



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Déardaoin, 16 Deireadh Fómhair 2014

Thursday, 16 October 2014

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

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

Foreign Direct Investment

1. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation the steps being taken to implement his Department's policy statement on foreign direct investment; if recent developments in respect of Ireland's corporation tax regime have impacted on this; and if he will make a statement on the matter. [39377/14]

Deputy Dara Calleary: As this is the first Question Time with the new ministerial team, I wish the Ministers of State, Deputies Gerald Nash and Damien English, every success in their new roles and acknowledge the work done by Deputy John Perry and the Minister of State, Deputy Sean Sherlock, in the Department.

Will the Minister outline the changes to our corporation tax regime since Tuesday? Will he confirm the reports in *The Irish Times* this morning that he has launched what it calls a co-ordinated campaign of letters and telephone calls but which everybody else would call spin and a panic reaction? Will he also confirm whether the Minister for Finance, Deputy Michael Noonan, is involved in the campaign?

Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton): The question tabled is slightly different from that just asked by the Deputy.

Deputy Dara Calleary: Recent developments.

(Deputy Richard Bruton): I presume the context remains the same. The question refers to the Department's policy statement on foreign direct investment which was published at the end

of July. It sets out the strategic direction for foreign direct investment to 2020 and the 14 areas of strategic action needed to enhance Ireland's attractiveness and business environment in the context of intensified international competition for investment and talent. Some are focused specifically on the work of IDA Ireland, in relation to which IDA Ireland is in the process of preparing its corporate strategy for the years 2015 to 2020 which will be launched early next year and on which I am working closely with it. Other areas for strategic action focus on building Ireland's strengths in key sectors, aligning our research prioritisation with other supporting elements to build sustainable clusters. This is being factored into the work of Science Foundation Ireland and Enterprise Ireland. It will receive further attention in our forthcoming policy reviews of enterprise and science, technology and innovation.

As the Deputy acknowledged, in the budget announced this week we have moved to provide the certainty and competitive advantage needed to ensure our corporate tax regime is well positioned to win more foreign investment in a changing international tax environment. The statement on foreign direct investment also underlines the importance of work throughout government to develop and reinforce aspects that differentiate Ireland's offering in a context of intensive global competition for mobile investment. These include the need for a national talent drive and a range of attractive regional alternatives for mobile investment and talent, with competitive infrastructures to support them. Implementation in all of these areas will be vigorously pursued through the process for An Action Plan for Jobs.

With regard to the specific questions on corporate tax, I strongly welcome the decision of the Minister for Finance to introduce a wide range of reforms in respect of our corporate tax structure. These include the introduction of a knowledge development box, improved provisions for research and development, improved conditions for capital allowances in respect of intellectual property and an improved provision to allow strategic personnel to be brought to Ireland to develop key elements of growing businesses. These are very exciting developments in our tax code and naturally we are taking every opportunity to promote them vigorously with our clients. They arise in the context of the base erosion and profit shifting, BEPS, process, which, as the Deputy knows, has signalled significant change in the international tax environment. It includes changes to double structures and part of this announcement is a lead-in time of six years within which the existing double structures in Ireland will be ended.

Deputy Dara Calleary: I welcome the introduction of the knowledge development box which has huge potential. I have always wondered about moving our investment in research and development into reality. The BEPS process is under way and may not finish for at least 12 months, but we have declared our hand right at the beginning of it. We have raised the white flag because of pressure from competitor countries for foreign direct investment. We have immediately rolled over and in so doing for the first time have shown a weakness in our defence of corporate tax. On Tuesday the Minister for Finance, Deputy Michael Noonan, defended the 12.5% rate, but the reality is that he rolled over very early on other elements of the BEPS process. This will be used against us by competitor countries in providing certainty for those who want to invest. Is the Minister for Finance involved in the co-ordinated campaign of letters and phone calls referred to in *The Irish Times* today? Can the Minister describe the tone of the conversations he had yesterday? I understand that he cannot go into the specifics. What plans do the Minister and the Ministers of State in his Department have, apart from the scheduled trade visit to the United States in two weeks, to drive this message home?

Deputy Richard Bruton: The Deputy knows that the international environment for tax provisions is changing. What we are doing here is moving ahead of the competition. We are

anticipating those changes and putting Ireland in a position to provide certainty to our investors and to have best-in-class competitive tax structures. The Minister for Finance has signalled that he will legislate next year for a best-in-class knowledge development box. That will, as Deputy Calleary has said, give Ireland an edge in this area.

We are also providing certainty. There is no doubt that there has been considerable uncertainty around double structures in light of the discussions internationally. We have now moved to end Ireland's double structure for new investors by January 2015 and we have provided a six-year period during which those companies that currently have such structures need to adjust. We have given them the certainty of a long lead-in time. They now know where the landing position will be. Clearly, the Minister for Finance, Deputy Noonan, will be involved in explaining the new tax structure during international visits, as will my Department. I will take advantage of next week's visit to the United States to explain it. I believe it is an excellent news story and will win additional foreign investment for Ireland.

Deputy Dara Calleary: The reality is that we are at the start of a process and the Minister has declared our hand. The base erosion and profit shifting, BEPS, process could go on for a long time, and many of our competitors may not go as far as we have. The Minister for Jobs, Enterprise and Innovation and the Minister for Finance could learn a thing or two from people like John O'Shea when it comes to fighting for our interests and standing up for ourselves without declaring our hand right at the beginning of the game.

Deputy Richard Bruton: Deputy Calleary is seeking to present this in a very distorted way. We are taking a competitive lead in this area. We will have a best-in-class knowledge box and the best environment for bringing talent to Ireland to engage in research and development from an Irish base.

Deputy Dara Calleary: We could have had all of that anyway.

Deputy Richard Bruton: We will have certainty for those companies that have been using taxation structures whose days are clearly numbered. They will have a long lead-in time to deal with that. We are offering a very competitive environment that in a post-BEPS world will make us a country that is best placed to win international investment.

Employment Rights

2. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation if the workplace relations Bill will provide protections for workers employed by subcontractors engaged in exploitative work practices. [39379/14]

Deputy Peadar Tóibín: Guím gach rath ar na hAíre ar fad agus ar an bhfoireann nua. I tabled this question to determine whether the forthcoming workplace relations Bill will provide protection to workers, especially those employed by subcontractors engaged in exploitative work practices. In that context, I want to make particular reference to the ongoing publicly funded Kishoge Community College building project. As the Minister of State will be aware, a large number of workers have had their livelihoods significantly damaged by practices there and I want to find out what the provisions of the new Bill will do for those individuals.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Ger-

ald Nash): I thank Deputy Tóibín for his question. As he will be aware, the ongoing programme that the Government is currently implementing to reform the State's existing workplace relations structures is at quite an advanced stage. While considerable progress has been achieved to date on an administrative basis, the enactment of the workplace relations Bill is a crucial step in achieving the aim of delivering a modern, user-friendly, world-class workplace relations system. The Bill will provide for a range of enhanced compliance measures, including the use of compliance notices, fixed payment notices and a new more robust mechanism for enforcing awards of the workplace relations commission, WRC, adjudicators and Labour Court determinations. This represents a very significant development for working people and will give teeth to the system. It will enhance confidence in the workplace relations system and ensure that the response from the WRC to complaints is proportionate.

The workplace relations Bill is primarily concerned with the establishment of new structures and associated processes. The Bill will provide for the establishment of a new two-tier workplace relations structure comprising two statutorily independent bodies, replacing the current five. The Bill does not propose any substantive changes to existing legislation governing the employment rights of workers. Therefore, the protections currently available to workers under the existing corpus of employment rights legislation will continue to apply to all workers, including workers employed by subcontractors. There is universal application of all of the employment legislation to workers of every description. This existing body of employment law is robust and covers a comprehensive range of employment rights and entitlements which apply to all workers, whether part-time or full-time and whether employed by a subcontractor or another class of employer. Furthermore, the legislation is backed up by a proactive labour inspectorate.

Should employees consider that their statutory employment rights are not being complied with, they should contact workplace relations customer service for information about seeking redress.

Deputy Peadar Tóibín: As the Minister of State knows, the workers at the Kishoge Community College site have effectively been locked out of their place of employment because a subcontractor has demanded that they register as self-employed and accept excessively low rates of pay. Some of the rates we have heard of are less than €5 per hour or €20 per day. To be blunt, the Government's response so far has been overly bureaucratic. Indeed, I would argue that the Government has washed its hands of this issue. For months now, men with families have been outside their place of work doing their damndest to draw attention to what is going on, but the Government is doing nothing about this issue. The citizens of this country who are purchasing this site and having the building done on their behalf through the State need to know that the work is being done in a way that respects common decency. They need to be assured that the law will ensure that these individuals get a proper day's pay for a day's work.

Deputy Gerald Nash: With all due respect to Deputy Tóibín, that is not the question he originally tabled, which asked about subcontractors engaged in exploitative work practices. That said, I am very happy to respond to the supplementary question he has just posed. I know that Deputy Tóibín has a particular interest in this case, as do I, and we discussed it briefly at a recent meeting of the Oireachtas Joint Committee on Jobs, Enterprise and Innovation. While I am reluctant to comment in individual cases, I know that the Revenue Commissioners, the Department of Social Protection and the National Employment Rights Authority, NERA, have had a presence on the aforementioned site and have investigated complaints made to them. I have been in contact with Deputy Tóibín by letter in respect of the broad issue to which he refers. The Deputy will be aware that it is the remit of the Revenue Commissioners and the Depart-

ment of Social Protection to clarify the status of employees and it is the responsibility of the Revenue Commissioners to deal with the issuing of certification in respect of self-employment. All information received by my Department or NERA in this regard is forwarded to them for their attention. In that regard, I have forwarded correspondence from Deputy Tóibín to both the Revenue Commissioners and the Department of Social Protection.

It is important to point out that this must be viewed in the context of the re-establishment of the registered employment agreement system. This Government is committed to re-establishing that system and we are making significant progress in that regard.

Deputy Peadar Tóibín: I understand that the Minister of State is working on particular projects and I am trying to ascertain whether those projects will close off all possibility of this type of exploitation in the future. We have had a collapse in the construction industry and that collapse has led to an over-abundance of skilled construction workers who are unemployed and claiming social welfare. As a result, some employers have engaged in very sharp practices based on the principle of using the crisis to their own benefit. They have been exploiting individuals who are hungry for work and forcing them to work under improper pay terms and conditions. The situation at Kishoge Community College is an example of this and the dispute there has been going on for many weeks. Sinn Féin has asked for an urgent investigation into the circumstances there. Are the investigations by the Revenue Commissioners and NERA to which the Minister of State referred complete yet? If they are not complete, when are they expected to be completed? Where is the urgency on this? The people concerned are locked out of the site and winter is fast approaching. The Government must review all of the projects under its remit and ensure that the contractors and subcontractors are behaving reasonably. If the key investigations are not complete, will the Minister of State commit to their completion ASAP?

Deputy Gerald Nash: Investigations can only be completed and the issues fully examined with complete information. I appeal to everyone who claims to have information to bring it to the National Employment Rights Authority, NERA, the Revenue Commissioners and other relevant agencies-----

Deputy Peadar Tóibín: It has been nearly two months since the Revenue Commissioners were out there.

Deputy Gerald Nash: -----and to work proactively with the inspectorate and bodies that are addressing this matter.

Deputy Tóibín is right. With the construction industry starting to climb again, we have seen an increase in the use of subcontractors by the sector's major employers. I reiterate the importance of re-establishing the registered employment agreement, REA, system. Its collapse provided the opportunity for some of these difficulties to arise. Its re-establishment could improve standards across the sector and is supported by the Construction Industry Federation, CIF, which is a major player on the employers' side, and the trade union sector. The drafting process is advancing and is one of my top priorities as Minister of State with responsibility for business and employment. We will have a pre-legislative scrutiny opportunity at the joint Oireachtas committee in the coming weeks to advance it further.

Economic Competitiveness

3. **Deputy Stephen S. Donnelly** asked the Minister for Jobs, Enterprise and Innovation in view of Ireland's continued fall down the competitiveness rankings, the policies being developed to improve our competitiveness relative to countries with which we compete; and if he will make a statement on the matter. [39381/14]

Deputy Stephen S. Donnelly: This question regards our competitiveness, which is a mixed bag. With regard to Ireland's competitiveness index, relative to ourselves, we have done significantly better since the start of the recession, with factor input costs decreasing. Compared globally, however, we are doing worse every year. The World Economic Forum, WEF, places us 27th this year, down from 22nd in 2007. While we are getting more competitive relative to ourselves, we are rapidly becoming less competitive relative to other countries. What is being done in this regard? Are there targets? Is the Minister satisfied with our position and trajectory?

Deputy Richard Bruton: It has been well catalogued that Ireland lost a considerable amount of competitiveness between 2000 and 2010. Since 2011, Ireland's international competitiveness rankings have improved in the International Institute for Management Development's World Competitiveness Yearbook from 24th to 15th and from 29th to 25th in the WEF global competitiveness report. This is the third consecutive year that our position has improved in the WEF rankings and contrasts with a period of declining competitiveness experienced in the years up to 2011.

According to the WEF, Ireland ranks ahead of other advanced countries in categories such as institutions, labour market efficiency and the goods market. Ireland's scores are weakest in the macroeconomic environment category, which is driven by Government debt and borrowing. These weaknesses are being addressed through Government macroeconomic policies and the ongoing focus on improving the performance of financial institutions. At the report's launch, the WEF noted that Ireland's ranking was improving due to the structural reforms that were under way. Many of these messages were echoed in the recent annual EU member states competitiveness report, with Ireland named as one of only four member states with high and improving competitiveness.

Competitiveness has been a key theme in the Action Plan for Jobs since its inception. The plan has developed initiatives across the spectrum to improve competitiveness, including reforms to make wage-setting mechanisms more adaptable and measures to improve access to finance, to make it easier to establish, operate and expand a business, to deliver a supply of competitive skills to growing sectors, to reduce business costs and to enhance the ease of doing business.

The National Competitiveness Council, NCC, has been reconstituted with the addition of new industry partners. Recognising that competitiveness is a national economic priority, we have put in place a process under which the Cabinet committee on economic recovery and jobs considers a report on competitiveness on a quarterly basis. This has placed an enhanced focus on the practical changes that can be implemented to improve our national competitiveness. As in previous years, measures to enhance our competitiveness will be a core element of the Action Plan for Jobs in 2015.

Deputy Stephen S. Donnelly: I thank the Minister for his reply. The NCC's figures on our global rankings differ slightly from the Minister's. They do not show us moving at all. Ac-

according to the Forfás report, for example, we were ranked 21st or so at the start of the crisis and are now 28th. I accept the Minister's point that some of the decrease has been driven by the macroeconomic instability, but examining the microeconomic drivers shows a worrying decline in the World Bank's ease of doing business rankings, which are entirely on the micro side and cover such matters as red tape, regulation and so forth. From memory, it ranked us at seventh or eighth in the world in 2007, whereas we are 15th or so now. We are sliding down the macro and micro competitiveness rankings.

I accept that the Minister has taken real actions. Is he happy with the trajectory? Could more be done? Are there large ideas or policies to which he did not refer and that have not been introduced yet that could be implemented within the next year and a half?

Deputy Richard Bruton: It is true that we have improved in the competitiveness rankings in the past three or four years. Compared with where we were prior to the crisis, much has changed, including in our public finances. There has been tangible progress in certain respects. Unit wage costs have improved relative to our competitors by approximately 20% and property costs have improved dramatically. We have improved across a spectrum, but there are always other areas in which we could improve.

The Deputy was right to draw attention to the ease of starting a business, which is a specific focus of ours. We are ranked 115th for dealing with construction permits and 100th for getting electricity connections, although we believe there may be some inaccurate reporting of the ease of getting some of these services. However, we must improve. We have put teams in place to consider some of the matters in respect of which we are at the wrong end of the spectrum. We are taking steps to address them. We are good in other areas. For example, the Revenue Commissioners come out of the process high on the list and the Companies Registration Office, CRO, has reduced by half the time it takes to establish a company. We are making progress and will focus specifically on all of the areas that affect start-ups.

Deputy Stephen S. Donnelly: I have not checked to see whether the next matter I wish to raise is covered in the budget, but the Competition Authority is under-funded. As we all know, there is cartel behaviour in some sectors, but I will not go into the allegations. The troika showed us professional fees decreasing during the recession with one divergent line increasing, namely, legal fees. There appears to be an opportunity to create a robust Competition Authority. According to previous heads of the authority who spoke freely after leaving, it was hopelessly under-resourced to do the job that needed to be done. Has more funding been provided to the Competition Authority in the budget? If not, will the Minister make a case for same in future?

Deputy Richard Bruton: I am glad to report that we received sanction last year to strengthen the Competition Authority. It is taking on new enforcement staff and ten effective resources. This year, we also strengthened the Office of the Director of Corporate Enforcement, ODCE. As such, and in sympathy with the concerns expressed by the Deputy, we have strengthened both agencies that ensure good corporate and market performance.

Credit Guarantee Scheme Application Numbers

4. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation the amount of loans guaranteed to date under the credit guarantee scheme; his plans to review the scheme to improve its take-up; and if he will make a statement on the matter. [39089/14]

Deputy Dara Calleary: This is the second anniversary of the credit guarantee scheme. It has not worked. The legislation to reform it is on the A list. Will the Minister guarantee that the legislation will be before the House prior to the Christmas recess? Will he indicate the kinds of change he proposes to make via that legislation?

Deputy Richard Bruton: The Deputy was unavoidably unable to attend, but we had an opportunity to present to the committee last week. We are seeking to proceed with the legislation with all haste.

10 o'clock

The small to medium-sized enterprise, SME, guarantee scheme was launched in October 2012 in response to numerous calls from business interests. In the Irish context, it is a novel scheme that is continuing to develop a position in the financial arena. As of 30 June 2014, the SME credit guarantee scheme had 93 live facilities, resulting in €12.2 million being sanctioned through the scheme by the participating lenders and 468 new jobs being created and 236 being maintained. A further five loans had been fully repaid at that date, amounting to €450,000, which supported 33 new jobs and maintained ten.

As the Deputy is aware, I commissioned an independent review of the scheme which was submitted to me in the third quarter of last year. My Department has since worked to determine the improvements that can be made to the 2012 Act. I have prioritised this work and the Credit Guarantee (Amendment) Bill 2014 is now on the A list of the autumn legislative programme. We are working on the draft Bill with officials from the Office of the Parliamentary Counsel. Some of the proposed amendments it will address include: extending the maximum length of the guarantee from three to seven years; providing for a wider range of financial products to be covered, not just traditional credit products - for instance, invoice finance, factoring, leasing and overdrafts; providing for a wider range of providers of financial products to be eligible, that is, not just licensed banks; increasing the level of guarantee on individual loans from 75% to 80% and the portfolio cap from 10% to 13%; and removing the requirement for a formal decline letter. This revision is in accordance with the Government's policy to support access to finance for SMEs. I hope the Bill will be in the House before the end of the session.

Deputy Dara Calleary: Its partner scheme, the microfinance scheme, has been completely revitalised in the past few months and Mr. Michael Johnson is to be credited for bringing a new energy to it. That shows what could be done with this scheme. I want an absolute commitment that the Bill will be brought forward before the Christmas recess because this scheme needs to be given urgency. For those businesses which have loans with banks that are putting inordinate pressure on them to repay them or make other arrangements to facilitate their easy exit from the market, will the Minister consider opening the credit guarantee scheme to them to give them some breathing space in order that they can grow their businesses without pressure from banks that no longer have any interest in this country?

Deputy Richard Bruton: I will certainly consider that suggestion. We will make legislative provision for it, but it will require state aid approval if we extend support to SMEs dealing with banks which are exiting. There is another step besides improving the legislation.

The Deputy is right that one of the lessons we have learned is that the way in which banks manage internally the credit guarantee scheme and the way in which we promote it are areas in which we can do better. We will actively promote the scheme, as opposed to what we were

doing previously, that is, providing the back office. We have also identified methods within the banking system to give more oxygen to the credit guarantee. The legislative changes we are introducing are essential to drive that new offering. I regard it as a priority and we will push ahead as rapidly as we can.

Deputy Dara Calleary: The review was also damning in regard to the complicated nature of accessing the scheme and the paperwork involved. Does the Minister have thoughts about reducing the paperwork and the complications?

