessment. There is no way of checking whether elderly citizens such as Ms O'Kane ticked the incorrect income boxes on their forms and lost their cards as a result. Lily Redmond from Grange Rath, Drogheda, has been diagnosed with Down's syndrome and has food aversion issues. She has attended a range of specialists and therapists. She has never eaten solid food and can only ingest fluids. She is yet to walk and still goes about on her bum. Lily's parents only discovered her medical card was withdrawn following a GP visit. Eve North, a 12 year old girl from the same locality, also had her medical card taken. Ms Pamela Donnelly from Julianstown has sleep apnoea, which requires the use of a continuous positive airway pressure, CPAP, machine. Although she is under GP and hospital care, Ms Donnelly's full medical card was withdrawn following a review citing income in excess of guidelines. However, a GP-visit card does not cover the cost of the CPAP machine, which is €111 per month, and as a result, she has had no machine as of January 2014. Another citizen from Bettystown, whose name I will not give, has cancer. He has undergone surgery and chemotherapy and still is attending hospital for follow-up. He requires a colostomy bag daily. His medical card was withdrawn because he exceeded the income limit. However, he cannot afford to provide his own colostomy bags. Sin an scéal.

These families across this State, have no one, apart from their families, who are providing them with solidarity. No one from the State is wrapping their arms around them. They feel

isolated, afraid and confused. They are particularly affronted by what the Minister and the Taoiseach say in this Chamber. The Government amendment to the Sinn Féin motion is insulting. It asserts that the assessment of medical cards is facilitated in a consistent and equitable manner. The Minister does not know what “equitable” means. The amendment also states there has been no change and ends in an ego trip. There is a commendation for the Minister for Health in the name of the Minister for Health. That says it all.

Deputy Mary Lou McDonald: There has been a cull of discretionary medical cards. This is a matter of recorded fact and the figures record that fact. The Minister states he must act within the parameters of the law and he cites the Health Act 1970. The Minister persists in the untruth that there has been no policy change when the facts shout out the contrary. Allow me to give the Minister two precise examples of this policy change. First, I will cite the case of young Katie Connolly, who is a six year old child from Cork whose case I raised in November 2013. Katie had been entitled to a medical card since birth, which was the correct thing because Katie has Down’s syndrome and a number of medical complications.

9 o’clock

The circumstances of the Connolly household have not changed, they did not win the lottery and indeed, Katie’s medical needs have not receded in any way. In fact, if anything, they have increased. Yet young Katie and her family are faced with the situation where her medical card has been taken away. That is the fact.

Young Alex Kyne Coyle is ten years of age. The Minister may have seen him on the television with his mother and father, Annette and Declan. Young Alex has Mowat Wilson syndrome. He cannot walk or talk, is tube fed and has seizures. Two or three weeks ago, he, too, had his medical card taken away. These are the facts, these are the cases and, by God, these are hard cases in anybody’s language. Yet when we put the motion before the House, we get from the Minister a delusional and robotic response. That is what his response amounts to. I do not know if he is in a complete state of denial. I do not know if he is comfortable simply to look away from these cases to try to make believe that they do not exist. The families who find themselves in this situation do not have that luxury because they care for their children, or in other cases for an elderly parent or relative, day in and day out. The fact of the matter is that policy has changed. Katie and Alex were deemed at one point eligible for their medical cards and then the policy change occurred and their medical cards were taken away.

Deputy Adams has already noted the commendation to the Minister in the Government amendment. He is commended not once, but twice. Whatever about the Minister and his self-belief in his own brilliance in the discharge of his duties, I find it unbelievable and very hard to understand how any backbencher from Fine Gael or the Labour Party could come in to this House, against a backdrop of situations like those faced by Katie and Alex, vote in favour of a motion that commends the Minister so generously, and turn his or her face away from these very hard cases.

I will give the Minister some cause to reflect on words from Declan Coyle, the father of Alex. He sums up the position far more eloquently than any of us here:

I have a dream that the Government policy-makers will remove their hearts of stone and replace them with hearts of flesh. I have a dream that our Government Ministers and politicians will reflect the kind, compassionate, caring, loving people of Ireland and stop

14 May 2014

attacking the weakest and the sickest. I have a dream that no family with special needs sick children will live in fear and dread. I have a dream that a woman who wrote to me recently about her friend will never have to go through this trauma. Her child was very very sick. She spent days and nights on the floor by the hospital bed. The HSE hounded her and pulled her medical card. Her friend organised a campaign. She got 10,000 to sign up. She organised a silent protest outside Our Lady's Hospital. Eventually the mother of the extremely sick child got her card back. Last March, her beautiful, beautiful child died. Her precious child is now in the arms of the angels.

If the Minister is not amenable to logic and argument from the Opposition benches, I appeal to him to listen to those words from Declan Coyle, from the voice of experience. I ask him again to do the right and decent thing. Do not just talk about the hard cases. Give assistance, succour and return the medical cards to those very hard cases.