Deputy Richard Bruton: Clearly, it is up to banks in terms of the application of the scheme. The paperwork is not what has held it back. In my view and that of the review group, the real impediments have been some of the conditions attached. A three year loan is not sufficient. We will streamline the scheme, but the formal letter of decline was an impediment and we are removing it. There are elements which have put barriers in the way of those using the scheme and we are trying to remove them. The scheme is working and the paperwork side is reasonably okay, but some of the elements have been unnecessary obstacles which we are seeking to remove.

Credit Availability

5. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation the total level of new credit facilities created for enterprises in the past four years and the draw-down to date. [39085/14]

Deputy Peadar Tóibín: I cannot believe we are still talking about the issue of credit, given that we are three and a half years into the life of this Administration. One in four SMEs is in arrears for more than 90 days. The total loan balance in arrears is at 41%, which is a colossal brake on the development of the economy and people's lives. Despite the contortions of the Government in the past few years, we have only seen a very modest improvement in recent times. There is a necessity for the Government to make credit flow. To do this, it needs to solve the problem of businesses in debt distress.

Deputy Richard Bruton: As I stated previously, the Government has made more than €2 billion in financial supports available to Irish SMEs to support growth and job creation in the economy. Through the seed and venture capital scheme 2013 to 2018, the microenterprise loan fund and the renewed credit guarantee scheme, we are making more than €1.6 billion available in the coming years to SMEs through both credit facilities and direct investments. In addition, the Government, through the National Pension Reserve Fund, made €850 million available from 2013 through its three SME funds. It introduced the credit guarantee scheme and the microenterprise loan fund in 2012 which have now been operating for two years, as discussed with Deputy Dara Calleary. The next progress reports, to 30 September 2014, will be published shortly. As of 30 June, the credit guarantee scheme had 93 live facilities, resulting in €12.2 million being sanctioned through the scheme. Microfinance Ireland had approved 258 applications, to the value of €4.11 million.

In regard to other new sources of funding for SMEs, the seed and venture capital funds invested €75 million in 2013. The development capital funds have commenced investments and it is anticipated that they will invest €62.5 million this year. Later this year the Strategic Bank Corporation of Ireland will commence offering new credit lines to SMEs. Banks remain

a core source of funding for SMEs. The latest figures show that new lending to small business is growing and that the rate of bank refusals is falling.

Credit will continue to be an issue, but as the economy improves, we envisage that the Government will increasingly see our strong companies attracting credit. There will continue to be a very strong focus on ensuring access to finance across the spectrum is available to SMEs. We will not be able to rely so much on banks and will have to have these alternative sources to sustain our continued recovery.

Deputy Peadar Tóibín: One can make hundreds of billion of euro available to the economy, but unless it is accessible to businesses, in practice, it will not find its way into the bloodstream of the economy. I refer to the ISME credit survey carried out in September. The figure for delays in making bank decisions on applications was at 21%. Some 18% of initial bank decisions were made within one week, which marked a deterioration. On average, the time taken to make an initial decision had increased to just over six weeks. Some 35% of respondents had had increases in bank charges imposed on them, while 21% had suffered increased interest rates. Reductions in overdrafts had been demanded of 21% of businesses, while some 69% stated the Government was having either a negative or no impact on SME lending. Some 40% knew about the microfinance scheme, down from 44% in the previous quarter. As I said, it is about accessibility as well as availability. We need to ensure credit gets into the bloodstream of society.

Deputy Richard Bruton: I will make two points. Across the schemes €150 million in new facilities has been put in place by my Department alone under the Government's initiatives. This is very significant. New finance from the banking sector is only at €2 billion. We are making a significant impact in that we now have the Strategic Bank Corporation of Ireland and the SME funds from the National Pension Reserve Fund. Therefore, we have two other sources being rolled out.

Those who are refused loans should appeal to the Credit Review Office and seek an appeal by the bank because in 70% of cases in which decisions are questioned these decisions are reversed either by the bank or the Credit Review Office. The Credit Review Office is a really important tool to support the SMEs that are having the bad experiences about which the Deputy spoke. It is an ally which should be used more. As only 3% of all those refused challenge the decisions, 97% walk away. We need these refusals to be challenged. We also need to promote the new sources of finance we now have. They will be enhanced significantly this year.

Deputy Peadar Tóibín: There is a massive disconnect between the size of the problem, the ambition of the Government and the delivery of the Government. The Government's delivery is nowhere near its ambition, which in turn is nowhere near the actual problem itself. We heard a number of SME proposals in the budget. They are resuscitations of proposals the Government has previously made but are not working. The volume of loans guaranteed under the credit guarantee scheme is a fraction of the level the Government said it wanted to achieve. Some €15 million has been provided to 110 companies, which have created 870 jobs. It was initially supposed to be a €450 million scheme. The Minister suggested that the Government has provided €150 million, but this is just a fraction of what one scheme was meant to deliver. Just 186 companies have benefitted from the employment and investment incentive scheme. We still have not been able to find out how many jobs were created from this scheme in 2012. I am trying to urge the Government to get to grips with the exact size of the problems in society before matching its response to that size.

Deputy Richard Bruton: Our ambition is huge. I believe that during 2015 we will exceed our target of 100,000 additional people at work. The vast majority of those jobs will be created in small and medium-sized enterprises. We are also ambitious when it comes to driving access to finance as a means of resuscitating the growth of companies. This is the first Government to have put innovative funds in place right across the spectrum. Some €6.5 billion in funds - €4 billion from the banks and the €2.5 billion that is already in place - are available.

Deputy Peadar Tóibín: They are available but they are not accessible.

Deputy Richard Bruton: They are being rolled out as we speak. As I have indicated, over €150 million from my own few funds is going out the door. That compares with €2 billion in new lending from the whole banking system. These significant and ambitious changes are changing the landscape of choices that are available to SMEs as they grow. That is the environment we are now in. We are putting in place well-tailored instruments to help these businesses to grow. As the Deputy knows, the banking corporation is looking at export finance and at specialist instruments to ensure it is well aligned with the needs of companies.

Other Questions

Military Exports

6. **Deputy Peadar Tóibín** asked the Minister for Jobs, Enterprise and Innovation his plans to continue issuing licences for the export of military list items from Ireland to Israel. [39082/14]

Deputy Peadar Tóibín: This question relates to the issuing of licences for the export of military list items from Ireland to Israel. I do not doubt that many of the items in question were used by Israel in the most offensive and horrific way when over 2,150 citizens were killed and more than 10,000 injured in Gaza. Deputies on this side of the House are trying to find out how the Government can stand over the export of these items to Israel at a time when Israel is using them in such an horrific fashion.

Deputy Richard Bruton: My Department is responsible for controls on the export of military items from Ireland. Under Irish law, military export licences have to be sought in respect of the goods and technology, and any components thereof, listed in the annex to the Control of Exports (Goods and Technology) Order, SI 216 of 2012, which reflects the EU common military list. The EU common military list includes military goods and technology and components for such items that should be licensed for export from the Union. Items which are classified as “military goods” from an export control perspective and are exported from Ireland involve components rather than military equipment. Components licensed for export by my Department are generally exported to manufacturers and systems integrators before being sent to the final end users. The Department consults the Department of Foreign Affairs and Trade in respect of all military export licence applications. All such applications are subject to rigorous scrutiny and are considered in the light of the spirit and objectives of the 1998 EU code of conduct on arms exports. This code, which was subsequently adopted in 2008 as an EU Common Position, seeks

to safeguard regional stability and human rights, among other concerns.

Eleven licences for the export of military list items to Israel have been issued since 2011. No licences for the export of military list products to Israel have been granted since the end of the first quarter of 2014. All applications received for the export of military list items to Israel are carefully assessed on a case-by-case basis, having regard to the end use and the end user and against well-established criteria. Observations would be sought from the Department of Foreign Affairs and Trade on any proposed export.

Deputy Peadar Tóibín: Every time we raise this question, the Minister sticks to the line that military export licence applications “are carefully assessed ... having regard to the end use and the end user and against well-established criteria”. He always tells us that “such applications are subject to rigorous scrutiny and are considered in the light of ... the 1998 EU code of conduct on arms exports”. He also tells us that these applications are carefully assessed to work out what the end use will be. I do not understand how any export of military list items to Israel can be said to be rigorously scrutinised in any way. The scale of Israel’s human rights abuses and breaches of international law is unmatched in the developed world. It is impossible to argue that any future decision to sell components to Israel will have been made rigorously. I ask the Minister to explain why Ireland will potentially continue to issue licences for the export of military list items to Israel. I suggest that this country is clearly in breach of any code of conduct on arms exports.

Deputy Richard Bruton: When applications for export licences come from individual companies, we have to look at the ultimate users and so on. There is a process whereby each licence is assessed on its individual merits. That is the system that is in place. It might bore the Deputy that I am explaining the system to him, but he asked me about the system that is in place.

Deputy Peadar Tóibín: I am saying it is wrong.

Deputy Richard Bruton: When we have identified the end user and the country of final destination, we have to look at key issues in that country, such as its respect for human rights and international humanitarian law, the internal situation there as a function of the existence of tensions and armed conflicts, and the preservation of regional peace, security and stability. This range of tests focuses on the individual product and the wider context. Each case has to be assessed on its merits. That is the system. It is not a question of designating or blocking out a whole lot of products. Each case has to be identified and assessed on its merits. The system that is in place will continue to apply in a fair way.

Deputy Peadar Tóibín: I remind the Minister that Ban Ki-moon has said the destruction of Gaza was “beyond description”. The physical effect of Israel’s attack on Gaza is beyond description. It is impossible to give it words, but I will make an effort. A total of 2,152 people were killed and more than 10,000 were injured during the 51-day war against Gaza. Families were killed in the most barbaric circumstances. Many of them were children. Indeed, the majority of them were children. Israel targeted UN facilities, hospitals, schools, children and families, residential areas, power plants and sewerage and water purification facilities. All of this was designed to collectively punish a people. I am asking the Minister how any understanding of the word “rigorous”, or any understanding of the EU code of conduct on arms exports, can allow military list items to be exported from this State in the knowledge that they will end up in the hands of the Israeli Defense Forces for the purposes of the level of destruction to which

I have referred. Will the Minister say that the Israeli Defense Forces will no longer be the end user of any of the military list items exported from this country?

Deputy Richard Bruton: I am trying to explain to the Deputy that these applications are assessed on an individual basis. An assessment is made in each case. Some applications are approved and some are refused. This system is not based on picking countries that one does not like. It is based on established and published criteria. As I have indicated, the Department of Foreign Affairs and Trade must be consulted, the human rights conditions in the affected countries must be assessed and the likely use of the individual component or product must be examined. Each case is decided on its merits. Some applications are approved and some are refused. That is the system, and that will result in refusal in some cases of concern where they do not meet those criteria. It is a fair system in that it deals-----

Deputy Peadar Tóibín: How can any fair system export these items to Israel?

Deputy Richard Bruton: -----with both sides of the concerns.

National Minimum Wage

7. **Deputy Dara Calleary** asked the Minister for Jobs, Enterprise and Innovation his views on the merits of a living wage separate to the current minimum wage; the way he feels this would impact on the prospects for jobs and consumer spending; and if he will make a statement on the matter. [39086/14]

Deputy Dara Calleary: I ask the Minister for his thoughts on the merits of a living wage as opposed to a minimum wage and the actions Government can do, in the context of a still relatively weak economy, to support a higher living wage as opposed to the statutory minimum wage.

(Deputy Gerald Nash): The living wage concept is grounded in the idea that a person's wage should be sufficient to maintain a safe, decent standard of living within the community without the need for substantial recourse to the welfare system.

The national minimum wage in Ireland is considered to be relatively high by international standards. The most recent figures published by EUROSTAT show that Ireland's rate is the fourth highest among the 21 EU member states that have a national minimum wage. When the cost of living is taken into account, Ireland's rate is the fifth highest.

The decision to restore the national minimum wage to €8.65 per hour, after the cut by the previous Government, with effect from 1 July 2011, together with the decision to put the joint labour committees, JLC, system on a more secure legal and constitutional footing and reinstate a robust system of protection, represents a significant commitment by this Government to protect the lowest paid and most vulnerable workers.

The Statement of Government Priorities 2014-2016 contains a commitment to establish a low pay commission on a statutory basis as an independent body to make annual recommendations to the Government about the appropriate level of the national minimum wage and related matters. I am currently developing proposals to implement that commitment.

The Government is moving on a number of other fronts relating to wage setting.

The Industrial Relations Acts provide a framework within which employers and employee representatives, through the JLC system, can come together voluntarily and negotiate terms and conditions of workers in their respective sector. Pay rates negotiated in the JLC fora have tended to be above the national minimum wage and the JLCs operate in areas where collective bargaining is not well established and wages tend to be low.

For vulnerable workers, the advantage of JLCs is that they see fair terms and conditions such as wage rates, sick pay and so on agreed and given effect by employment regulation orders. For some employers, the advantage of the JLC system, based as it is on the principle of self-governance, means that they can agree and set minimum pay and conditions and agree on work practices which are custom-made to their industry; a flexibility which cannot be achieved by primary legislation. Where both parties to a JLC see commonality of purpose and outcome an agreement may emerge that is of benefit to both.

In addition, the Government recently approved the drafting of the legislation to provide for a revised legislative framework to replace REAs, as I stated earlier in response to Deputy Tóibín.

In the UK, where neither systems of REAs or JLCs exist, London is often highlighted as an area that has recognised the concept of a living wage and has put that in practice in many respects. It is voluntary and, as such, does not prevent UK employers paying the national minimum wage rate of £6.50 per hour in the UK context. However, it does recognise the costs of living in London.

In addition to Ireland's national minimum wage, JLC and REA structures, we have a system of supports through the Department of Social Protection supporting low income families. The Department avails of every opportunity in its engagement with employers and jobseekers to build awareness of the availability of FIS.

Based on the question and appreciating the sincerity of Deputy Calleary tabling it, I very much welcome Fianna Fáil's Pauline conversion to the notion of higher rates of pay for lower paid workers.

Deputy Dara Calleary: I would remind the Minister of State, Deputy Nash, that much of the infrastructure to which he referred, and that he is now using, was put in place by our party. First, I ask him to consider the Government's responsibilities in this regard. For instance, when PRSI kicks in for somebody on the minimum wage their entire income becomes liable to PRSI if it increases by a small amount. We also have the perverse situation where somebody earning €18,304, which is the minimum wage, would be paying an effective tax rate of 5.25%. If somebody earns an additional €1 per hour it goes up to 9.25% because of PRSI kicking in. Will that be considered by the commission?

Second, one of the biggest deterrents to somebody coming off welfare and taking up a position in the labour force is the cost of child care and the lack of child care provision. There was nothing in the budget to assist people with child care costs, particularly people we want to get back into the workplace. Will the issue of child care costs and provision be examined in the context of the commission, given its importance for people making the decision to go back to work?

Deputy Gerald Nash: I want to reiterate the concept of the living wage, which is of deep interest to me and to Deputy Calleary and other Deputies. It is a concept that requires proper debate in this House and across society. There are considerable merits to having that debate. As

the Deputy will be aware, I have already expressed my own views on the notion of a wage-led recovery and have called on employers now making profits to consider sharing that prosperity with working people through higher wages. This is not just a debate that is taking place here. It is going on across Europe, and in some cases from some of the least likely sources we would imagine. The Tánaiste is on record as stating that she believes employers should consider signing up to a voluntary code in respect of a living wage, as they do in parts of the United Kingdom.

Lest those on the Opposition benches think this is purely motivated by some kind of exclusively leftist agenda, we would be surprised by some of the individuals in the UK in particular who are supportive of the living wage concept because it makes sense for employees and for business. People like the Mayor of London, Boris Johnson, and figures on the right such as Iain Duncan Smith support the concept as well.

Deputy Dara Calleary: The Minister need not worry. I would never accuse the Labour Party of being motivated by a leftist agenda-----

Deputy Gerald Nash: Exclusively leftist.

Deputy Dara Calleary: -----because it is clear it is not. I accept his argument that profit-making enterprises should contribute to wage recovery but many enterprises are not in a situation, perhaps because of debt service commitments, where they can make profits. When they are able to they will but as of now, their workers need some share in this recovery.

I am anxious to pursue the Minister on the PRSI element in particular. Will that be a matter of consideration for the minimum wage commission or will it focus entirely on the relationship between employer and employee?

Deputy Gerald Nash: The low pay commission will be asked to consider a range of matters in the context of making recommendations to me as Minister for business and employment on the rate of the national minimum wage on an annual basis. I am sure that will be one of the items the commission will consider when it is appointed.

To return to the concept of the living wage, it is an attractive concept and an issue on which we need to have a debate. I would welcome that debate and look forward to meeting with organisations such as the Vincentian Partnership for Social Justice and the Nevin Institute, which have done considerable leg work and research on this issue. The Nevin Institute is on record as saying that if we are to have a living wage in this country, essentially it would be on a voluntary basis in the way it is in the UK and that any move in that direction would be done on an incremental basis.

I look forward to bringing a proposal to this House shortly on the establishment of the low pay commission and to working with all Members in ensuring that we get that body up and running as soon as possible and to make sure that it works.

Enterprise Support Services Provision

8. **Deputy Stephen S. Donnelly** asked the Minister for Jobs, Enterprise and Innovation if he will provide an update on plans to streamline the process of setting up new businesses here; if a one-stop-shop is part of those plans; and if he will make a statement on the matter. [39076/14]

Deputy Stephen S. Donnelly: This question came about through a meeting I had with Bray Chamber of Commerce before the budget. One member said he had recently set up his own business and enterprise in Wicklow and had a good deal of hassle doing it. He found it very complicated and there was not one office or website he could go to where he could find out what he needed in terms of getting an accountant, a lawyer, complete forms and so forth. The ease of doing business ranking, which we referred to earlier, specifically on starting a new business, indicates we have fallen from ninth place last year to 12th place this year. Starting a new business is something entrepreneurs in Wicklow are saying is difficult and complicated, and the World Bank is saying we have fallen down the rankings in the past year. What are the Minister's plans to do something about that and, specifically for the entrepreneurs, can a well-functioning one stop shop be set up to help them?

Deputy Richard Bruton: I am disappointed because Wicklow has one of the very good local enterprise offices, which I visited recently. It is the one stop shop we have established, one of 31 across the country. That would be their first port of call. It is exceptionally well run and managed and would help the individual within the Bray Chamber of Commerce.

At national level, all three of us are involved in the taking care of business initiative to support access, and one of those events is taking place today in Dublin. The local enterprise office is the first port of call. It is a first stop shop where people can get access to all of that information. We have developed and put in place protocols with the Revenue Commissioners, the Companies Registration Office, and the Department of Social Protection if people are accessing the back-to-work allowance.

There are two websites also - the local enterprise office one which has all the supports that are available; and one of my Department's websites named *businessregulation.ie*. Those two websites give easy access to the relevant information but the local enterprise office is the first port of call.

The Deputy also asked about the process of setting up an operating company, which is being streamlined by the new Companies Bill which is at an advanced stage in its passage through the Oireachtas. It will greatly simplify matters by providing for a single founding statement, single director companies, lower audit thresholds and it will dispense with the need for a physical AGM.

The Companies Registration Office has reduced the time for registering a company from 15 to seven days. It is thus delivering an improved service.

We are also introducing an integrated licensing application service, so companies requiring licences can go to one portal. That system will be up and running in the course of the coming year.

My ambition is to make the process of starting a business as simple and clear as possible. The first-stop-shop is the high street location but behind that we are also making a lot of changes to adjust the system and make it more business-friendly, putting us in the position as one of the best places in Europe, or indeed the World, in which to start and grow a business.

Deputy Stephen S. Donnelly: I thank the Minister for his reply and I welcome the changes that are coming in through primary legislation. There is a gap between aspiration and reality concerning the one-stop-shop. I had a feeling the Minister would say the LEOs are very good and that he would advise people to go there. Therefore I rang somebody this morning and asked

him to try to start up a business today to see how he would get on. He rang the Companies Registration Office first and found a range of forms for fees, which was not very useful. He then contacted the LEO website which mainly contained links to the Revenue Commissioners and the Department of Social Protection. It was not very good, so he rang them saying: “I want to start a new business, can you help me?” They referred him to a different site called *nubie.com*. Ironically enough, that site was set up in 2008 by two brothers who could not find a one-stop-shop.

While I absolutely accept the Minister’s aspiration for this system to work, a simple test this morning suggests that it clearly is not yet working. The people in the local enterprise office referred the person I had asked to test the system on to *nubie.com* and not their own site. What is the Minister’s reaction to that?