Deputy Caoimhghín Ó Caoláin: Ba mhaith liom buíochas a ghabháil le gach Teachta a ghlac páirt sa díospóireacht. I thank all Deputies who took part in this debate last evening and this evening. If anything, the contributions have strengthened our resolve, not just Sinn Féin Deputies but all of us who have demonstrated a real understanding of the issue at the core of this debate, to challenge what is currently taking place with the medical card system and to press the Government to relent. There is no excuse for any member of Government or any Member of the Oireachtas not knowing the depth of hardship, anxiety and grief being caused by the denial of medical cards to people who desperately need them. We heard last night and again tonight, some of the many examples. It is particularly harrowing where a child with a severe disability or a serious illness loses a medical card. It was disappointing to witness the Minister of State, Deputy Alex White, dancing on the head of a pin. He said in his contribution that for ease of discussion he would use the term "discretionary medical card". He later said "there is no such thing as a discretionary medical card". He also said that medical cards are awarded by the HSE where the HSE "exercises discretion in circumstances where a person exceeds the income guidelines". Let us try to get this straight. There are no discretionary medical cards, there only medical cards awarded on the basis of discretion. Could somebody figure that out? More important, would somebody attempt to explain it to the many irate families who have had their medical cards taken from them when they truly deserve them and needed them?

The Minister of State disputes the figures I have cited. I will repeat them because the source is his own senior Minister, Deputy Reilly. The number of people with full medical cards and GP visit cards on a discretionary basis in March 2011 was 97,120 and by March 2014, this number had fallen to 78,310. The Minister of State should not get stuck on March 2011 because there is a three year passage here. There was certainly nobody else getting access to discretionary medical cards over that period by the figures the Minister of State himself has used. I will not attempt to unpick the rest of the figures and the percentages cited by the Minister of State last night and in the course of Question Time today. The key figure I have highlighted, plus the testimonies of people coming to every Oireachtas Member on a weekly if not daily basis, are more than enough to show the adverse results of Government policy and HSE practice in the lives of real people. It is real people of whom we speak. I agree that the medical card system is primarily income-based, but it has always included, at its core, a crucial element of discretion. That key discretionary element has been eroded by this Government for so-called cost-saving reasons and for none other. It is as crass as that over the past three years. The Minister does not like the word "cull" but this cull of discretionary medical cards has been done under the term of "probity". One of the dictionary definitions of "probity" is "uprightness and honesty".

The implication is that the Department and the HSE are rooting out dishonest people who have wrongly claimed for medical cards and who have been enjoying them for some time. On the contrary, let the facts show that it is the Government, the Department and the HSE who are less than honest. They are claiming to treat people equally but they are choosing the easy targets, the families whose income is over the threshold, many with members with serious illnesses or disabilities and for whom the cost of health care is a huge burden. That is the reason they qualified for a discretionary medical card in the first place.

I wish to thank especially those who continue to campaign outside this institution on this most important of issues. I want to recognise especially the specialist nurses from the Jack and Jill Foundation and all others, including Aoibheann's Pink Tie, for their campaigning and for their continued efforts to try to bring reality to the Minister and to his colleagues and to this Government. I urge all Deputies, on all sides of the House, to truly represent their constituents. Nobody in this House can be unaware of the real hurt and pain that exists as a result of this cull. The canvass in the local and European elections has certainly focused minds and brought this home to everyone's knowledge and attention. I appeal to everybody here to support the Sinn Féin motion as tabled, to recognise that it is time for those at the helm of our health services, including the Minister and his junior colleagues, to take their heads out of the sand and to recognise what is happening across society today. It is not about numbers and statistics but about people who are suffering unnecessarily.

Amendment put:

<i>The Dáil divided: Tá, 72; Níl, 36.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Barry, Tom.</i>	<i>Calleary, Dara.</i>
<i>Bruton, Richard.</i>	<i>Collins, Niall.</i>
<i>Butler, Ray.</i>	<i>Colreavy, Michael.</i>
<i>Buttimer, Jerry.</i>	<i>Cowen, Barry.</i>
<i>Byrne, Catherine.</i>	<i>Crowe, Seán.</i>
<i>Byrne, Eric.</i>	<i>Daly, Clare.</i>
<i>Cannon, Ciarán.</i>	<i>Doherty, Pearse.</i>
<i>Carey, Joe.</i>	<i>Dooley, Timmy.</i>
<i>Coffey, Paudie.</i>	<i>Ellis, Dessie.</i>
<i>Collins, Áine.</i>	<i>Ferris, Martin.</i>
<i>Conaghan, Michael.</i>	<i>Grealish, Noel.</i>
<i>Conlan, Seán.</i>	<i>Healy, Seamus.</i>
<i>Conway, Ciara.</i>	<i>Healy-Rae, Michael.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Kelleher, Billy.</i>
<i>Creed, Michael.</i>	<i>Kitt, Michael P.</i>
<i>Daly, Jim.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Deenihan, Jimmy.</i>	<i>McConalogue, Charlie.</i>
<i>Deering, Pat.</i>	<i>McDonald, Mary Lou.</i>
<i>Donohoe, Paschal.</i>	<i>McGrath, Finian.</i>
<i>Doyle, Andrew.</i>	<i>McGrath, Mattie.</i>