Deputy Richard Bruton: If the individual concerned wants to send me that information I will have it fully investigated. However, in the last 12 months we have put in place protocols between the local enterprise office and each and every one of the agencies. Whether it is the Revenue Commissioners or the Companies Registration Office, therefore, there is a protocol in place whereby a named individual in those bodies will deal with people who are coming in. In some cases, depending on what is required, they will refer people on. One does not expect detailed Revenue advice if, for example, one wants to avail of the seed capital scheme. One has to get the detailed back-up but forms, the scheme’s broad threshold, and a contact person will be available in local enterprise offices.

A system is in place but I will examine the experience of the Deputy’s constituent. I will also talk to the Wicklow enterprise office to see if people are having a poor experience. That was certainly not my experience when I visited them, however. There was great enthusiasm there. Many businesses are doing exciting things and they have had a good throughput in dealing with inquiries. Every system can be improved upon, however, and we will seek to improve that one.

Deputy Stephen S. Donnelly: To be clear, I do not know if it was the Wicklow local enterprise office that the person called. I asked the person to ring an LEO as a test to see how he would get on. The message I got back was that it was not working. At least, in some places it is not working but it is a great initiative. Maybe people should be hired to do a quick outside-in, like a mystery shopper, to report back to the Minister. In that way we could see whether it is working, as well as who is doing well or not.

The Minister might consider commissioning a consultation with local businesses, which would be useful. I am hearing repeatedly from local businesses in Wicklow - and I imagine that many other Deputies are hearing it in their own constituencies - that interactions with local authorities could be improved. For example, when a local authority shuts down the water supply in a town, it does not forewarn businesses using that water. The same applies to major road works because the council does not tell local businesses in advance.

In some areas, it seems that LEOs could be better. Will the Minister consider undertaking an analysis of interaction between local authorities and local businesses, from the latter’s perspective? In that way, we could see what is working and what could be shared.

Deputy Richard Bruton: At the heart of the local enterprise offices’ initiative is the fact that they have built strong consultative relationships with business communities, including lo-

cal chambers of commerce. The Minister of State, Deputy Nash, chairs the high-level group on business regulation and more recently has established more formal connections with chambers of commerce. He has thus undertaken a detailed level of understanding what local businesses need from a national perspective.

At both levels, therefore, we are putting in place those networks. In some cases they need continual revival. The Minister of State, Deputy Nash, has revised the membership of some LEOs in order to bring in fresh blood to challenge how we are performing. Our ambition is, like the Deputy's, to deliver a high quality service which is rolling out successfully. I have attended many of the launches, as have other Ministers. Since the bridge has been built with local authorities, there is a real enthusiasm to do something special for businesses and offer them a turnkey service as can best be delivered from those offices.

Industrial Development

9. **Deputy David Stanton** asked the Minister for Jobs, Enterprise and Innovation the State supports available, from his Department or bodies under the aegis of his Department, to support the establishment of micro-breweries, in particular, with regard to the growing of hops; and if he will make a statement on the matter. [39093/14]

Deputy David Stanton: My question concerns micro-breweries and I note that in the budget some assistance and encouragement was given in that regard. It has been drawn to my attention, however, that the feedstock for micro-breweries are hops, which are expensive to grow. We are currently importing them but they could be grown quite easily here. I therefore want to know what supports the Minister's Department or departmental bodies could give to companies to grow hops.

Minister of State at the Department of Jobs, Enterprise and Innovation (Deputy Damien English): I thank Deputy Stanton for his question. There has been a significant increase in the number of micro-breweries operating in the last couple of years. It has been a successful sector for the country, as the Deputy pointed out. It is estimated that there are between 30 and 40 micro-breweries in Ireland, the majority of which are engaged in own production. These new businesses are located throughout the State and are a platform for regional job creation.

According to the Independent Craft Brewers of Ireland the output of craft beer by micro-breweries amounted to some 49,000 hectolitres in 2013. Based on trends to date, this will rise to 71,000 hectolitres in 2014. It is a sector that we need to support as best we can. That has been recognised in the budget.

In line with Enterprise Ireland's mandate, the agency has and will continue to support those breweries with export potential. The services of the LEOs are available for those focused mainly on the domestic market. I think the craft brewers would agree that the LEOs work quite well for most people.

There are several supports available from Enterprise Ireland for companies setting up craft breweries with export potential. Initial supports include funding under the competitive feasibility fund and the competitive start fund to scope out the project and progress through the early stages of building the business plan.

Support under the mentoring initiative and the innovation voucher programme is also available to assist a company in accessing business development and technical support respectively. Supports are also available for research and development.

Enterprise Ireland has also invested in craft brewery high potential start-up companies. In these instances, the companies had a strong management team with experience in the brewing and beverage industry, actively building relationships with overseas distributors and doing so in conjunction with Bord Bia. Production capacity was also a key, with brewing taking place in Ireland and equipment having the capacity to fulfil both home sales and export orders.

To further assist the development of this sector, in budget 2015 the Government has increased the annual excise relief production ceiling for micro-breweries from 20,000 to 30,000 hectolitres. That is what the Independent Craft Brewers of Ireland had sought in their budget submission.

Under EU rules, however, supports are not available for the production of hops or cereals generally.

Deputy David Stanton: I thank the Minister of State for that response. I note that the industry maintains there could be over 100 micro-breweries in a number of years. It is a growth area. The hops issue is a problem, however, because it is extremely expensive to cultivate them. We are currently importing virtually all the hops required. I ask the Minister of State to revert to the Department and its various agencies to see what assistance, support or encouragement could be given to establish domestic hops production. I am told that it could cost up to €100,000 to establish ten acres of hops, which is very expensive. We are importing them but we could have export potential if they were grown domestically. I understand that the climate conditions here are perfect for growing hops. They were grown here in the past, but it is not happening now to the extent that it should. The Minister of State referred to supports, but this is one area where support is needed. It could lead to the creation of quite a lot of jobs.

Deputy Damien English: All the nice sunny weather in Cork makes it easier to grow hops there. The Deputy is right that we grew them in the 1980s and 1990s but there was consistent poor weather in the 1990s. The main producers, who were based near Kilkenny and towards where Deputy Stanton is based, stopped production but there is an interest in developing the sector again. The main cost is in the support structures that hold them up because the hops grow up to 5 m in height. There is no room for EU support in the area but, through the Department of Agriculture, Food and the Marine, funding is provided in competitive horticulture. That is worth exploring and I will raise the matter with the Minister for Agriculture, Food and the Marine, Deputy Coveney, and the Minister of State, Deputy Tom Hayes. They can support the processing, marketing and equipment. We can approach them and try to do something. I am happy to try to find a solution and we will work with the various Departments involved. It is a sector we want to help and support and there is great potential.

Deputy David Stanton: I welcome the positive response of the Minister of State. I approached the Department of Agriculture, Food and the Marine and the response was that it had no supports. Perhaps we can make contact at European level. I am told ten people might be working seasonally, with two or three full-time staff in each of these hop growing facilities. It is worth exploring. This is an issue for the people who approached me and they are looking for support, help and assistance. I ask the Minister of State to have a go. He is correct about Cork being a great place to grow crops. He was in Fota recently and that name means warm ground.

We have warm hearts and warm ground.

Deputy Damien English: I will raise the matter again. There is scope in the horticultural fund although perhaps not for the support structures for growing. Perhaps it can apply to other parts of the business, such as marketing, processing and equipment to develop further and for storage. We might get support for some parts of the business through that fund but I have no problem raising the issue at the next EU meeting. It is something we believe in and something we want to back up. The Action Plan for Jobs refers to it a number of times.

National Minimum Wage

10. **Deputy Clare Daly** asked the Minister for Jobs, Enterprise and Innovation his views regarding multinational companies paying persons less than €3 per hour to do work equivalent to a full-time employee, for months at a time, and attempting to justify this as work experience; and if he will make a statement on the matter. [39075/14]

Deputy Clare Daly: My question is in general terms and I can be more specific about it now. I am speaking about someone who was taken on by Hertz car hire and paid the princely sum of €2.46 per hour for a period of months on the promise of a permanent position. Is the Minister of State aware of the situation? If it can happen in a company as supposedly reputable as Hertz, what is to say examples of exploitation are not happening elsewhere? What will the Minister of State do?

Deputy Gerald Nash: With limited specified exceptions, such as close family members, statutory apprentices and participants on JobBridge, the National Minimum Wage Act applies to all employees. The Act defines employee as a person of any age who has entered into, or works or has worked under, a contract of employment. A contract of employment means a contract of service or apprenticeship or any other contract whereby an individual agrees with another person to do or perform personally any work or service for that person or a third person whether or not the third person is a party to the contract.

The current national minimum wage for an experienced adult worker is €8.65 per hour. Hourly rates of between 70% and 90% of the adult rate apply to employees under the age of 18 years, in the first two years after the date of first employment over age 18, and those undergoing a course that satisfies the conditions set out in SI 99 of 2000.

It is a criminal offence for an employer to pay an employee less than his or her minimum hourly rate of pay entitlement. If an employee is not satisfied that he or she is being paid his or her statutory minimum entitlement under the 2000 Act, the employee may refer the dispute to the rights commissioner or refer the matter directly to the National Employment Rights Authority, NERA, for investigation. NERA has a regionally based inspectorate mandated to ensure compliance with employment-related legislation, including the national minimum wage. Inspections result from cases and sectors identified on the basis of risk analysis, including unannounced inspections, and as a result of complaints received. Some 917 inspections were by way of follow up to complaints in 2013. To end of September 2014, NERA has recovered €637,000 of unpaid wages for employees.

Deputy Clare Daly: It is clear from the response of the Minister of State that there has been a flagrant breach of the law and a criminal offence has been carried out. At least two, if not

more, people were taken on based on the promise of a full-time job. They were employed for six months and received payslips with the figure €2.46 per hour. When they questioned the payment after a month or two, they were told not to worry, that it was emergency tax and that they would receive the money back. A complaint was submitted to NERA in June and I wrote to the company in the past month but received no reply. I believe NERA was in contact last night and that Hertz said that when it looked at the books with NERA there was a mistake, that it is sorry about it and that moneys will be refunded. I am sorry but this is not a mistake but a criminal offence. Everyone knows the minimum wage and paying people €2.46 is not a mistake but fraud. I hope the Minister of State follows up and I hope we see a criminal prosecution. Unless we do, this type of exploitation will continue.

Deputy Gerald Nash: The Deputy has raised a serious matter and I am glad she took the opportunity to put it on record. I have a personal interest in this area and keep an eye on trends of enforcement and prosecution. I understand NERA has carried out an inspection with regard to the issue raised by the Deputy. It is important that there is a strong message from the Parliament that, where there are suspected breaches of important national minimum wage legislation, they are reported to NERA. NERA is equipped to carry out inspections and a suite of regulations governs the area. It is critically important that these issues are brought to the attention of our national employment inspectorate. It will investigate and does get results. From the point of view of enforcement, inspections and prosecutions, it is clear NERA gets results when complaints are made to it.

Deputy Clare Daly: I accept that and I hope the Minister of State will monitor it. The complaint was made in June and the person started in April and finished up last week, exactly six months. In that sense, the horse had bolted by the time NERA got back. Multinationals like Hertz rely heavily on people for whom English is not the first language. There are many European workers employed there who are not originally from Ireland and, based on that fact, they are more vulnerable to exploitation. That was the situation in this case. We need to do more about this, which is not a mistake. It is a trend and to cut across that we must be heavy-handed in response. I will monitor the case at the next Question Time but I ask the Minister of State to look into this.

Deputy Gerald Nash: NERA works closely with employers and uses every opportunity to ensure employers are aware of their legal obligations and the legislative area that is of interest to me. It is important that employees, trade unions and public representatives remain vigilant about cases brought to our attention to use the appropriate channels to have these serious matters investigated and decided upon.

Written Answers follow Adjournment.

European Stability Mechanism (Amendment) Bill 2014: Order for Report Stage

Minister for Finance (Deputy Michael Noonan): I move: "That Report Stage be taken now."

Question put and agreed to.

European Stability Mechanism (Amendment) Bill 2014: Report Stage

Deputy Pearse Doherty: I move amendment No. 1:

In page 3, between lines 18 and 19, to insert the following:

“2. Following the passing of this Act the Minister for Finance shall in 2014 make an application for the direct retroactive recapitalisation of the capital injected by the State in Irish banks as per the Direct Recapitalisation Instrument.”.

This is a simple amendment which goes to the core of what is the European Stability Mechanism (Amendment) Bill 2014. It is perfect for the Irish State as it allows for bondholders to be burned, something which the Government had stated would not be possible. The Taoiseach rose from where the Minister for Finance now sits to ask if we wanted “defaulter” written on our foreheads. The reality is the legislation we are discussing would allow, in certain circumstances, senior and junior bondholders to be burned if a bank got into trouble. That is something that Sinn Féin and other progressive voices called for over many years but, unfortunately, this Government did not have the backbone to stand up for Irish interests and it was all too willing to be the servant of its European masters.

In the context of the budget we must remember that €64 billion of our money was injected into broken banks, and that legacy lives on today. The debt servicing costs for the entire national debt stand at approximately €210 billion, which costs just under €8 billion per year or more than €14,000 for every man, woman and child in the State. A large proportion of that is comprised of the €64 billion injected into the banks. The Minister is always too willing to argue that while we have got more than our money back from Bank of Ireland and we want to recoup as much as possible from AIB, he is really being clever with statistics. It is not a case that he is examining the guarantee and the fee attached as a result of that, but he is mixing it with the direct recapitalisation put into the Irish banks. If somebody buys a product, he or she must pay for it. That is what the guarantee fee was, and it is separate to the recapitalisation of the banks. The Minister knows that well because when the guarantee was introduced, the fee was in place before any capital was injected into the banks.

This does not take on board the fact that the capitalisation of those banks bust this State’s finances. There were other factors and I am sure the banking inquiry will delve deep into them when it gets off the ground. I hope that will be in the next couple of weeks. If the recapitalisation of the banks did not take place, we would not have had such turbulent times over the past seven years for this country and the many families which still do not see light at the end of the tunnel.

The amendment places a legislative burden on this Government to live up to its verbal commitments given in this Chamber to its stated objective, which is to apply for direct retroactive recapitalisation of our banks. Unfortunately, this Government has given up the ghost in trying to secure any of the money we have put into Anglo Irish Bank, which amounts to €30 billion. The Government still speaks about the great deal done with the promissory note and although

we acknowledge that it brings short-term benefit, we also acknowledge that every last cent put into Anglo Irish Bank must be repaid under this and future Governments' stated objective that the money must be repaid in full. That does not sit with the Irish people and it is a complete failure of this Government to stand up for Irish interests.

In June the Minister indicated in a letter, "Both I and my Government colleagues will ensure that Ireland's case for retrospective recapitalisation is made at all levels as appropriate." It is a year since the Taoiseach wrote to all EU leaders to ask them to keep their commitments of June 2012. When I asked about retroactive recapitalisation in the past, I was told we just have to wait until we apply for it. I am sure the Minister will again state that we cannot apply until November. It is fair enough and we understand that we cannot apply if the instrument does not exist. We expect the Minister to give clarity on what this would mean. We have expected that from June 2012, over two years ago, there would have been some fleshing out of what it would mean for this State to have retroactive recapitalisation. In recent times, the Minister's tone has softened; I hope my fears are unfounded but the Minister may have given up the ghost on this issue.

On Committee Stage and in discussions with officials, it has become evident that what we will vote on today is unclear with respect to retroactive recapitalisation. Two years on, we do not know what retrospective recapitalisation would look like. We know in great detail how a normal recapitalisation might work as it is spelled out in guidelines. Given that the German finance Minister, Mr. Schäuble, the Dutch finance Minister, Mr. Dijsselbloem, and the head of the European Stability Mechanism, ESM, Mr. Klaus Regling, have indicated that retroactive recapitalisation is not going to happen, it is clear they did not even bother to draw up the rules.

What startled me most on Committee Stage was that I expected that deep in the bowels of the Department of Finance or the Minister's office there would be a document with an analysis of how this process would work and how rules would apply with a retroactive recapitalisation request from the State. The Minister has indicated that rules have not and will not be drawn up until Ireland or another member state makes an application. In my heart of hearts, I see this as a complete and absolute failure on behalf of this Government. This is a key political priority for the Government and one area which could lift the fortunes of the majority of people in the State would be a full retroactive recapitalisation of the money we injected into broken Irish banks. No rules have been drawn up and there is no clarity on what such rules might look like or whether the value of AIB, for example, would be at current, future or historic prices. I wonder what has happened over the past two years with the Minister for Finance and his officials. The Minister has allowed this to slip.

I welcomed the 2012 statement and I recall saying at the time that we had an open goal. We had the ball in hand and we simply had to run to the goal and stick the ball in the back of the net. The Minister was jubilant when he went on RTE and indicated his expectation that the process would be concluded by October or November of that year. We all know about the comments about the "seismic shift" and the "game changer" but two years on, that has proven to be a damp squib.

I have placed the amendment on the floor of the Parliament to commit this Government to making a retroactive recapitalisation request. I would like to see the application made sooner rather than later, although the Minister argued on Committee Stage that he would not be bound by a time limit. To make it easy for the Government to live up to its commitment and tell the Irish people to trust it, I wish to make it a legislative burden on the Government to make such

an application by having the amendment accepted. To do otherwise would mean the Minister will have misled Parliament and the committee, as he would just be talking the talk instead of walking the walk.

I hope this Government will make an application and it will be successful. I would have liked the Government to have been more robust in standing up to the Minister's colleagues in Europe who do not support such an application. There is nothing I have seen in the past two years which suggests that this is the primary course of action to be taken by the Government. Instead, we have heard that AIB is being readied to be sold, either to a major shareholder or a minority stakeholder. The State may hold certain shares in AIB as long as such action would be relevant.

11 o'clock

My party has a long history of successful negotiation, including in respect of the Good Friday Agreement, the St. Andrews Agreement and so on. I am aware, therefore, that the one thing one must not do during negotiations is show one's hand. One should not do what the Minister has done in the context of his stated objection with regard to applying for retroactive recapitalisation. All of his colleagues on the ESM board are of the view that the Irish Government believes it is going to make an application for retroactive recapitalisation at some point down the track. However, they also heard him inform this Parliament in the past two weeks that the Government is considering selling AIB on the stock market and that it will consider offers for the latter from big European banks if it can attract interest from them. Obviously, that to which I refer limits the potential for a successful application for retroactive recapitalisation to the fullest extent possible. What the Minister has shown is that there are other options available which the Government is willing to consider.

I have already referred to those who would not support an application for retroactive recapitalisation from Ireland. The Irish Government has provided these individuals with additional arguments to strengthen their position. The people in question can easily say to the Minister that the Government is considering selling AIB on the market so why should they - despite the fact that Ireland bailed out its banks and saved other banking institutions across Europe - give us our money back? There is no doubt that Europe would have been in a worse position if we had burned the bondholders. Why would Europe give favourable consideration to an application for retroactive recapitalisation when the Government is actively considering selling shares in AIB?

The other problem the State has, and which I have highlighted on previous occasions, is that with each day that passes, it becomes more difficult to make a request for retroactive recapitalisation. The Government will make great play of the six lines of text it managed to have included in the guidelines. However, it must be remembered that the possibility of retroactive recapitalisation and burning bondholders only came about as a result of Spain's difficulties. When Spain got into serious trouble, Europe listened and decided to act. At the June 2012 summit, EU leaders issued a statement with regard to breaking the link between the debts of bad banks and sovereigns. While it goes a certain distance in the direction Sinn Féin recommended it should go in the context of burning bondholders, the Bill before the House still calls upon the State to inject money into broken banks. It does not, therefore, fulfil the commitment given at the 2012 summit. Of course, it was when Spain was experiencing difficulties in 2012 that European leaders were forced to sit up and take notice. Those difficulties led to the ECB doing what Sinn Féin had been calling for it to do for many years, namely, act as a lender of last resort.

It was then, when our deficit and debts were completely out of control and when we were carrying a massive burden, that this country should have struck a blow for the rights of its people and demanded - during that moment of weakness brought about by Spain's problems - further clarity in respect of retroactive recapitalisation. At that point, the Government should have obtained a commitment far stronger than that in which our German leaders stated that Ireland is a wee bit special. The latter just simply does not cut it.

This is not a trivial matter. What we are discussing here is an amount of €64 billion and events which sunk the Irish economy and the impact of which are still causing pain and hardship to families throughout the State. I refer to people who today will be obliged to approach the Society of St. Vincent de Paul in order to obtain money to pay for fuel to heat their homes, people who are queuing for food parcels in our capital city to feed their children and people who are in Dublin Airport saying goodbye to their loved ones and wondering if they will ever return to these shores. That is the legacy of the banking debt which has been placed on our shoulders and of the failure of the Government to strike when the time was right, to obtain a deal for Ireland and to get the maximum possible return in respect of the money that was injected into our broken banks. However, that is past; it is gone and we cannot turn back the clock. The one thing we can do, in the context of the legislation before the House, is oblige the Government to make, at the very least, an application for the retroactive recapitalisation of our banks.

Like every other Member, I do not know how such an application would be viewed. I cannot say that it would be successful. However, the Minister and the Government should start making demands. They should go back to their leaders and state that the Irish Parliament has decided that the European Stability Mechanism (Amendment) Bill 2014 is not good enough. They should state that it has not been changed by the Dáil so there will be no problem for Europe because it can be implemented there. They should further inform those in Europe that this Parliament has placed a burden on this and future Administrations to seek retroactive recapitalisation. The Minister and the Government should make it clear that the six lines which have been included in the guidelines simply do not cut it for the Irish people. They should stress that the people want their money back, that they are not fools, that they know what happened during the relevant period with regard to the flow of credit from European banks into our system, that they are aware that bankers, developers and all the rest were culpable for the economic collapse but that they also know that the European system itself was culpable. It should be made clear that what the people of this country cannot tolerate is the fact that if a bank in Germany, Spain or France goes bust in the future, the ESM will step in at a certain point in order to rescue it. It should also be made clear that they cannot understand why they are being told to suck it up, take it as it is and move on. The Minister and the Government should tell their colleagues in Europe that the people have demanded that they apply for retroactive recapitalisation and that they must understand the mood of the people.

Amendment No. 1 simply asks that the Minister include in the legislation the commitment he has given to this Parliament, to the Select Sub-Committee on Finance and to the Irish people. I see no reason why he would not accept it.

Deputy Michael McGrath: I wish to speak in support of Deputy Pearse Doherty's amendment. On Committee Stage, we engaged in a lengthy discussion on this issue. Realistically, I am of the view that the prospect of achieving a retroactive deal on bank debt is becoming less and less likely. That is an observation which the Minister may dispute. His position seems to be that he is going to hold in reserve the prospect of seeking such a deal, that he will leave a number of balls hanging in the air, that he will possibly sell a stake in AIB - which sends out a

certain signal - and that he may eventually submit an application. The window for making applications opens on 4 November, which is less than three weeks away. Shortly thereafter, the Minister should apply for a deal on bank debt on behalf of the State. Ireland still has a colossal national debt of over €200 billion, a substantial portion of which relates to rescuing the banking system. We ultimately benefited from the latter in terms of avoiding the catastrophic consequences of allowing the banks to fail but it must be noted that Europe also benefited. A number of banks throughout Europe were saved as a result of the action we took. Our position is that the Minister should apply for a deal on bank debt and that he should do so as soon as possible after 4 November. Ultimately, Ireland deserves recognition that it stepped up to the mark, took one for the team and saved not only its own banking system but also that of Europe.

On Committee Stage, I pointed out that the overall funding available from the ESM will be just €60 billion. That amount is to meet new capital shortfalls in banks throughout Europe and also, potentially, to deal with the issue of retroactive recapitalisation. The quantum of money available has led me to conclude that it is becoming increasingly likely that the Minister will be able to obtain a deal. However, he must at least apply for such a deal and put it up to his European partners to fulfil the commitments made in 2012 and honour the words contained in the relevant agreement with regard to separating banking debt from the sovereign. He must impress upon them the need to deliver on the commitment made in respect of Ireland, which was heralded here, by the Taoiseach, the then Tánaiste and others, as a game-changer and as representing a seismic shift. As I stated a number of weeks ago, the real game-changer arrived approximately one month after the agreement reached at the 2012 summit when Mario Draghi stated that the ECB would do whatever was necessary to save the euro. That is what stabilised the markets and what, ultimately, has been most beneficial to Ireland.

The matter of a deal on bank debt has been left unresolved. The Minister will argue that the issue relating to the former Anglo Irish Bank and the IBRC has been dealt with by means of the deal on the promissory notes. However, an amount of €30 billion remains in play. I refer to the money that was invested in AIB, Bank of Ireland and Permanent TSB. Let us be honest and state that we are not going to get all of this back. The Government has already got money back from the income on guarantee fees and selling some of its stake in Bank of Ireland. Let us obtain the best deal possible. This will not happen if we fail to make an application. The Government must apply on behalf of the Irish State as soon as possible in order that we might have clarity on where we stand in respect of the banking system. I have stated on many occasions that we require a clear strategy on banking. We do not have such a strategy. For example, we do not have a strategy in respect of competition in the banking sector. At present, there is a virtual duopoly in place with AIB and Bank of Ireland and this is not healthy for the economy. This matter must be dealt with and the sooner we obtain finality and clarity in respect of the issue of a deal on bank debt, the better. The Minister's position is to leave the option of applying open since events in Europe may evolve and we never know what will happen and then we can strike and we might be able to benefit from other events. That is what occurred in respect of the interest rates on the bailout money, for example. However, the issue is more urgent. We need absolute clarity and certainly. My party and those of us on this side of the House advocate an early application for a deal on bank debt.

Deputy Paul Murphy: I support the amendment by Deputy Pearse Doherty. The moral case for retroactive recapitalisation is absolutely clear. This is a country with less than 1% of the population of Europe shouldering the burden of 42% of the cost of the total European banking crisis. Despite all the attempts by the Government, echoed by right-wing economists,

to suggest that this is a done deal, that it is over and that the banks and the bailout are not a problem for us any more, this remains the central political issue in Ireland today. It is central to the nature of the budget produced the other day. The €64 billion is an important part of our massive national debt. Furthermore, the banking crisis and the policies around the banking crisis are responsible for the explosion of our debt, from a debt to GDP ratio of 25% to over 120% as it currently stands. All this is rooted in the policy of bailing out banks and developers at the expense of working class people. The payments that we make on the national debt are rooted in this decision. Next year, for every €5 collected in tax, €1 will go to pay the bondholders. This is rooted in the decision made in the interests of the European banking system and made at the behest and under the threat, undoubtedly, of the European Central Bank, but it was not made in the interests of working class people here or anywhere else in Europe.

The legal case for an application is absolutely clear. An application can be made to the European Stability Mechanism. The other finance ministers can say “No” or “Yes” but at least we would have clarity. The Minister can and should make an application. The question is why the Minister is less than enthusiastic about making such an application. I believe the answer is simple: it is to avoid political embarrassment with his fellow finance ministers throughout Europe and political embarrassment at home with the exposure of the strategy of being the good pupil of austerity.

The source of that embarrassment stems from June 2012 and the Eurogroup summit and the statements secured at the time: “We affirm that it is imperative to break the vicious circle between banks and sovereigns” and “The Eurogroup will examine the situation of the Irish financial sector with the view of further improving the sustainability of the well-performing adjustment programme.” We all know how this was translated at home by the Government. It was translated by the Taoiseach and the then Tánaiste into “a game-changer” and “a seismic shift” with the assistance of most of the media in the country. The media also assisted this translation into the message which went home for political benefit, which was that Irish working people were going to get our money back in respect of this deal and that was what had been agreed. The reality was at that stage it was not written down and we pointed out as much. I am sure at that stage the Minister got a nod and a wink from Angela Merkel and others to the effect that something would be forthcoming, but it was not written down at the time. It is like what they say about an oral contract: it is worth the paper it is written on. It was oversold at home, it never transpired and it is now perfectly clear from all statements, etc. from all the leading figures throughout Europe that the establishment in Europe has no interest in this retroactive recapitalisation taking place.

I believe the Minister, Deputy Noonan, is keen to avoid the embarrassment of going to the other finance ministers and asking whether we could have our money back now because that was what we agreed two years ago. Simply put, that is not the way so-called European solidarity works. European solidarity works in the interests of the banks, with people throughout Europe paying for the banks again and again. Ordinary people do not get any money back from that. It is seen as a little impolite to go and ask for money back for the benefit of ordinary people as opposed to for the banks.

The Minister would like to avoid a definitive “No”, although that is most likely the answer he would get. The total fund available for all of Europe for recapitalisation, retroactive or otherwise, is €60 billion. Ireland would have a case for €64 billion. Clearly, the ESM and the ability to recapitalise banks directly are entirely inadequate. Moreover, there is the question of political embarrassment at home. The whole strategy of the Government on this issue, that is, being

the good pupil of austerity and getting a slap on the back from the likes of Sarkozy and Merkel, would lie completely in tatters and the idea of an alternative strategy would be given succour.

We should pass this amendment and send the Minister, Deputy Noonan, to ask clearly for direct retroactive recapitalisation and we should get a clear answer. Regardless of the answer and even if the answer was “No”, which I believe is the most likely scenario by a long shot, the moral case would remain for this being not our debt and for an alternative strategy to be put in place.

A left government would put in place a debt repudiation strategy for this debt which is simply not our debt. It would impose a moratorium on debt repayments. It would initiate a debt audit commission made up of representatives of ordinary people, progressive left economists and experts from throughout the world. Essentially, we should and still can refuse to pay this debt which is not our debt.

Deputy Peter Mathews: The only reason I decided to be a candidate in a general election was to try to bring some of the facts and correct analysis of what had happened in the Irish economy, and, therefore, to the people, onto the discussion floor in the House. This was preferable to what I had seen to that point, that is to say, Irish representatives from the previous Government and from the current Government being pushed around and not understanding what had happened.

The book that Timothy Geithner has published recently, *Stress Test*, should give the Minister a better understanding of what happens in a financial crisis. The labyrinthine corridors of discussion and politics and so on go out the window and people have to deal with the pragmatics of what is going on. Our country has a GDP of approximately €175 billion - the Minister referred to this recently when he introduced the budget - and a GNP of €140 billion or whatever, but a public debt overhang, regardless of household debt, of well over €200 billion. This type of albatross simply should not be there because a great proportion of it represents losses, not previously-incurred debt for productive purposes. These are losses as a result of the credit Ponzi scheme undertaken by the boards of the banking sector in this country, whether Irish-owned or foreign-owned. They went on a massive spree. These boards used funds and blew up their balance sheets. The value of the domestic banking system increased from a level at three times national income to well over five times national income over seven years. It was crazy stuff.

Seán and Mary and their families have been told that they must bear the cost of the credit that was spent and hosed at the economy. They must pay all of it back although the assets that were bought with that credit have collapsed. The people who provided the funds to the banks were bond subscribers. They sold their bonds into the secondary market and became bondholders. They got paid in full by the European system and the ECB, which had €145 billion in the Irish-owned banks alone in 2008. They all got paid. The inferno of fear that pervaded the financial markets was the reason Ireland had to become the firebreak. The people now carry the scar. In the case of Anglo Irish Bank, the figure was €35 billion approximately and it is now down to €25 billion. It is held by our Central Bank Governor in the form of promissory bonds. That represents the losses and the escape, unscathed, of people who had bought these bonds in the secondary market, when they knew that many of them were worthless. That is the reason 1.5 million citizens of this country have had their lives ripped apart. A total of 300,000 quality people have emigrated. Households are more than two years in arrears on debt because there has been a pathetic refusal to honourably write down their loans to the correct recoverable amounts in the lifetime of the borrowers. How dare the banks insist on a policy of no write-offs,

when they are the ones that created the credit Ponzi pyramid? How dare they create a system that has left 90,000 households which amount to 250,000 to 300,000 people homeless or on waiting lists? That is the reality.

People in America were pragmatic when they recognised that the system had gone out of control. Recall the troubled asset relief programme, TARP, that Hank Poulson, Timothy Geithner and Ben Bernanke put together. They had to write new practical rules for the situation. We should be writing new rules. We should ask Patrick Honohan for the key to his desk and remove the figure of €25 billion. We should explain that they are losses which should never have been imposed on the people. That would not be a deal but the correction of a great wrong. We are fussing about interest rates and so forth when the core is toxic and wrong. It is not right and no amount of shuffling of lever arch files to officials in Frankfurt or Brussels will make a wrong right.

Where are the courage and the leadership? Is the Government squandering the biggest majority in the history of the State? That is the reason the by-elections returned straight talking, true and honest guys who will fight for the people. That is the reason Diarmuid O'Flynn in Ballyhea has secured a turnout every Sunday for the past three years.

Acting Chairman (Deputy Bernard J. Durkan): The Deputy should speak to the amendment.

Deputy Peter Mathews: This is its core.

Acting Chairman (Deputy Bernard J. Durkan): It may well be but Ballyhea is not, with no disrespect to it.

Deputy Peter Mathews: Do you not like that part of the world?

Deputy Richard Boyd Barrett: It is about bondholders.

Acting Chairman (Deputy Bernard J. Durkan): Deputy Peter Mathews should continue.

Deputy Peter Mathews: He was almost elected on a shoestring budget, despite the hundreds of thousands of euro spent by one of the Government parties for its candidate. I accompanied him, with some other Independent Deputies, to visit the office of the Governor of the Central Bank at the end of July to ask these questions and be allowed to attend the ECB and meet its members in order that we could make the case that the Government had failed to make. Of what is the Government afraid? For God's sake, is it fear itself?

Ashoka Mody, the IMF director in Ireland during the time of the troika, said the austerity regime, as it had been presented to us, was not right and that there should be a debt write-down. Why is that? The debt is the losses. Americans face up to losses. Even in its crisis, America helped Europe, something that is completely missed here. The same thing is beginning to happen again. The Federal Reserve System is in a headlock, beholden to Wall Street again. The markets which are governed by either fear or greed went into a mini tailspin yesterday, with the German DAX down almost 3%, the French CAC 40 down 3%, the FTSE down nearly 3% and the Dow Jones Industrial Average down nearly 3%. This happens when the people who should be leading countries and ministries of finance become involved in chattering rather than getting to grip with the facts.

With regard to moral hazard, Tim Geithner said that when one was in a crisis, one had to

forget about all of that and solve the crisis. One must do what is practical and save the system. One must save it correctly, not with sticking plaster but with deep infusions of capital to take losses. This has still not been done in Europe. The Minister will recall that in 2012 the real effects of debt-----

Acting Chairman (Deputy Bernard J. Durkan): I am sorry, Deputy, but the amendment was tabled by Deputy Pearse Doherty. To be fair to him, he stuck to the amendment. The Deputy is wandering into a historical-----

Deputy Peter Mathews: Not at all, I am talking about capital.

Acting Chairman (Deputy Bernard J. Durkan): The Deputy is not. He is wandering into a different area not covered in the amendment.

Deputy Peter Mathews: My last sentence was about capital infusion. The ESM-----

Acting Chairman (Deputy Bernard J. Durkan): I remind the Deputy that, much as I like him-----

Deputy Peter Mathews: It does not matter; you do not have to like me.

Acting Chairman (Deputy Bernard J. Durkan): -----he cannot wander around the House on the amendment.

Deputy Peter Mathews: You do not have to like me; I am making a professional contribution.

Acting Chairman (Deputy Bernard J. Durkan): I do not have to dislike the Deputy either. Will he please stay within the amendment? We do not want a history lesson and this is not a Second Stage debate.

Deputy Peter Mathews: The ESM has a provision for €60 billion in capital.

Acting Chairman (Deputy Bernard J. Durkan): I am sorry, but that is not a matter for debate.

Deputy Richard Boyd Barrett: The Deputy is talking about the figure of €60 billion.

Deputy Peter Mathews: I am dealing with the core of the matter.

Acting Chairman (Deputy Bernard J. Durkan): I will manage the debate and call Deputy Richard Boyd Barrett in due course. Will Deputy Peter Mathews please refrain from going outside the remit of the amendment?

Deputy Peter Mathews: Can I seek clarification from you?

Acting Chairman (Deputy Bernard J. Durkan): I have just provided clarification; please stay within the amendment.

Deputy Peter Mathews: The ESM has a capital provision of €60 billion. That is what I am discussing. It is not enough.

Acting Chairman (Deputy Bernard J. Durkan): I will read the amendment for the Deputy: "Following the passing of this Act the Minister for Finance shall in 2014 make an applica-

tion for the direct retroactive recapitalisation of the capital injected by the State in Irish banks as per the Direct Recapitalisation Instrument”. Deputy Pearse Doherty who tabled the amendment spoke at length, but he stuck to what was contained in the amendment. It would be unfair to the House and other Members who wish to speak if we were to allow a departure from it. Deputy Peter Mathews should resume and confine the debate to the amendment.

Deputy Peter Mathews: We are talking about an application which, of course, should be made. However, it is being made for retrospective capitalisation. These are buzz jargon words that nobody really understands properly. Do you know what retrospective capitalisation means?

Acting Chairman (Deputy Bernard J. Durkan): I am slow to intervene again, but please do not try to explain to me what it means. I know what it means, as the amendment has been moved. The next part is that the Deputy should speak to it. To be fair to other Members of the House who also wish to participate, please stick to the amendment.

Deputy Peter Mathews: Recapitalisation is refinancing in the form of capital. The detritus from Anglo Irish Bank is approximately €25 billion in promissory bonds. It is a debt with which the people have been saddled, wrongly so. It is a ball and chain. The other two banks still have liabilities to the euro system in the form of balances due to the ECB and the Central Bank of Ireland. A line should be put through these balances in the form of capitalisation. Why is that? The banks are not doing what they should be doing with the capital they have received, that is, writing down their assets that are uncollectable. It is simple, but when people use jargon they do not understand everybody becomes confused and their brains become scrambled. People in Ireland are badly served. The liabilities to the euro system should be reduced for the two or three remaining banks and the part of the national debt in the form of promissory bonds that have not yet been sold into the market cancelled. A Government that understood the position of Irish people would adopt that agenda, which should not be the result of wrongdoing by the financial system. If it had courage, guts and leadership, that is what it would do. Not only should the amendment be supported, but we should go further.

Acting Chairman (Deputy Bernard J. Durkan): I encourage Deputies to confine their remarks to the amendment rather than engage in Second Stage speeches. All Members will have an opportunity to speak a second time and the mover of the amendment will have a right of reply at the conclusion of the discussion. I ask speakers to be fair by ensuring all Deputies have an opportunity to speak.

Deputy Richard Boyd Barrett: I congratulate the Acting Chairman on the superb job he is doing in the Chair. It is important to keep Deputies on track.

The issue of whether we should seek retroactive recapitalisation of our banks is related to whether we are prepared to demand that Europe play its part by retrospectively lifting some of the crippling burden of debt that has been imposed on Irish citizens and shouldering it itself. The moral, political and economic case for Europe bearing its share of this intolerable burden is unanswerable. The entire burden of a crisis that Europe played a key part in creating was imposed on Irish citizens. Ordinary working people, the unemployed, school children, the disabled and pensioners took the hit for a crisis which was not of their making but was, to a large extent, engineered in Europe with the active collaboration of the Irish Government. The least we can do, even at this late stage, is to ask that Europe do what it should have done when the crisis broke by taking its share of the burden arising from a crisis it created. However, an examination of the Bill makes clear that there is no chance - none, zero, zilch - of this happening.

I suspect the reason the Government is reticent about making an application for retroactive recapitalisation is that it knows it would have no chance of success, and anything we might get would be derisory compared to the suffering and pain that has been imposed on citizens. We know that is the case because the fund provides only €60 billion for recapitalisation of any kind, not to speak of retroactive recapitalisation, for the whole of Europe. Ireland provided €64 billion to Irish banks, but there is no chance the European authorities will give us the entire €60 billion available for retroactive recapitalisation in the fund.

A reading of the conditions that must be met to access the fund shows that one must jump through so many different hoops that there is virtually no chance of accessing it. The Bill does not spell out in any detail what will be the criteria for accessing the recapitalisation component of the fund, other than that applications will be considered on a case-by-case basis. We must assume, therefore, that the criteria will be the same as those that will apply for general applications for recapitalisation support made by a member state of the European Union going forward. I apologise for using the awful expression “going forward”; it just slipped out.