<i>Durkan, Bernard J.</i>	<i>McGrath, Michael.</i>
<i>Farrell, Alan.</i>	<i>McLellan, Sandra.</i>
<i>Feighan, Frank.</i>	<i>Martin, Micheál.</i>
<i>Ferris, Anne.</i>	<i>Mathews, Peter.</i>
<i>Fitzgerald, Frances.</i>	<i>Murphy, Catherine.</i>
<i>Fitzpatrick, Peter.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Flanagan, Charles.</i>	<i>Ó Fearghail, Seán.</i>
<i>Griffin, Brendan.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Harris, Simon.</i>	<i>O'Brien, Jonathan.</i>
<i>Hayes, Tom.</i>	<i>O'Sullivan, Maureen.</i>
<i>Heydon, Martin.</i>	<i>Smith, Brendan.</i>
<i>Howlin, Brendan.</i>	<i>Stanley, Brian.</i>
<i>Humphreys, Heather.</i>	<i>Tóibín, Peadar.</i>
<i>Humphreys, Kevin.</i>	<i>Troy, Robert.</i>
<i>Keating, Derek.</i>	<i>Wallace, Mick.</i>
<i>Kehoe, Paul.</i>	
<i>Kelly, Alan.</i>	
<i>Kyne, Seán.</i>	
<i>Lawlor, Anthony.</i>	
<i>Lyons, John.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Reilly, Joe.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	

<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Twomey, Liam.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Amendment declared carried.

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

<i>The Dáil divided: Tá, 72; Níl, 36.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Barry, Tom.</i>	<i>Calleary, Dara.</i>
<i>Bruton, Richard.</i>	<i>Collins, Niall.</i>
<i>Butler, Ray.</i>	<i>Colreavy, Michael.</i>
<i>Buttimer, Jerry.</i>	<i>Cowen, Barry.</i>
<i>Byrne, Catherine.</i>	<i>Crowe, Seán.</i>
<i>Byrne, Eric.</i>	<i>Daly, Clare.</i>
<i>Cannon, Ciarán.</i>	<i>Doherty, Pearse.</i>
<i>Carey, Joe.</i>	<i>Dooley, Timmy.</i>
<i>Coffey, Paudie.</i>	<i>Ellis, Dessie.</i>
<i>Collins, Áine.</i>	<i>Ferris, Martin.</i>
<i>Conaghan, Michael.</i>	<i>Grealish, Noel.</i>
<i>Conlan, Seán.</i>	<i>Healy, Seamus.</i>
<i>Conway, Ciara.</i>	<i>Healy-Rae, Michael.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Kelleher, Billy.</i>
<i>Creed, Michael.</i>	<i>Kitt, Michael P.</i>
<i>Daly, Jim.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Deenihan, Jimmy.</i>	<i>Martin, Micheál.</i>
<i>Deering, Pat.</i>	<i>Mathews, Peter.</i>
<i>Donohoe, Paschal.</i>	<i>McConalogue, Charlie.</i>
<i>Doyle, Andrew.</i>	<i>McDonald, Mary Lou.</i>
<i>Durkan, Bernard J.</i>	<i>McGrath, Finian.</i>
<i>Farrell, Alan.</i>	<i>McGrath, Mattie.</i>
<i>Feighan, Frank.</i>	<i>McGrath, Michael.</i>
<i>Ferris, Anne.</i>	<i>McLellan, Sandra.</i>

14 May 2014

<i>Fitzgerald, Frances.</i>	<i>Murphy, Catherine.</i>
<i>Fitzpatrick, Peter.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Flanagan, Charles.</i>	<i>Ó Fearghail, Seán.</i>
<i>Griffin, Brendan.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Harris, Simon.</i>	<i>O'Brien, Jonathan.</i>
<i>Hayes, Tom.</i>	<i>O'Sullivan, Maureen.</i>
<i>Heydon, Martin.</i>	<i>Smith, Brendan.</i>
<i>Howlin, Brendan.</i>	<i>Stanley, Brian.</i>
<i>Humphreys, Heather.</i>	<i>Tóibín, Peadar.</i>
<i>Humphreys, Kevin.</i>	<i>Troy, Robert.</i>
<i>Keating, Derek.</i>	<i>Wallace, Mick.</i>
<i>Kehoe, Paul.</i>	
<i>Kelly, Alan.</i>	
<i>Kyne, Seán.</i>	
<i>Lawlor, Anthony.</i>	
<i>Lyons, John.</i>	
<i>Maloney, Eamonn.</i>	
<i>McGinley, Dinny.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Nolan, Derek.</i>	
<i>Noonan, Michael.</i>	
<i>Ó Ríordáin, Aodhán.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Reilly, Joe.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Perry, John.</i>	
<i>Phelan, Ann.</i>	
<i>Phelan, John Paul.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Spring, Arthur.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	

Dáil Éireann

<i>Twomey, Liam.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

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

Question declared carried.

The Dáil adjourned at 9.30 p.m. until 9.30 a.m. on Thursday, 15 May 2014.