We welcome one aspect of the so-called waterfall of criteria and conditions, namely, the bail-in that will apply to bondholders. The major problem this creates for Ireland is that the State is the bondholder in our case because we had to bail out the banks. If the first call must be on the bondholders, that call would be made on us to a large extent. As a result, we would be required to show we were willing to be bailed in before we could even apply for funding. The second stage also requires that we would have to be bailed in, as it were, because this stage requires that the State show it has exhausted all of its resources, if one likes, to bail out a bank that has got into financial difficulty before it can apply for access to the funds. As such, the first hurdle requires citizens to pay and the second hurdle also involves citizens paying. Once we have completed the first two hurdles, we must prove that the entire European economy is in danger. As a result, it will be nigh on impossible to access this fund, which has very little money in it in any case. The chances of accessing funds for retroactive recapitalisation are, I suspect, zero to zilch, and if we secure any funding it will be negligible. If that were not the case, a much greater amount would have been allocated for retroactive recapitalisation and much more detail would have been provided on how the retroactive component of the fund will function.

The least the Government can do is apply for retroactive recapitalisation. Let us test the system and find out the response. I do not see any reason for not making an application. Since the so-called statement of two years ago, we have heard that the European Stability Mechanism will be a game-changer and so on. I believe the statement was a political sop given to the Government and there was no serious intention to give Ireland what we were seeking. Let us ask for retroactive recapitalisation, and if the European authorities do not give us a reasonable deal and assume some of the burden, let us simply tell them they will not get their debt interest. The Minister has stated many times that we could not possibly take that position because we are borrowing to stand still and our expenditure is greater than our revenue. That excuse no longer holds because we now have a primary surplus and are taking in more revenue than we are spending on public services. The major drain on the economy is the €8 billion per annum we must pay in debt interest.

I hate the idea that a society is run on the basis of balance sheets, because they are always about numbers rather than the people represented by the numbers. Let us recall what is on the other side of the balance sheet, with the €8 billion in interest that we will pay out to these guys next year. Our interest payments on the national debt will be roughly equivalent to the budget

for education in 2015. I have just come from a picket in front of Leinster House by construction workers who are building a school on behalf of the State. Having understood they would be paid the legal rates for doing their job, they discovered after five weeks' work that they were being paid €5 per hour and the builder was essentially abusing the system of self-employment.

Acting Chairman (Deputy Bernard J. Durkan): I apologise for intervening, but I must ask the Deputy to confine his remarks to the context of the amendment. He is beginning to wander outside the gates, so to speak.

Deputy Richard Boyd Barrett: I fully agree with the Acting Chairman.

Acting Chairman (Deputy Bernard J. Durkan): I am glad the Deputy does.

Deputy Richard Boyd Barrett: My point is that the education system and even the workers who build our schools are paying the price for that €8 billion. Why is the State refusing to investigate this scandal? The reason is that because the way the State sees it we have to build schools cheaply and force workers-----

Acting Chairman (Deputy Bernard J. Durkan): No, Deputy.

Deputy Richard Boyd Barrett: -----to do nothing-----

Acting Chairman (Deputy Bernard J. Durkan): To be fair-----

Deputy Richard Boyd Barrett: -----because €8 billion is going out in interest-----

Acting Chairman (Deputy Bernard J. Durkan): I am sorry, Deputy-----

Deputy Richard Boyd Barrett: -----which the European Union should be recapitalising.

Acting Chairman (Deputy Bernard J. Durkan): I ask the Deputy to resume his seat. I fully appreciate his enthusiasm to extemporise on the debate, but that is not permitted. It is not fair to the other Members who have contributed and stayed within the confines of the debate. We cannot allow Second Stage speeches. The Deputy can give us all the examples he likes, provided that they remain within the context of the amendment tabled by Deputy Pearse Doherty. I want to give the Minister the opportunity to reply to the combined wisdom of all those who contributed before we conclude the debate.

Deputy Richard Boyd Barrett: The Acting Chair is absolutely right.

Acting Chairman (Deputy Bernard J. Durkan): I know that.

Deputy Richard Boyd Barrett: The question before us is whether we should apply for retroactive recapitalisation.

Acting Chairman (Deputy Bernard J. Durkan): We cannot wander outside of the gates of schools either. This is a debate on a financial resolution to which we have to stick.

Deputy Richard Boyd Barrett: On a point of order-----

Acting Chairman (Deputy Bernard J. Durkan): There is no point of order. It is as simple as that. I do not wish to intervene. That whistling might be taken in some quarters as a sign of contempt for the House.

16 October 2014

Deputy Richard Boyd Barrett: You are not listening.

Acting Chairman (Deputy Bernard J. Durkan): I am sorry, Deputy. Resume your seat. You will have an opportunity to speak once again.

Deputy Richard Boyd Barrett: Hold on. I have not finished.

Acting Chairman (Deputy Bernard J. Durkan): I am sorry-----

Deputy Richard Boyd Barrett: A Standing Order allows me to-----

Acting Chairman (Deputy Bernard J. Durkan): I am sorry Deputy. You will not dictate.

Deputy Richard Boyd Barrett: I have not finished.

Acting Chairman (Deputy Bernard J. Durkan): You indicated contempt for the Chair. I call on the Minister to reply.

Deputy Richard Boyd Barrett: I had not finished.

Acting Chairman (Deputy Bernard J. Durkan): I call on the Minister. The Deputy will have the opportunity to speak again, as will everybody else, with the exception of Deputy Doherty who-----

Deputy Richard Boyd Barrett: The Standing Order does not put a time limit on it.

Acting Chairman (Deputy Bernard J. Durkan): No, you have overstepped your authority.

Deputy Richard Boyd Barrett: No, you have overstepped yours.

Acting Chairman (Deputy Bernard J. Durkan): Deputy, please do not go that route. I will resolve the matter another way. I will presume you have apologised.

Minister for Finance (Deputy Michael Noonan): I welcome Deputy Paul Murphy to the House. I do not know whether he has contributed already, but I was interested in his remarks this morning. I hope during his time here he will have the job satisfaction necessary for all Deputies to keep up their morale.

I do not propose to accept the amendment tabled by Deputy Pearse Doherty. It bears a very strong resemblance to one he tabled on Committee Stage which was not accepted. This amendment seeks to oblige the Minister for Finance to make an application for retroactive recapitalisation in 2014. As the Deputy will be aware, it will not be possible to make an application while the instrument is yet to be put in place. The decision on an application subsequent to that is a matter of timing.

As I indicated on Committee Stage, I do not think that it should be rushed. In that context it would not be appropriate to tie my hands as to timing to any degree, as this amendment seeks to do. Deputy Pearse Doherty, in particular, referred to various European personalities who expressed the view that an application would not be successful. Europe, like Ireland, is run by laws not personalities. Many of the personalities who made statements are not longer in offices. Only one of the three finance ministers who signed the Helsinki press release statement to which the Deputy referred during this debate and on Committee Stage is still a finance min-

ister in his jurisdiction. I have been in office for three and a half years and of the 18 euro zone countries only two people have more service than do I. The pace of change in Europe is very rapid, but what is enshrined in law is by what Europe runs and lives. The provision to enable the ESM to recapitalise the banks retroactively is being enshrined in law in this Bill.

Some factual remarks were made both explicitly and implicitly. Deputy Paul Murphy suggested the debt was peaking at 125% of GDP. As I said in my Budget Statement, the debt will peak this year at less than 111% of GDP, a level 14 points adrift of what Deputy Paul Murphy thought it was. While there is interest to be paid on the national debt of something north of €8 billion, only €1 billion of it is attributable to the bailing out of the banks. The other €7 billion of interest is due to the accumulated deficits over the years when the amount collected in taxes did not match the amount being spent. Huge gaps emerged after the collapse in the property market when all the transaction taxes went out of the budgetary calculations. We have been unwinding deficits very slowly since.

In the budget for 2014 the deficit was calculated at around €8 billion, but is coming in at a level significantly below €7 billion. The deficit for the budget introduced this week will be approximately €5 billion but there are still deficits. Every time we run a deficit we add to the quantum of debt and interest rates have to be paid on it. I suggest to the Deputy that the significant issue is whether the debt is sustainable, and I believe our level is entirely sustainable now. The significant statistic is the amount that is paid in interest. Of the €8 billion or so that Irish taxpayers contribute to servicing the debt, €1 billion comes from the banks. The other €7 billion comprises accumulated deficits. That does not reduce the pain, but it corrects the record to show from where the liabilities are coming.

I will not accept the amendment for the reasons I outlined in detail on Committee Stage and which I reaffirmed today. There is also a suggestion that the terms of the treaty on application are totally confused and confusing. Again, for the record on 10 June 2014 the euro area member states reached a preliminary agreement on the operational framework for the ESM's direct recapitalisation instrument, DRI. The draft guidelines on financial assistance for the direct recapitalisation of institutions clearly establishes the scope of eligibility criteria for and operational process of the DRI. Article 14.2 of the guidelines sets out the operational basis for an application with the detailed modalities to be agreed by the ESM's boards of governors on a case-by-case basis. From our point of view, that provides a broad degree of flexibility of interpretation. Demanding more detail would most likely have resulted in a more restrictive retrospective instrument which would not have been in our interests.

The SSM, according to current scheduling, comes into effect on 4 November and the ESM direct recapitalisation instrument is expected to be approved by the ESM governors on 6 November. Those are the deadlines against which we operate for acceptance of this piece of policy. As I said, I do not want my hands to be tied in the negotiations which will take place in the future. I do not want to be tied to a particular timeline. I thank Deputies for their contributions. The asides were even more interesting than the observations on the amendment.

Acting Chairman (Deputy Bernard Durkan): I thank the Minister. Members are confined to two minutes.

Deputy Pearse Doherty: I do not think the Minister is genuine about this. We all know a general election is due in March or April 2016 at the latest. It is likely to take place at the end of next year, but that is up to the Government and circumstances between now and then. If

an amendment was tabled today to the effect that by the end of 2015 the Minister would have applied for direct recapitalisation would he accept it? I believe he would not because he does not want any legislative burden on the Government to apply in the first place as he has failed to secure any detail on this. The Minister mentioned that Europe is governed by laws, not by personalities, but there is no law regarding how the retroactive recapitalisation instrument will work. That is the crux of the problem. There are no rules, no law, no ideas and no guidelines on how that element will work. We know how the other elements will work as that is set down in law. This is what the European Stability Mechanism (Amendment) Bill is doing today in regard to how direct recapitalisation for any bust bank will work in the future. However, there is no provision for retroactive recapitalisation - no laws, no rules, no guidelines. The Ministers make it up as they go along. The Minister is correct in saying that he is one of the longest serving of the Finance Ministers at this time, which strengthens my point that retroactive recapitalisation depends on the personalities around the ESM board table, because it is they who decide the laws and rules at the time and who will change the laws and rules for the next group of people.

There is no indication as to what position people will be in down the road, but we know what position they are in here and now. We can have statistics, damn statistics, lies and damn lies. The Minister mentioned debt and was 100% correct in saying that our debt is approximately at 110%, but if he is to be truthful and honest, that debt remains unsustainable. Some €64 billion of that debt was made up of banking debt, but the debt to GDP ratio is reducing. The Minister should be completely factual and tell Parliament that part of the reason for that is because the services of pimps, prostitutes and pedlars of drugs, along with some other funds, came to rescue the GDP figures this year. That is why GDP has increased by €10 billion, along with research and development and that is the cause of the reduction in the debt ratio. The Minister may not be proud of that element of our GDP figures, but it is the reason. Let us not have smoke and mirrors. Our bank debt is €64 billion, almost half of which was injected into the broken banks by the Government and the rest by the previous Fianna Fáil Government. This €64 billion was put into broken banks at a cost of €14,222 per man, woman and child, or €35,000 per household.

This amendment is simple. It asks the Minister for Finance to make an application on behalf of the people. Clearly, we do not trust the Minister to make that application. Therefore, if he is to be believed, let him put it in the legislation. If he is not happy with the end-2014 deadline, let it be end-2015 or April 2016. At least it will indicate the Minister is putting his money where his mouth is and is making the application.

Deputy Peter Mathews: In his reply, the Minister focused on the debt, debt sustainability and the interest on debt of €1 billion out of the total of €8 billion in reference to the banks. I remind the Minister that he dismissed as kindergarten economics “The real effects of debt”, a paper by Cecchetti, Mohanty and Zampolli, back in September 2011. However, he should have concentrated on that because it discussed what Martin Wolf spoke about in his article in the *Financial Times* and *The Irish Times* last week. He said that the bigger countries of the eurozone, where debt is a big proportion of GDP, household debt and non-financial corporate debt have caused a flattening or contraction of the growth of the economies of Europe. If the Minister had listened in 2011, instead of dismissing the paper as kindergarten economics, we might have had a better case back then for getting the write-down of the debt losses of the banking system.

I plead with the Minister to be courageous and brave. He is the one of the longest serving Ministers of the eurozone and I plead with him to use that experience and authority to get the case argued, advocated and across the line for this country. Please do this.

Deputy Richard Boyd Barrett: Our deficit is now debt interest because we now have a primary surplus. We have achieved this surplus because of a cruel and unjust six years of austerity. Given this surplus has been achieved through the suffering of the people, we now have an unanswerable moral case to tell the EU it should either give us a good deal and some retrospective justice for what has been done to us, or we will not pay the interest, because it is interest to cover the deficit. It is not interest to cover day to day spending, but interest to cover a deficit made up of debt interest. I believe we should do that, but the Minister has not given any indication he will do it. Therefore, this amendment is justified. It proposes that we demand this.

Think of the worst case scenario. We do not get any recapitalisation, but we end up on the hook when other people's banks go bang. We have a potential liability of €11 billion and that amount can be varied upwards. If there was a serious crash in one of the big or moderate sized economies of Europe we, although beggared by the consequences of the crisis that happened here without any relief from Europe, could end up paying off debt for other people's economic problems. That is not an impossible scenario.

I do not accept that this is just about €1 billion, that just €1 billion of the deficit relates to the bank bailout. Our debt was 25% debt to GDP in 2007 before the crash, approximately €40 billion. Almost overnight, it ballooned to more than 100% debt to GDP and is now up to approximately 200%. This was all the consequence of the banking collapse, but then washed out into the rest of the economy and affected employment and so on. Europe has a responsibility for all of that, not just for the amount that went directly into the banks.

Deputy Michael Noonan: I thank the Deputies for their contributions. I remind Deputy Pearse Doherty that I acknowledged the statistical correction by the CSO on GDP figures at least twice when I spoke on the budget on Tuesday. I spoke about the contribution that correction made to reducing our debt to GDP ratio. The Deputy is exaggerating when he attributes the correction to criminal activities in the economy. The bulk of the correction is due to including research and development in the figures and taking that back to approximately 1992. The correction was just above €10 billion and over €7.5 billion of that came from research and development. The illegal quantum that was included amounted to approximately €1 billion and did not include fuel smuggling or any of those activities certain people in this jurisdiction would be familiar with.

Acting Chairman (Deputy Bernard J. Durkan): Deputy Pearse Doherty has the right to reply, but as there is insufficient time for him to do so, I ask him to move the adjournment of the debate.

Debate adjourned.

Topical Issue Matters

Acting Chairman (Deputy Bernard J. Durkan): 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 Terence Flanagan - the need for zero tolerance policing in Dublin city centre to ensure adequate protection for its citizens.; (2) Deputy Seamus Kirk - the registration for water charges and the options and viable solutions which may be put

in place; (3) Deputy Jim Daly - the need to reconsider and reduce the water charges for adult dependants; (4) Deputy Róisín Shortall - the need to update regulations under the Misuse of Drugs legislation to curb the open street trading of benzodiazepines and Z-drugs; (5) Deputy Brian Stanley - the need to support autism services in County Laois; (6) Deputy Patrick O'Donovan - the need for immediate works to be carried out on the Newcastle West Garda station; (7) Deputy Dan Neville - the by-pass of Adare village, County Limerick; (8) Deputy Seán Kyne - the need to review the funding application decision for Connemara community radio; (9) Deputy Pearse Doherty - the need to address the ongoing difficulties at Letterkenny General Hospital; (10) Deputy Thomas P. Broughan - the programme and targets in regard to the future strategic infrastructure required for Dublin City and Fingal County; (11) Deputy Seán Kenny - the need to address the inconvenience caused for children from Dublin required to travel to Louth County Hospital for orthodontic treatment; (12) Deputy Michael Lowry - the need for intervention to secure a replacement general practitioner for Gortnahoe, County Tipperary; (13) Deputy Thomas Pringle - the need to include St. Mary's national school, Stranorlar, County Donegal on the school building programme; (14) Deputy Robert Troy - the need to address concerns regarding an individual in the care of the Child and Family Agency and outstanding medical bills; (15) Deputy Brendan Smith - the need for greater urgency and better co-ordination by the international community of the humanitarian effort to tackle the Ebola crisis; (16) Deputy Billy Kelleher - the financial issues facing the Educate Together organisation; (17) Deputy Paul Murphy - the ongoing industrial action of Rhatigan workers at a school building project; (18) Deputy Mick Wallace - the need to discuss plans to introduce a tax on vacant sites in the upcoming planning Bill; (19) Deputy Richard Boyd Barrett - the ongoing industrial action of Rhatigan workers at a school building project; and (20) Deputy Clare Daly - the need to discuss plans to introduce a tax on vacant sites in the upcoming planning Bill.

The matters raised by Deputies Terence Flanagan, Seán Kyne, Seán Kenny and Brendan Smith have been selected for discussion.

12 o'clock

Leaders' Questions

Deputy Micheál Martin: Back in 2009, the Fine Gael Party, in a policy document entitled NewERA, said it would bring all of Ireland's water assets under the ownership of one State company, Irish Water. Its document goes into considerable detail as to how Irish Water would be a super-lean and efficient operation in terms of organising the Irish water supply. Yesterday, we saw and read that the Fine Gael Deputies are now very angry with the utility they conceived of and how it has turned out, and I understand the Labour party had a meeting with Irish Water two weeks ago. Meanwhile, I understand the Joint Committee on the Environment, Culture and the Gaeltacht has written twice - or Deputy Cowen certainly has - asking to bring Irish Water before that committee, but that has not happened.

The basic point I want to put to the Tánaiste is this. I asked the Taoiseach yesterday in the House what he believed the net revenue estimate would be as a result of the imposition of water charges for domestic users - what he felt the Government would get in net revenue. He could not answer me. We have done our own calculations and we looked at responses to parliamentary questions which have come back from the Minister, Deputy Alan Kelly, who estimated there would be gross revenue of €300 million from domestic charges. Of course, that does

not factor in the €65 million for the household benefits package or the €40 million for the tax credit, and I presume more will have to be done for the 200,000 people who are not covered by either the benefits package or the tax exemption. Therefore, even at 100% compliance, we are now looking at a net revenue figure of something like €175 million. If there is anything less than full compliance, we are looking at less than €150 million. Yet the Government has spent €650 million on the start-up costs of Irish Water. It has caused huge social upheaval, it is a gold-plated bureaucracy that is being paid for at an extraordinary level, which is really making people angry, and it has caused mayhem across local authorities, taking engineers out of every local authority in the country and swapping staff, with pension deals done to get people into Irish Water. One would have to stand back from it all and ask a very basic question. All of that for a net revenue of maybe €150 million plus-----

An Leas-Cheann Comhairle: Thank you, Deputy.

Deputy Micheál Martin: Is Deputy O'Dowd not right in many respects that the whole execution, implementation and establishment of Irish Water has been an unmitigated disaster-----

Deputy Michael Healy-Rae: It is crazy.

Deputy Mattie McGrath: It is a super-quango.

Deputy Micheál Martin: -----and it does not justify the yield by any business model or any definition? All of that does not justify the yield of about €150 million. While I am not even suggesting this, putting 5 cent on a gallon of petrol would have raised the equivalent amount of revenue.

Deputy Finian McGrath: Was it worth the hassle?

The Tánaiste: Deputy Martin has given a very good resume of the role of one of the political parties in 2009, when the State was in considerable difficulty due to the collapse of the finances of the State following Deputy Martin's own actions in regard to the bank guarantee and, subsequently, in regard to the State being unable to raise funds at reasonable prices.

The creation of Irish Water - this is important - is as big an undertaking as was the creation of the ESB as a major public utility-----

Deputy Michael McGrath: No, it is not. That is nonsense.

Deputy Sean Fleming: We did not have electricity then.

(Interruptions).

An Leas-Cheann Comhairle: Order, please. The Tánaiste has the floor.

The Tánaiste: -----at the foundation of the State. Irish Water is a publicly owned water service which is in State ownership and will stay in State ownership, which, in the context of some of the advice that was being received internationally by the members of the Opposition opposite me, is a significant achievement. This will allow for an investment in the next couple of years of €1.7 billion, which will be in a vehicle, a public utility owned by the State, which, like the ESB, will be able to raise money internationally.

The Deputy is suggesting that the return from Irish Water, because it is a State-owned company, will not be the same kind of return that a privately owned utility might yield.

Deputy Dara Calleary: He never said that.

Deputy Michael McGrath: The Tánaiste is distorting what he said.

The Tánaiste: He is probably correct on that. However, I believe he should actually welcome that because what we are going to get is investment into Irish Water. I just heard another Deputy refer to the level of national debt, which is high but has begun to come down significantly. In terms of cleverly managing the finances of the State on a sustainable basis, we have to invest seriously in Irish Water.

I have been shocked to read constantly since Irish Water was developed that there are lead pipes bringing water to homes-----

Deputy Mattie McGrath: Where has the Tánaiste been living?

Deputy Dara Calleary: What about the bonuses?

The Tánaiste: -----in many of the 34 local authorities which previously ran what we now know to have been a completely disjointed, if not dangerous and dysfunctional service.

Deputy Richard Boyd Barrett: If that is the case, why waste €1 billion on meters?

The Tánaiste: That is going to be replaced by a national consumer-focused utility company-----

Deputy Dara Calleary: Consumer-focused? They will not answer calls.

Deputy Robert Troy: Consumers cannot even contact them.

Deputy Mattie McGrath: It took 29 minutes to get through on the telephone.

Deputy Dessie Ellis: Maybe we should get a loan of the Tánaiste's mobile phone and ring them.

An Leas-Cheann Comhairle: Order, please.

The Tánaiste: -----whose job is to deliver clean, healthy water to people in Ireland. Right around Ireland, not least in the Dublin region, many families and individuals have experience in the last few years of their water supply being cut off-----

Deputy Mattie McGrath: Are they not going to turn it off now?

The Tánaiste: -----because, as we know, there was not enough water to supply the Dublin region.

Deputy Dara Calleary: Where the Labour Party has been in control.

Deputy Sean Fleming: Who controlled the council? Who controlled the water supply in Dublin? It was the Labour Party.

The Tánaiste: On many occasions, water usage in Dublin runs at around 97% of the available supply-----

(Interruptions).

An Leas-Cheann Comhairle: This is Leaders' Questions. A question was asked and the Tánaiste wants to reply.

The Tánaiste: What we are talking about is a clean, reliable, healthy water supply-----

Deputy Mattie McGrath: All steam and hot air.

The Tánaiste: -----which is sufficient for families and individual consumers, run by a publicly owned water company, not a privatised water company charging whatever it likes, which, by the way, is unfortunately what happened in regard to some of the campaigns concerning refuse collection.

Deputy Michael McGrath: The Tánaiste is spoofing. She is talking down the clock.

(Interruptions).

An Leas-Cheann Comhairle: Thank you, Tánaiste.

The Tánaiste: I would expect Fianna Fáil to actually welcome €1.7 billion in investment in clean, safe water.

Deputy Sean Fleming: What about the bonuses?

The Tánaiste: As a former Minister for Health, Deputy Martin is one of the few people who would have a detailed appreciation of the dangers to children and to older people of unhealthy water transmitted through lead pipes.

Deputy Dessie Ellis: The pipes are in the gardens.

An Leas-Cheann Comhairle: Thank you, Tánaiste. I call Deputy Martin.

The Tánaiste: We have had the debate about Roscommon, and we know that, but we have to look at what the local authorities have revealed about Irish water since we replaced 34 separate systems with one national system.

Deputy Mattie McGrath: With one dysfunctional body.

The Tánaiste: That system will take time to bed down, and I acknowledge that. I acknowledge that there are communications issues and establishment problems, but it is a very big national enterprise.

Deputy Micheál Martin: There are many ways to raise funding and many ways to do things. The Fine Gael Party, not in any context of the prevailing situation, believed in establishing a whole range of utilities. This was in its NewERA document, which the current Minister, Deputy Coveney, developed at that time. I do not know who worked with him to develop those ideas, but they were very strong and bullish about it. To be fair, they also said that local authorities would act as agents for Irish Water in maintaining and upgrading water infrastructure. In other words, the delivery system remains within the local authorities despite the incredible edifice that has been established at a start-up cost of €650 million. I asked the Tánaiste a very simple question. We have had four ways of assessing water charges. This is the 16th day on which water charges have been imposed and many are still hopelessly confused about what the bills will. Some of the water metering process is of a dubious nature because, from what we are told, some people will not even be able to read their meters. The bottom line is that all it

is, in revenue terms, is €150 million; that is the net amount that will be raised. It has caused huge issues within local authorities which will have legacy issues to deal with down the line in terms of pension payments. The bottom line is that the Government must stand back and ask a very simple and basic question. Is it worth it? Is the establishment of Irish Water worth all of the challenges and the extraordinary expense involved in setting up a gold-plated bureaucracy?

I have the figures from Eirvia. The Taoiseach told the Dáil last week that no bonuses had been paid to Irish Water staff. The Tánaiste might clarify for me or obtain clarification for me because Eirvia has certainly paid out over €5 million to about 900 staff in 2014. Last year, it had 500 staff on the books. I need clarification as to whether that figure includes personnel within Irish Water. The Tánaiste may not have the information at her disposal, but will she undertake to get it for me? However, the basic question I am putting to her is whether all of this - the €650 million in start-up costs and more - is worth the €150 million in net revenue? Surely it could have been done in a much easier way with greater compliance from the public who would have engaged in a far more supportive way in the context of the Irish Water debacle? I am not using the word “debacle”; it relates to comments made by the former Minister of State, Deputy Fergus O'Dowd, who established Irish Water. Words failed him in describing it and he was involved in setting it up.

The Tánaiste: The question the Deputy is raising concerns whether it is worthwhile investing in and developing a clean, reliable water supply for the people of Ireland.

Deputy Micheál Martin: I did not say that.

The Tánaiste: I am answering the Deputy's question. There were 34 local authorities doing this during the Celtic tiger era when the Deputy was in office as Minister for Health when he often spoke extremely convincingly about public health issues, for which I recognised him, and defended the adequacy of public health services. The stuff that went on in local authorities, even during the richest period in the recent history of the country, did not result in the provision of drinkable water. The Deputy may remember what happened in Galway. When one almost went to the borders of Galway, people involved in every kind of business were handing out bottles of water because the water was undrinkable. These failures which the Deputy may remember happened during his time as Minister for Health and about which I recall him speaking stemmed from a lack of investment in proper water treatment facilities.

One of the most difficult aspects of this issue for people is the fact that we know that we have so much rain. How is it that we have the chaos that happened in Galway, with almost the total destruction of tourism and commerce at the time? The Deputy must remember it because his party came into the House and answered very concerned and worried Members with questions at the time. If he wants to take a responsible view of politics, further investment to ensure the health of citizens and the adequacy of water supplies are essential. I am telling him that the best way to do this is not through 34 local authorities which failed but through a single, modern, consumer-focused utility which will not be gold-plated but which will actually deliver a proper service at a cheap and efficient price to consumers. It is going to take time to establish it, but it will be established.

Deputy Mary Lou McDonald: It is now clear to everybody with an ounce of common sense that the Tánaiste is presiding over an absolute shambles in Irish Water and worse in respect of the Government's decision to impose domestic water charges on struggling families. Tens of thousands of people took to the streets of Dublin last Saturday and told the Government

loud and clear that they could not afford these charges. By the way, they are not the consumer focus people want or need. I repeat to the Tánaiste because she does not seem to get it that thousands of families throughout the State do not have the money to pay water charges, full stop. They cannot pay. We know that the Government has held over these families the threat that their water supply will be reduced to a trickle and potential court actions and judgments, but the situation is far worse. I have a letter sent by Wicklow County Council to rental accommodation scheme, RAS, tenants, the scheme administered by the Tánaiste's Department. The letter makes it clear to these tenants that a failure to pay their water charges could result in their eviction. Therefore, not only do we have a threat to the supply of water and of potential court action, we also discover that the very roof over people's heads may be in jeopardy. The Tánaiste is aware that there are 36,000 families in the RAS scheme; therefore, I want her to tell me and the Dáil how it is that she authorised the issuing of such a threatening letter to these families. I want her to make it clear to them and other local authority tenants that nobody will be evicted because he or she cannot pay his or her water charges.

The Tánaiste: My understanding is that councillors representing the Deputy's party, Independents and Fianna Fáil control Wicklow County Council. I, therefore, suggest to her that when she gets time in her busy schedule, she pick up the telephone and make a call to her own public representatives who serve on that county council and suggest to them that they might have a conversation with management of the local authority? I am happy to say that, as a consequence of the budget and in connection with the families about whom the Deputy spoke in County Wicklow and other council areas throughout Ireland who are entitled to rent supplement supported by my Department, as well as older people, something like 700,000 households will receive a water support payment via the Department of Social Protection in quarterly instalments of €25. That would be the first thing about which I suggest Sinn Féin councillors advise affected families. Second, as the Deputy will have heard from the Taoiseach, water payments have been capped - the maximum payments people in the situation described by her will pay will be severely limited. The Minister for Finance will explain in detail the measures for people at work when the Finance Bill is debated in the House. A considerable support structure has been put in place. The Deputy has just heard the leader of Fianna Fáil question whether that support structure will be worthwhile. That support structure which, as the Deputy noted, will cost up to €100 million will be worthwhile.

The goal is to have a safe and clean water system for our population, including those who are on low incomes in RAS and local authority properties in County Wicklow, many of whom are represented by Sinn Féin councillors. It is important that they have a clean and reliable supply of water. As treated water is expensive, I would expect the Sinn Féin members of Wicklow County Council to suggest to the local authority manager that people should be encouraged to conserve the water they use for household or gardening purposes in order to reduce the cost of metered water to everybody, including themselves. When the metering system is working, families with lower usage will get a rebate on their usage. We are putting in place a modern system that supplies everybody with good, healthy and clean water, including industry, for the jobs that Wicklow absolutely requires and needs. In all my dealings with Wicklow over the years, this has been a key factor in developing the county, not to mention agriculture or the people on group water schemes in Wicklow, who pay for their water and who need high assurances about the quality of that water. I ask the Deputy to pick up the telephone and ask them to speak to their manager. I am shocked that they would permit a letter to issue.

Deputy Dessie Ellis: They do not have influence. It is a management decision.

Joan Burton: What are they doing?

Deputy Pádraig Mac Lochlainn: What are you doing?

Joan Burton: They are paid a part-time stipend. What are they doing if they are not speaking to their manager about this?

Deputy Mary Lou McDonald: If anyone had any doubts as to whether you give a toss about struggling families, your smart-alec, dismissive and inaccurate response gave them their answer.

Deputy Emmet Stagg: That is not fair.

An Leas-Cheann Comhairle: Through the Chair, please.

Deputy Mary Lou McDonald: A smart-alec Tánaiste thinks it is smart to disregard the concerns of RAS tenants that their inability to pay her awful charge could jeopardise their homes.

Deputy Kathleen Lynch: Cop on. It was a failing of the previous Administration.

Deputy Mary Lou McDonald: You stood up to give me a smart-alec response. That is not good enough. I apologise if this breaches Dáil etiquette, but let us call it what it is.

Deputy Patrick O'Donovan: That is rich coming from you.

Deputy Mary Lou McDonald: The fact is that local authority management administers government policy. Despite - I presume - knowing how people struggle, the Government is insistent on these water charges. Council management, on behalf of the Tánaiste, has written to tenants-----

Deputy Emmet Stagg: That is not true.

Deputy Mary Lou McDonald: -----to state that failure to pay the charge will jeopardise their homes.

Deputy Emmet Stagg: The councils decide that policy.

An Leas-Cheann Comhairle: Order, please.

Deputy Mary Lou McDonald: Let us try again to get an answer, and let us hope for a serious and respectful answer from the Tánaiste.

Deputy Michael Healy-Rae: She will have to take advice.

Deputy Mary Lou McDonald: The fact is that people are struggling, never mind the €100 alleviation. People are down to their cents. Does the Tánaiste understand that? They do not have the money to pay. Can she please get to her feet and confirm for the 36,000 families on RAS that their failure to pay this bill will not mean - be categoric - that they lose the roofs over their heads?

Deputy Finian McGrath: Deal with the real issues, not point scoring.

Deputy Mary Lou McDonald: Can she at least have the decency to answer that question

directly for those families?

Deputy Michael Healy-Rae: The Minister of State, Deputy Simon Harris, will tell her what to say.

Deputy Simon Harris: Jackie Healy-Rae will tell his son what to say.

An Leas-Cheann Comhairle: I ask for silence to allow the Tánaiste to respond.

Joan Burton: In regard to my concerns about families who are on low incomes or are unemployed, the budget contains €200 million of spending. I am happy to say this includes the restoration of the Christmas bonus on a partial basis and the payment to the kinds of family to which Deputy McDonald referred, and all the other families in Ireland, of a small but significant sum of €5 per month in child benefit.

Deputy Peadar Tóibín: That was not the question.

Deputy Joe Higgins: It would not buy a pack of nappies.

Joan Burton: For families in this category, this is about my concern to see those families and their children prosper and thrive. A back to work family dividend of €30 per week will be paid where somebody in the household takes up employment. I am not sure that Deputy McDonald has much personal experience of what it is like not to be well off or to be unemployed.

Deputy Mary Lou McDonald: You are getting personal now.

Joan Burton: In choosing to lecture me about issues like that-----

Deputy Mary Lou McDonald: I am looking for your answer.

Joan Burton: -----or other Deputies-----

Deputy Pádraig Mac Lochlainn: Would you ever answer a question?

Deputy Pearse Doherty: Answer a question about your own party's policy.

Deputy Ray Butler: Angry words.

An Leas-Cheann Comhairle: The Tánaiste was asked a question and I ask the House to allow her to reply.

Deputy Pádraig Mac Lochlainn: She has not answered the question.

Joan Burton: I will answer it now.

Deputy Michael Healy-Rae: Let the Minister of State, Deputy Harris, answer it.

Joan Burton: My understanding - perhaps Deputy Pearse Doherty will be able to clarify the matter - is that the chairperson of the housing special policy committee, SPC, in Wicklow is a representative of Sinn Féin.

Deputy Pádraig Mac Lochlainn: That is your policy.

Joan Burton: My understanding-----

(Interruptions).

Deputy Pádraig Mac Lochlainn: This derisory-----

An Leas-Cheann Comhairle: Order, please.

Joan Burton: In fairness to Sinn Féin, it has taken on responsibilities in the North. It has included-----

Deputy Pádraig Mac Lochlainn: Answer the question. “Yes” or “No”.

Deputy Paul Kehoe: Anger.

Joan Burton: There are a lot of angry men in Sinn Féin. Try to control it.

Deputy Micheál Martin: There is a lot of worry among Labour Party Deputies.

Deputy Pádraig Mac Lochlainn: Still no answer.

Joan Burton: It is being turned on and off like the water tap. Try to put a stop to it.

Deputy Pádraig Mac Lochlainn: Answer the question.

Deputy Dessie Ellis: The same letter would apply to all people on rent supplement.

An Leas-Cheann Comhairle: Deputy Ellis, that is enough.

Deputy Kathleen Lynch: Stick with the script.

Joan Burton: Deputy Ellis has long experience and a good record of working on Dublin City Council. He knows as well as I do what an SPC does.

Deputy Dessie Ellis: I also know what a contract is.

Deputy John Lyons: Listen up.

An Leas-Cheann Comhairle: This is Leaders’ Questions. You all want to be leaders.

Joan Burton: The chairperson of the housing SPC should take that up directly with the county manager.

Deputy Pádraig Mac Lochlainn: Are you saying there is no policy?

Joan Burton: That is what I would expect him to do.

Deputy Mick Wallace: The Tánaiste expressed horror about water going through lead pipes. I assure her that when all the water meters are in place, most of those lead pipes will still be there.

Deputy Bernard J. Durkan: You should know.

Deputy Mick Wallace: I want to discuss housing, which is an incredibly big problem for this country in many ways. Poor people live in poor areas. Poor housing policy intensifies social and economic disadvantage. We have problems with planning, which has been market- and developer-led for a long time. There is a shadow planning system whereby the big players

observe a different set of rules. There is a particular rhetoric pertaining to the social good, but the reality is different. For a long time, this State has promoted social exclusion and segregation because it helped to keep property prices up. There was no interest in refurbishment and renewal. There is only interest in big sites because they are what the developers like and where they can make more money. The State can play a part in addressing that issue. The Minister for Finance, Deputy Noonan, expressed yesterday some reservations about the site value tax which has been tossed around for the last while. This is at the core of a great many of our problems with housing in Ireland. It will be madness if the Government fails to address the issue. To provide a small example, I bought a fifth of an acre in 1997 for £150,000 but seven years later in 2004, I paid €5 million for a fifth of an acre. It was a 30-fold increase. That happened because the State is dominated by people who bank land and sell it when they think it is a good time to do so. They will hold on to it when it suits them. The notion of not taxing that asset which is growing in value is outrageous.

An Leas-Cheann Comhairle: Does the Deputy have a question?

Deputy Mick Wallace: The private sector is as problematic as the social sector. There is no rental security for people. We have just seen the Central Bank come up with new mortgage rules - three and a half times one's wages and a 20% deposit. We can see that three and a half times one's wages is a good measure to ensure that people can repay, but what does the 20% deposit mean? How many of our children will be able to afford to get on the home ownership ladder? A great many Irish people will not own homes in future and social housing will have to become the order of the day. It is great that the Government has started to spend some money on it, but it is only scratching the surface. There will have to be a massive investment from the State in this area. The idea that social housing is only for the poor must go. We must build quality social housing with all the necessary surrounding facilities for at least half the people in the years ahead.

An Leas-Cheann Comhairle: I will come back to the Deputy.

Deputy Mick Wallace: My question is to the Tánaiste.

An Leas-Cheann Comhairle: The Deputy is way over time.

Deputy Mick Wallace: Is the Tánaiste prepared to fight for a site tax and is she prepared to act on rent control? Only today, Fr. McVerry is saying that the fact that we have not done anything about rent control is driving people into homelessness. The Government has still not done anything about it.

The Tánaiste: I am delighted that the budget provides for a capital investment of €2.2 billion in social housing provision over the next three years. I thank Deputy Wallace for acknowledging that. The plan will involve investing €1.5 billion directly from the Exchequer with public private partnerships and off-balance sheet vehicles to get approximately €400 million more in by 2017. There will also be an off-balance sheet financial vehicle to provide another €400 million from 2015 onwards to approved housing bodies, of which Deputy Wallace will know there are quite a few in Wexford. Approved housing bodies have provided good social housing for people including very often those with specific needs and requirements and older people. I have seen commentators from every part of the spectrum welcome strongly this budgetary provision. It is the way to go.

In relation to the Central Bank consultation, I stress that the bank is independent. Part of

the reason for the crash in the building industry was tax breaks for investment in property. Deputy Wallace has seen more than most of us of the ups and downs of the property game. Many people who worked hard lost everything. However, we must learn from that lesson. It is important to have prudential regulation which we did not have at the height of the period of the boom. As with all booms, the behaviour then was irresistible and it was only when there was a crash that people could look back and say we did not do it right. The income limit the Central Bank proposes is reasonable. On the issue of the deposit, I have heard many organisations and individuals make comments querying that. It is a public consultation process and it is open to every Member, party and grouping in the House to put forward their views on this to the Central Bank. It is important outside of party politics that people give the Central Bank the benefit of their views and expertise in the area. I recommend strongly that people do that.

I strongly support the development of social housing. I agree with Deputy Wallace that we do not want to go back to the enormous local authority estates of 650 houses. In my constituency, there are 2,500 local authority houses. They are very good quality houses and often better than some of the buildings put up at the height of the boom as they were built and supervised by local authorities. However, we want to see mixed housing with people of all incomes and ages being able to live in their own towns and cities in appropriate, good quality housing that is well insulated and takes into account the climate change issues that face the planet. We need warm insulated homes. We have provided significantly for that since taking office.

Deputy Peadar Táibín: It is less than 10% of the housing stock.

The Tánaiste: The Labour Party has been examining the issue of rent controls. I was brought up in a rented home, which is something I am not sure many Members were. While it is a very good way to provide homes for families, those families need security of tenure. Traditionally in Ireland, people want to own their own properties. Young couples who are working and raising families desire ownership of a house, which is a good thing. However, there should be various models available. From the 1960s to the 1980s, the courts struck down in a series of judgments provisions in relation to rent control. While it is something that will have to be examined, the courts at the highest levels have ruled on the matter which meant the old system was dismantled. It is something we will need to address as a society.

Deputy Mick Wallace: As the Tánaiste mentioned the issue of the quality of the homes that are to be built, I note that deregulation happened in 1990. The measures introduced by Phil Hogan as Minister for the Environment, Community and Local Government to deal with the problems we have seen in construction will do nothing. The Government has still not gone back to inspections. Local authorities inspect between 10% and 15% of built properties and that is usually at only one stage of construction. This is outrageous. If the Government is interested in ensuring that houses are built properly, it must inspect them. Currently, we have the National Housing Authority, local authority housing departments and housing associations. It is all over the shop. There is no housing strategy.

The Tánaiste refers to bringing things in soon and I will be interested to see what that entails, but I suggest that before the Government implements a housing strategy that it reads “Spatial Justice and the Irish Crisis” by Gerry Kearns of NUI Maynooth and his colleagues. They point out that what has added to our problems is the way in which NAMA and the banks have behaved by throwing large quantities of stock onto the market to be bought by investment funds for half their value. That is what has happened.

Deputy Finian McGrath: Hear, hear.

Deputy Mick Wallace: I have said it before. They have sold apartments for €100,000 that could not be built for €200,000. Why the Government did not buy them itself, I do not know. NAMA has behaved like a secret organisation. It is not open to freedom of information and is staffed by bankers and so-called “property experts” who were recruited from the agencies that were bailed out by NAMA itself. Gerry Kearns points out that NAMA has not been charged with addressing issues of spatial justice or the public interest. Will the Tánaiste take on that mantle? We need spatial justice and to place the public interest at the heart of a housing strategy. The Tánaiste did not answer my question about whether she will push for a vacant site value tax. Will she do that in her official capacity?

The Tánaiste: The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, will launch the housing strategy sometime next week. The launch of this major policy document on social and other housing will be significant. The Minister for Finance, Deputy Michael Noonan, is examining the tax arrangements for vacant sites. I will talk to him about it and come back to the Deputy later.

The Deputy asked detailed questions about specific elements of housing regulations. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, is examining at regulations that impede the ordinary work of those involved in the construction of good quality housing. I will ask him to come back to the Deputy on this issue specifically which is one of concern. On the other hand, rather like the Central Bank, one needs a proper system of regulation and inspection. Someone either buying or renting a house has no serious control over the building project. He or she relies on the planning laws and the inspection and powers of the local authority to be their guardians. I hope that not just the local authorities but also the construction industry have learned from the lessons of the collapse and will be committed to quality building. I also hope they will not leave people in the difficult situations I have seen of problems with the poor quality of building and insulation, particularly noise insulation in apartments. While I will discuss this issue with the Minister, perhaps the Deputy might table a parliamentary question on it to have a more detailed discussion at Question Time with him. It is an important social issue that people have homes and can bring up their children in homes that they can rent on terms they can afford to pay. One of the oldest slogans in Irish politics is, “Security of Tenure”.

Deputy Richard Boyd Barrett: Not if one is in the RAS, rental accommodation scheme.

The Tánaiste: That is an old slogan but still an important one.

The public purse is the way to properly provide for social housing. I know that many Members opposite, some of whom are present, are opposed to taxation of any kind. They say to people there is no need for any taxation, yet they still can have all of the services they want. One cannot have quality public housing without having a sound economy and a structure of finances that allows one to invest.

Deputy Richard Boyd Barrett: What about taxing corporations?

Deputy Paul Murphy: Is it the knowledge box?

The Tánaiste: It is a little like the last discussion. It is not possible to claim that one can have no taxation or charges but one can have the finest of services. It just does not work like

that.

Deputy Richard Boyd Barrett: No one over here said that it did.

Deputies: Who said it?

Deputy Finian McGrath: We said, “Do not hammer the poor.”

Order of Business

The Tánaiste: I apologise. I saw Deputy Joe Higgins on his feet and thought the Leas-Cheann Comhairle was going to call him on Leaders’ Questions.

Deputy Jim Daly: Maybe next week.

Deputy Micheál Martin: The Tánaiste is acknowledging the changing weather vane.

The Tánaiste: It is proposed to take No. *a*11, motion re withdrawal of the Ombudsman for Children (Amendment) Bill 2014; No. 23, European Stability Mechanism (Amendment) Bill 2014 - Report and Final Stages (resumed); No. 24, Health (Miscellaneous Provisions) Bill 2014 - Order for Report Stage and Report and Final Stages.

It is proposed, notwithstanding anything in Standing Orders, that Private Members’ Business, No. 154, motion re Seanad reform, shall be taken at the conclusion of the Order of Business and shall, if not previously concluded, be brought to a conclusion after three hours; that the Order shall resume thereafter; that tomorrow’s fortnightly Friday business, subject to the agreement of No. *a*11, shall be No. 47, Social Clauses in Public Procurement Bill 2013.

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

Deputy Joe Higgins: No. The proposal is that after Private Members’ Business the order shall resume. I oppose this and propose instead that we have a debate today on the disaster that is the Government’s water charges policy. We need to have that debate because 100,000 people flooded on to the streets of Dublin last Saturday to demand, in no certain terms, that the Government abolish the water tax. They want this to be stated categorically. I know that the Tánaiste will have been outraged that some of those involved in the demonstration had the audacity to take pictures on mobile phones instead of bringing plain paper and crayons to sketch the historic event. They were giving the lie to the cynical propaganda that austerity was at an end - some end to austerity when families with four, five and six over-18 year olds face bills of €500 to €800 next year and the year after when the Government’s cynical cap will finish.

Deputy Ann Phelan: No, that is not the case.

The Tánaiste: No, the Deputy is wrong.

Deputy Joe Higgins: If the Tánaiste does not listen to the people exercising their power on the streets, perhaps she might listen to them at the ballot box. The Government, particularly the Labour Party, was eviscerated in the recent by-elections over water charges and other issues.

An Leas-Cheann Comhairle: This has to do with the proposal concerning Private Members' Business.

Deputy Joe Higgins: Under Standing Orders, I am allowed to make a short statement in opposition to the Order of Business. I am concluding.

An Leas-Cheann Comhairle: The Deputy should speak to the proposal.

Deputy Joe Higgins: The Tánaiste can lacerate Fianna Fáil all she wants for lack of investment in water services. However, 20 years ago when she was in government, she could have put €1 billion or €2 billion into water infrastructure. Instead, she gave a massive tax amnesty to criminal tax cheats with their offshore accounts.

An Leas-Cheann Comhairle: I am calling the Tánaiste to reply to the Deputy.

Deputy Joe Higgins: The Fianna Fáil leader, Deputy Micheál Martin, said something important today.

Deputy Bernard J. Durkan: Did he?

Deputy Joe Higgins: He said up to €175 million might constitute the net income next year from water charges if there were 100% compliance. The Government should forget it. It will face a mass national non-payment campaign that will put Captain Boycott in the shade. The Tánaiste had better get wise to the anger being expressed. It will not be reconciled by the Government's paltry concessions in the budget.

Deputy Ann Phelan: What about the property tax? There was a 95% compliance rate.

An Leas-Cheann Comhairle: The Deputy has made his brief contribution.

Deputy Joe Higgins: I want the debate to take place today or the Government to set aside time tomorrow. This issue must be dealt with and dealt with now.

The Tánaiste: The Government has had a significant number of debates and discussions on the matter.

Deputy Dara Calleary: The Dáil only debated the Irish Water Bill for four hours before the debate was guillotined.

Deputy Micheál Martin: The Government might have, but the Dáil did not.

The Tánaiste: Any such debate would be a matter for the Whips. I do not see any reason to change the Order of Business.

Deputy Joe Higgins does not seem to be aware that in the budget the families to whom he referred will receive a reduction in the taxes they have to pay. There is a rebalancing of the tax structure in order that people at work, including hardworking individuals on low and middle incomes, will get some relief. They will also receive improved payments in child benefit.

Deputy Peadar Tóibín: The point is that it will be unaffordable.

The Tánaiste: The Deputy in his lofty way can dismiss all of this and the fact that there are more people at work. He seems to want everyone to be on welfare payments. That is his vision for society.

Deputy Joe Higgins: Bertie Ahern could not do better.

The Tánaiste: I want to see people at work. I recall when the Deputy's party was in charge of the city council in Liverpool a long time ago.

Deputy Micheál Martin: Liverpool.

The Tánaiste: In the end, the Deputy's party sacked the council workers and sent taxis to give them their redundancy notices.

Deputy Bernard J. Durkan: Deputy Higgins should apologise.

An Leas-Cheann Comhairle: I will now put the proposal to the House.

Question, "That the proposal for dealing with Private Members' business be agreed to", put and declared carried.

Deputy Joe Higgins: The Tánaiste, in particular, should know about the poll tax.

An Leas-Cheann Comhairle: Sorry, Deputy Higgins. On the Order of Business I now call Deputy Martin.

Deputy Paul Kehoe: He has not impressed Deputy Paul Murphy this morning.

Deputy Micheál Martin: I was somewhat surprised this morning that the Tánaiste did not condemn any letter emanating from any local authority threatening eviction for people if they had difficulty paying water charges. She should make it clear that that is not acceptable practice. I do not think anybody in the House would justify that but she did not take the opportunity afforded to her to do that.

When Deputy Higgins sought a debate, the Tánaiste mentioned that the Government had spent a lot of time on the matter. The Government may have spent a lot of time internally, although I do not know. When the consultants' costs were revealed, many Ministers said they knew nothing about it. We subsequently learned, however, that the Economic Management Council, or EMC, a sub-committee of the Cabinet, took all the decisions on Irish Water. Maybe they did not know but the Dáil was not informed. If the Tánaiste remembers, the legislation was rammed through the Dáil in about four hours.

We have therefore had an incredible lack of any serious discussion on the entire issue and particularly around the legislation that established Irish Water. We simply were not given the time because the legislation was guillotined well over a year ago in about two or three hours.

Yesterday, we learned that Fine Gael has demanded that Irish Water should come before an internal Fine Gael committee. This is all about Fine Gael Deputies.

Deputy Bernard J. Durkan: The Deputy could bring them before a Fianna Fáil committee.

Deputy Micheál Martin: The Labour Party apparently met Irish Water two weeks ago.

The Tánaiste: We have and it is open to the Deputy to do so.

Deputy Micheál Martin: We did ask. Our environment spokesman, Deputy Barry Cowen, has asked in writing.

Deputy Bernard J. Durkan: That is good.

A Deputy: What did they say to you?

Deputy Micheál Martin: There has been no response.

A Deputy: They are unaccountable.

Deputy Micheál Martin: Obviously Irish Water feels it has to be more accountable to Fine Gael's internal committee or Labour Party Deputies than it has to be to the Oireachtas. That is the only lesson I can draw from that, but it is not good enough. There is an incredible arrogance on the Government benches-----

A Deputy: See who is talking.

Deputy Micheál Martin: -----that the Oireachtas does not matter. The bottom line is that there was no debate on this. There never was a debate on the establishment of Irish Water or the legislation that underpinned it because all Stages were rammed through the House in about three or four hours.

Deputy Cowen has written to Irish Water to seek a meeting but he was surprised to learn that the Labour Party had already met the company. Deputy Cowen told me that he had been trying to get a meeting with them for the last two or three months, yet an internal Fine Gael committee is hauling them in. It seems that Irish Water has to be accountable to the Fine Gael Party but not to anybody else. That is the bottom line.

Can we get an assurance from the Tánaiste? At the time, the previous Ministers, the former Deputy Hogan and Deputy O'Dowd, were all dodging parliamentary questions. They said it was not a matter for them to answer parliamentary questions in here.

Deputy Paul Kehoe: Join the Fine Gael Party.

Deputy Micheál Martin: That is the Chief Whip, Deputy Kehoe's, attitude. It is jackboot stuff.

A Deputy: Here we go again.

Deputy Micheál Martin: Deputy Seán Conlan knows all about it. That is how you guys run it. You might run the Fine Gael operation like that but do not think you are going to get away with running the Oireachtas like that.

Deputy Paul Kehoe: Deputy Martin should watch his back. He should look behind him.

Deputy Micheál Martin: I want an assurance from the Government that Irish Water will come before the relevant Oireachtas committee to answer questions that many people have.

As regards the forthcoming finance Bill, there has been a considerable lack of detail in the health budget for 2015. The HSE deficit could hit €500 million. The comprehensive expenditure report published on Wednesday by the Minister for Public Expenditure and Reform, Deputy Howlin, states that departmental heads are progressing a range of measures saving €130 million, and income generation measures of €330 million, estimated to have the potential to support expenditure in 2015. No one knows what it actually means. It was in a footnote in the document. Essentially, it is a black hole of approximately €460 million in the health Estimate.

On the Order of Business prior to the budget, I asked the Taoiseach to facilitate a transparent examination of the health budget by an Oireachtas committee. Last year, we were given a false and dishonest health budget on budget day. Everybody remembers the €130 million in alleged medical card probity.

Deputy Emmet Stagg: Is there any promised legislation on this, a Leas-Cheann Comhairle?

Deputy Micheál Martin: Deputy Stagg is not the Chair.

An Leas-Cheann Comhairle: Just one speaker at a time, please.

Deputy Micheál Martin: There is legislation and I am coming to that. The bottom line, however, is that we are facing a similar situation this year. Health budgets have been produced that have no credibility at all. Last year we were given false figures. We know that now because through a freedom of information request we obtained HSE documents to the Minister at the time expressing alarm about safety.

When will the Finance Bill be published? Will time be made available for the Oireachtas to debate it? The Government is committed to this and has said that budgetary matters will be transparent. Will we have an opportunity to look at all the submissions made by the HSE to the Department of Health concerning its needs. Health is under enormous pressure.

An Leas-Cheann Comhairle: I am calling the Tánaiste to reply. We cannot have a detailed debate now.

Deputy Micheál Martin: Operations are being cancelled and operating theatres have been closed. That is what is going on right now. There should be far greater transparency for the health Estimate than has been provided to date, including last year. Such transparency was committed to by the Government a long time ago but it has not been realised in the context of the health Estimate.

The Tánaiste: I do agree that Irish Water should be prepared to communicate with the Fianna Fáil Party or, indeed, with other political parties if they are requested to do so.

Deputy Micheál Martin: Or the Oireachtas.

The Tánaiste: They were requested to do so because Labour Party Deputies wanted two particular issues addressed. One was the fact that often when Irish Water is phoned, it is a lo-call number, and people can be left waiting for answers for a fairly long period of time. That has been generally discussed.

Deputy Thomas P. Broughan: What about the box number?

The Tánaiste: I have been approached by Deputies from all parties in the House on the second issue which is a request for an information line to be available to public representatives who get queries from constituents about Irish Water. It is perfectly reasonable that they should be able to get those answers. I am told that Irish Water is examining that with a view to putting in some kind of inquiry line for Deputies, as the Department of Social Protection does. I do not know for certain when that will happen.

What the Deputy has described Deputy Cowen as doing is perfectly reasonable. I expect that Irish Water will communicate with him-----

Deputy Micheál Martin: With the Oireachtas.

The Tánaiste: -----to make information available or have a discussion with Fianna Fáil Deputies.

Deputy Micheál Martin: No, with the Oireachtas.

The Tánaiste: That is a matter for the Whips who can have such a discussion.

Deputy Micheál Martin: Does the Tánaiste not think Irish Water should come before the Oireachtas?

The Tánaiste: I favour Irish Water having communications with the different political parties and with the Oireachtas. It is a publicly-owned company and is responsible in terms of public accountability. I am sure it will provide public accountability - as is required of similar public utility bodies - to this House on its own operations.

The Deputy's other query concerned the Finance Bill which will be published next Thursday. It will come before the House on Second Stage in the first half of November. The Whips will give the Fianna Fáil finance spokesperson the detailed information on that, as well as the usual courtesies concerning deadlines and other timings for the Bill.

1 o'clock

As regards the health budget, budget 2015 is the first budget increase in seven years but big problems and challenges are still facing the health system in 2015. The Minister, Deputy Varadkar, is confident the targets are achievable. I am particularly happy that the Minister has committed to the roll-out of BreastCheck for women aged 65 to 69 years. It is important. A further €35 million has been ring-fenced for mental health services. The Fianna Fáil spokesperson on health raised the point last week and in addition we have extra money for step-down facilities, which are important. With regard to the health Estimate, there is a significant increase in funding for the health services.

Deputy Micheál Martin: I asked about Oireachtas scrutiny. It took 12 months for the document to be obtained from the HSE through a freedom of information request.

The Tánaiste: There is the normal Oireachtas scrutiny in respect of health. I am sure the Fianna Fáil spokesman will speak to the Minister about it.

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

Deputy Mary Lou McDonald: One of the many groups disappointed by the budget is the carers group. In budget 2013, the respite care grant was disgracefully cut by €325. I am sure the Tánaiste knows the payment is a lifeline for almost 80,000 carers and their families. The Tánaiste should right the wrong done to these families and take advantage of the social welfare legislation to restore a necessary payment for these families. Can the Tánaiste tell us if she is prepared to do so? Statements have been issued by carers and their organisations and they are deeply angry and upset at the failure to reverse the cut. It should have featured as part of the budget given that the Tánaiste tells us she is lifting austerity.

Deputy Derek Keating: That is not relevant to the Order of Business.

Deputy Mary Lou McDonald: The second issue concerns the JJ Rhatigan and Co. work-

ers at Kishoge Community College in Lucan. JJ Rhatigan and Co. has been contracted by the Department of Education and Skills to build a school. I understand this is not the only school they have been contracted to build. The firm is in dispute with the workers because it has broken the law on the basic rights and entitlements of the workers. The workers were at the gate today speaking to Deputies.

An Leas-Cheann Comhairle: Can the Deputy ask a question on this?

Deputy Mary Lou McDonald: I do not know if they got to speak to the Tánaiste. What regulatory, legislative or political response does the Tánaiste offer to workers who are at their wits end? Their basic rights have been trampled on and the law has been broken. They have no comfort or statutory protection.

The Tánaiste: With regard to carers and the wonderful work they do for the people they care for, the Deputy is aware they will be among the principal beneficiaries of the partial restoration of the Christmas bonus. For an individual carer, this means an additional payment in December. In respect of the individual, if the family of the carer is in receipt of social welfare the amount will be higher. It will be in the region of €60 or €70 and more if the family is involved. It is a small amount, which I appreciate, but we have not been able to do all that we would like to do in respect of social welfare in the budget. We have been able to do that.

A commitment has been given to include carers in the €100 water support payment. Carers will receive some support from the budget. I would love to be able to reverse every one of the spending cuts made, including the €16.80 reduction in the weekly payments made by the Fianna Fáil-led Government before the last election. People with disabilities and older people are the two types of people carers care for and the living alone allowance will increase in respect of people with a disability and older people who live alone. Although we have not been able to do as much as we would like, we have made a substantial provision for improving payments to carers and having them share in some of the €200 million additional funding put into the social welfare budget. It is not as much as I would like and hopefully next year and the year after we will be able to do more but that is what we have been able to do this year. We have had to restore the economy and increase employment so that we can provide for payments and services to important people who do wonderful work, like carers.

I will ask the Minister of State, Deputy Gerald Nash, who is dealing with labour issues to contact Deputy McDonald about the JJ Rhatigan and Co. dispute. It has also been before the courts and I am not aware of the detail of the court case.

Ombudsman for Children (Amendment) Bill 2014, Leave to Withdraw: Motion

Deputy Jim Daly: I move:

That leave be granted to withdraw the Ombudsman for Children (Amendment) Bill 2014.

Question put and agreed to.

Seanad Reform: Motion [Private Members]

Deputy Gerry Adams: I move:

That Dáil Éireann:

acknowledges that the citizens of this State rejected the Government's Constitutional amendment to abolish the Seanad through referendum vote in October 2013;

recognises that all participants and parties involved in the referendum campaign were clear in agreeing that the Seanad in its current form is elitist, undemocratic and unacceptable;

notes that the Taoiseach gave a commitment in October 2013, post-referendum, to reform the political system and ensure that the Seanad is a modern and effective second chamber, yet has abjectly failed to deliver that commitment; and

calls on the Government to:

— immediately engage with all parties and groups within the Oireachtas, but also broader civic society, to consider how best to reform the Seanad to ensure that it becomes a fully inclusive, representative and accountable institution;

— introduce direct election by way of universal franchise of all Irish citizens;

— introduce northern and diasporic representation;

— introduce 50% women members; and

— ensure representation of marginalised minority groups within Irish society.

I propose to share time with Deputies Tóibín, Mac Lochlainn, Ó Snodaigh and Crowe. I welcome the Technical Group Members who co-signed the motion.

Over a year ago, the Government lost a referendum on a constitutional amendment to abolish the Seanad. Its proposal for abolition was rejected by citizens of the State. Sinn Féin would have preferred voters to have the additional choice of opting for root and branch reform. We proposed that the Government hand the issue of Seanad reform over to the Constitutional Convention for discussion and recommendation but the Government rejected this and only allowed for a 'Yes' or 'No' response.

In those circumstances, Sinn Féin called clearly for a 'Yes' vote to abolish the Seanad. Sinn Féin delegates to the Constitutional Convention, of which I was one, have also called on the Irish Government and the Oireachtas to empower a second Constitutional Convention with a broader mandate to consider issues related to the strengthening of constitutional protection of human rights and outstanding political and institutional reform issues, including Seanad reform, Northern representation, and representation of the diaspora in the Oireachtas. Following the referendum on the Seanad, the Taoiseach and the Government committed to reforming the political system and to ensuring the Seanad was a modern and effective second Chamber. However, the Taoiseach has done absolutely nothing to achieve this. This was most recently and notoriously highlighted by the Taoiseach's direct involvement in the McNulty affair and Mr. McNulty's nomination to the board of the Irish Museum of Modern Art, IMMA. This il-

illustrates not just the Government's attitude to the Seanad but also its lack of respect for IMMA and its total disregard for the arts and its community.

In its current form, the Seanad remains elitist, undemocratic and unacceptable as an institution of the State. It is not elected by the people but rather by a mere 1% of the electorate. It has 60 Members, six of whom are elected by the graduates of some universities, 43 of whom are elected from five panels of nominees that are supposedly representative of key elements of society, and 11 of whom are nominated by the Taoiseach. Any democratic State that would limit the franchise to people with a third-level degree cannot in all seriousness consider itself to be modern, egalitarian or democratic. There is no such place in a 21st-century democracy for such nonsense, and deciding who can vote on the basis of educational attainment is blatant elitism. Sinn Féin believes in "one person, one vote" and universal franchise. It is worth noting, almost in passing, that our group in the Seanad is also denied speaking rights. A properly reformed Seanad that is democratic, accountable and egalitarian and that works in the best interests of good governance is urgently needed.

Today's Seanad was created by the 1937 Constitution and in the decades since, with a few honourable exceptions, it has become synonymous with cronyism on the part of Fianna Fáil in particular, but also on the part of Fine Gael and the Labour Party. It has also been used as a form of safety net for those who fail to get elected to the Dáil, and there have been incidents in which Senators were stood down - particularly by Fianna Fáil - just weeks from a general election, to be replaced by others just for those few weeks. Such a brief sojourn in the Upper House would secure entitlements such as lifelong parking at Leinster House.

The Seanad has opposed the Government on occasions and some Seanadóirí have been real pioneers of change, progress and advocacy, but at no point has the Seanad acted as a real check on the excesses of this or any other Government. Since Fine Gael and Labour came to power, the Seanad has supported the Government on almost every occasion, including the introduction of the property tax and water charges. Fianna Fáil campaigned for the retention of the Seanad, but in his 14 years as part of a Fianna Fáil Government, neither Deputy Martin nor anybody else in the Government made any attempt to reform the Upper House.

Fine Gael's five-point plan tried to exploit what the party saw as a failure by the other main party. It indicated that political failure lay at the heart of Ireland's economic failure and that to fix the economy it would also have to fix the political system. This was clearly all rhetoric with no substance. Despite numerous claims over decades by all the establishment parties that it would reform the Seanad, none of them has done so. On 12 separate occasions reports were produced proposing reform, but not one finding has been implemented. In 1979, citizens voted in a referendum to broaden the Seanad's franchise to include graduates of institutions of higher education, and those results are gathering dust somewhere in Government Buildings. No Government has been prepared to allow the second Chamber to scrutinise its legislative programme in a meaningful and effective manner, and the current Government will not even allow this Chamber to scrutinise its proposals and programmes properly. As we reflect on the issue, there can be no place for an elected institution for which only a tiny minority has the right to vote. A republic is about citizenship, which includes the right to be treated equally, and it is clearly unjust that the right to vote in this case is determined by a person's place of education.

Sinn Féin proposals for genuine Seanad reform include engagement with all parties and groups within the Oireachtas and the broader specific civic society to consider how best to reform the Seanad and ensure it becomes fully inclusive, representative and accountable. The

party also proposes the introduction of direct election by way of universal franchise of all Irish citizens, Northern representation and representatives from the diaspora. The proposals stipulate that 50% of Seanad Members would be women and there would be measures to ensure representation of marginalised and minority groups such as the Traveller community so they can have a place.

This motion outlines how the Seanad can be reformed and become more inclusive to represent all the people of the island of Ireland rather than just a small minority. We have the opportunity to ensure the Seanad is a place where unjust or regressive legislation can be challenged. We can make it relevant and allow the Seanad to have a positive impact on the lives of ordinary people. There is also the chance to include citizens from the North, including people from the Unionist tradition, in the political life of the State. I commend the motion to the Dáil.

Deputy Peadar Tóibín: Maidir leis an McNulty affair, níl dabht ar bith i meon na ndaoine ná go bhfuil Fine Gael agus Páirtí an Lucht Oibre ciontach mar gheall ar chabhair fabhair. Cé a mhúin na ceachtanna seo i dtaobh cabhair fabhair don Taoiseach agus d'Fhine Gael? Seas suas, Fianna Fáil - ó tús an Stáit, bhí Fianna Fáil ciontach as an gcóras cronyism atá againn sa Stát seo. It developed a toxic culture, both nationally and locally, which is dangerous to the health and development of the nation. It also ensured that people who may not have had the required skills, ability or experience were put into positions of decision making, with outputs less than what they should have been. This process also had the effect of keeping generations of people out of those positions when they had skills and ability to drive the State out of problems. That would have led to better outcomes for the country.

I rith an tréimhse seo, d'fhéach muintir Fhine Gael ar Fianna Fáil agud éad ina gcuid súile. Fadó, roimh teacht lucht Fhianna Fáil sna cultacha móihéar, bhí siad ar thóir an airgid agus ag iarraidh daoine a chur isteach i bpostanna tábhachtacha sa Stát seo. Is fiú a rá go bhfuil an Teachta Micheál Ó Máirtín ina Theachta Dála le haghaidh 25 bliain anois. Bhí sé ina Aire le haghaidh 14 bliain. Níl aon taifead ar chor ar bith aige i dtaobh athchóiriú polaitíochta sa tír seo, fiú amháin sa Seanad. Ní chreideann éinne gur tháinig Fianna Fáil suas bóthar na Damaisce mar gheall ar an reifreann a bhí againn ar thodhchaí an tSeanad an bhliain seo caite. Ní chreideann na daoine ar na sráideanna go bhfuil athrú meoin tagtha ar an bpáirtí sin.

Appointments to State boards have historically been some of the worst expressions of political cronyism in the State. Nothing has changed since 2011, and it is no great surprise that the Taoiseach has treated the Seanad and the board of IMMA with such disdain. There is arrogance in the Taoiseach, Fine Gael and the Labour Party that blinds them to the needs of the people they are supposed to serve. The dictatorial style exhibited by the Taoiseach in the past number of years can be seen even now in how he treats some of the members of his own political party. As I have indicated, the Fianna Fáil golden circle seems to have been replaced by the Fine Gael diamond ring.

In 2011 Fine Gael promised to tackle cronyism, but people in the State will be disappointed in how the Labour Party has been involved with cronyism. The party was meant to be the moral guardian or the watchdog with respect to Fine Gael, or at least it promised to be in the last election. The party promised an end to the system whereby appointments to State boards would be used as a form of political patronage and for rewarding insiders. It promised that appointments to boards would be based on demonstrable capacity to do a job. The Labour Party promised that Oireachtas committees would consider the suitability of nominated candidates, that such candidates would appear before those committees and it would be a condition of appointment

for prospective board members to come before the relevant committees. Like so many Labour Party promises, these disappeared like snow off a ditch. I have no doubt that the vast majority of Labour Party supporters are extremely disappointed by way the Tánaiste and Minister for Social Protection, Deputy Burton, handled the McNulty affair. I have even heard rumblings among her party's backbenchers in respect of this issue.

It is time for the Government parties to engage with the political system. I am of the view that so ingrained is the level of cronyism within the establishment parties that there is a conditioning in the minds of their members with regard to what actually constitutes cronyism. It is within those minds that reform must take place in the first instance, but there is no doubt that structural reform within the Houses of the Oireachtas is also required. We need to promote the very simple premise that individuals should achieve appointments to positions in this State on the basis of merit rather than as a result of whom they know. If this approach is adopted, it will have a radical effect in the context of how this country develops, how it is guided and how it will grow in the future. In addition, the State's capacity to ensure that the correct decisions are made will improve. I urge the Minister of State, Deputy Coffey, to ensure that the necessary steps are taken within his party in order that this might be achieved.

Deputy Pádraig Mac Lochlainn: It is almost 12 months since the citizens of this State voted to retain the Seanad. Many of them wanted the Upper House to be retained but not in its current form. Instead, they wanted it to be reformed. The Government promised to initiate reforms but, as we all know, this did not happen. The McNulty affair has further eroded confidence among members of the public that any reform has taken place. This is another jobs-for-the-boys affair of the type they have become so used to over the years. Last year the Taoiseach gave a commitment to the effect that he would reform both the Seanad and the political system. That commitment has not been honoured; that commitment was broken.

As this Parliament's second House, the Seanad should have the power to hold the Government to account. Unfortunately, the Seanad as it stands is undemocratic, unrepresentative and unproductive. It is simply not fit for purpose. One of the main reforms relating to this newly reformed Seanad - so-called - is that the Adjournment debate will be replaced by a commencement debate to be held before the Order of Business each day. This will allow Senators to raise questions with the relevant Ministers earlier in the day. Effectively, changing the time at which particular debates are held is one of the main suggested reforms. This is not exactly earth-shattering stuff, is it?

Real reform would involve introducing a universal franchise and giving votes to emigrants. The motion before the House outlines how the Seanad can be reformed in order to ensure that it becomes more inclusive of society, representing all the people of Ireland and not just a privileged minority. We are calling on the Government to immediately engage with all parties and groups within the Oireachtas, but also with broader civic society, to consider how best to reform the Upper House in order to ensure it becomes a fully inclusive, representative and accountable institution. We are asking the Government to introduce direct election by way of a universal franchise of all Irish citizens. We want to ensure that our citizens in the North and members of the diaspora across the globe will be represented in the Seanad and will have a voice in the home country to which they have given so much. Indeed, there are those among the diaspora who may well still be financially contributing to this State - as has been the case through the generations - and they may make a contribution in the future when, hopefully, many of them will return. Many of our citizens, particularly the young, have been forced out of their country but they desperately want to return at some stage. Why should they not be represented in these

Houses? Their voices need to be heard. The current inequality of citizenship, which punishes Irish people who live outside the State, must be ended.

We strongly advocate that 50% of those elected to the Seanad in the future should be women. Women constitute the largest group of individuals who were excluded from the benefits of the Celtic tiger economy. Households headed by lone parents and older women remain at high risk of poverty. Structural inequalities continue to trap many women in low-paid part-time employment. Sinn Féin is committed to building a more equal Ireland and women's voices are essential to that. The rightful position of women in Irish society is for them to be equals in every way and they should be represented on an equal basis here. If we cannot achieve equal representation in the Dáil following the next general election, at which new gender quotas will apply, then we must ensure that the Seanad will provide, in a balanced way, a real reflection of Irish society and the real experiences of Irish citizens and families throughout the State.

We should also use the Seanad to ensure the representation of marginalised minority groups within Irish society. Creating the conditions for the establishment of an equal society means recognising that many diverse groups and sections within that society require enhanced protection by the State. We should use the Seanad to hear from the groups which represent these citizens.

The Seanad is not working. It has not worked for some time. Sinn Féin has been advocating for root-and-branch reform of the Seanad for over a decade. As already stated, the Upper House is undemocratic and unrepresentative. A reformed Seanad could serve our democracy well and act as an important check-and-balance mechanism with regard to the Dáil, which is dominated by the political parties. The people decided this; that was their real intent in retaining the Seanad. They did not vote to keep it as it is; they opted for real change. The people decided that there is a place for a democratic second Chamber in Irish politics, but they want to ensure that the representatives who serve in it will be elected by citizens, including those who live in the Six Counties and members of the diaspora. The Government is more than happy to use that diaspora for financial gain, investment, etc., but its members are not considered worthy of a vote. That is unacceptable. The Seanad should be an elected forum representative of the people and civic society, particularly those not adequately represented in the Dáil and the more marginalised sections of our community. I urge the Government to live up to its promises and reform the Seanad.

Deputy Aengus Ó Snodaigh: Is ceist rí-thabhtach í ceist an tSeanaid agus conas é a leasú. Sin an méid atá ós ár gcomhair anois i ndiaidh toradh an reifrinn anuraidh nuair a dúirt pobal na hÉireann linn nach raibh siad ag iarraidh fáil réidh leis agus, as sin, go bhfuil siad sásta glacadh leis. Ní dúirt siad, áfach, go raibh siad sásta glacadh leis an tSeanad mar atá sé. Is léir é sin d'aon duine a bhí gafa leis an díospóireacht faoin Seanad ag an am agus ó shin. Iarradh leasú a dhéanamh air. Iarradh déanamh cinnte nach áit é do elites na hÉireann agus nach áit é ina déantar macasamhail ar cad tá ag tarlú sa seomra seo, seomra atá bunaithe go huile is go hiomlán ar pháirtithe polaitiúla. Ón díospóireacht a bhí agamsa le mo theaghlach féin, is léir domsa go raibh siadsan ag lorg dearcadh difriúil a bheith ar fáil sa Seanad agus go mbeadh guth ag pobal na hÉireann sa Seanad trí bealach difriúil, bealach gan páirtithe polaitiúla. Bhí siad ag díriú ar an mbunfis a bhí ann nuair a bunaíodh an Seanad. Is é sin guth a bheith ag dreamanna difriúla agus spéiseanna difriúla á léiriú sa Seanad agus é seo á dhéanamh tríd na daoine a thoghtar nó iad siúd a ainmnítear don Seanad. Ar deireadh thiar thall, go léirítear leasanna oibritheoirí ann. Sin an fáth go bhfuil na painéil ann, ins go mbeadh daoine ag teacht ó na ceardchumann ach go háirithe. Mar an gcéanna leis an bpainéal talamhaíochta, go thoghtar daoine le cúlra sa talam-

haíocht ann. Ní raibh sé i gceist go toghtar polaiteoirí a bhí tar éis seasamh i dtoghchán agus a teip orthu nó iad siúd ag pleanáil dul ar phinsin. Is iad daoine atá gafa leis na ceird, leis an ngnó agus gach rud a bhaineann leis an dtalamhaíocht a toghtar. Sa tslí sin, bheadh na daoine san sa Seanad ag cur trasna na príomh-ceisteanna agus na príomh-ábhair maidir le talamhaíocht, cultúr, na healaín agus na toghlaigh eile atá ann. Níl sé sin tar éis tarlú. Fáth amháin ar sin ná an athrú a rinneadh ar an tslí ina toghtar daoine don Seanad i rith réimis Fhianna Fáil. Athrú ab ea é sin chun déanamh cinnte de go mbeadh tromlach ag an Rialtas i gcónaí nó ar a laghad go ndéanfar iarracht an tromlach sin a bheith acu trí ainmniúchán aon duine déag an Thaoisigh. Tá sé scanallach nach bhfuil an fis sin ann, go bhfuilimid sa chruachás ina bhfuilimid agus nach bhfuil meas ceart ag an bpobal air. An fáth nach bhfuil meas ceart air ná an bealach ina bhfuil na Seanadóirí tofa. Níl vóta ag gnáthpobal na tíre seo ar na daoine atá ag déanamh cinntí ar a son sa Seanad. Ba chóir leathnú ollmhór a dhéanamh ar an toghcheantar. Ní chóir vóta a bheith ag elites ar nós céimithe ollscoileanna áirithe, muide sa Dáil nó iadsan sna comhairlí contaetha amháin. Ba chóir toghchán a bheith ar an lá ceanna céanna le toghchán na Dála ionas go mbeadh daoine ag seasamh don Seanad ag seasamh ós comhair an phobail agus go mbeadh siad tofa dá réir. Chomh maith le san, ba chóir vóta a bheith ag gach uile saoránach Éireannach. Ansan, ní bheadh an Seanad ag díriú ar cheisteanna maidir leis an Stát amháin. Bheadh díriú ar saoránaigh na hÉireann atá scaipthe ar fud an domhain. Bheadh iarrthóirí ann agus iad ag seasamh ar an ardán sin chomh maith céanna. Tá botún déanta ag an Rialtas seo mar dúradh go mbeadh leasú agus athruithe ann maidir le polaitíocht sa Stát. Ba chóir don Taoiseach, nuair a bhí an deis aige, an cheist seo a chur fé bhráid an choinbhinsiúin ar an mBunreacht seachas reifreann a bheith againn. Ghlac mé páirt i bpróiseas an choinbhinsiúin. Árdáidh an-chuid ábhair spéisiúla agus athruithe bunúsacha ag an gcoinbhinsiún. Bheimid in ann na rudaí sin a dhéanamh ach níor thug an Taoiseach an deis sin dúinn. Sin an botún is mó a rinneadh. Má tá an Taoiseach chun coinbhinsiún nua a bhunú, b'fhéidir ansan an áit cheart chun deaileáil leis an gceist seo. Níl sé tar éis deileáil leis na ceisteanna eile ón gcoinbhinsiún ar an mBunreacht go dtí seo ná go hiomlán. Níl aon reifreann feicthe againn go dtí seo ar na hábhair a aimsíodh ann. Tá jab mór roimh an Rialtas deaileáil leis an gcoinbhinsiún féin agus deaileáil leis na leasuithe ar chóir a dhéanamh maidir leis an tSeanad amach anseo.

Acting Chairman (Deputy Derek Keating): The next speaker on the list is Deputy Ferris who is not present; therefore, we will bring forward Deputy Seán Crowe.

Deputy Seán Crowe: Some words and expressions will probably be reflected in all of the speeches made today. We will hear words and expressions such as “inclusive”, “not being exclusive”, “expanding the franchise and making it more representative”, as well as “reform”, “improve” and “make better”. In all of the speeches made on the motion today Members will be talking in these terms.

This time last year the people voted in a referendum on the abolition of the Seanad. Many of us sought a third option - root and branch reform - but the Government rejected this and only allowed a “Yes” or “No” response to abolition. The people have spoken clearly on the matter and a clear majority voted in favour of retaining the Seanad, but a significant demand for reform was obvious. Subsequently, the Taoiseach and other leaders in the country spoke in a way that reflected this demand.

It is no reflection on the current Members of the Seanad to say it is clear that the Seanad in its current form is elitist, undemocratic and unacceptable as an institution. It seeks to emulate the role of the equally elitist House of Lords in Britain. This was clearly seen in the latest Seanad election, in which the only people who had a vote were Members of the Oireachtas. This

followed the recent controversy of a Member being elected to the European Parliament. This is sending the wrong message. Irish people are angry with politicians and the political system. Many believe their voice is not adequately heard or represented in these Houses and this reflects on all of us. Who could blame them, when 60 Members of one of the Houses are elected only by politicians, certain university graduates or else nominated directly by the Taoiseach?

The Government needs to engage immediately with all parties and groups within the Oireachtas, as well as broader civil society, to consider how best to reform the Seanad to ensure it will become a fully inclusive, representative and accountable institution. Power needs to be given back to the people by establishing direct elections. This is a chance for the Parliament to truly reflect Irish society and its interests. There should be permanent representation for Northern and diaspora citizens. The Government pays lip service to reform and is refusing to live up to its responsibility under the Constitutional Convention, a matter to which my colleague has adverted. It made public its response to the convention which had voted in favour of extending presidential election voting rights to Northern citizens and the diaspora. Citizens living overseas and in the North can vote for Seanad Members but only if they have graduated from one of the National University of Ireland colleges or Trinity College Dublin. Not only do we discriminate against citizens on the basis of whether they have a third level education but the same applies to the diaspora. Proactive and positive measures could be introduced to ensure 50% of Members were women and that marginalised and minority groups within Irish society would have permanent representation.

It has been one year since the referendum and the people have spoken. Now we have an opportunity to ensure the Seanad will be a more inclusive place and more reflective and truly representative of Irish society. It could be a place where the excesses of government could be tackled and unjust or regressive legislation scrutinised and challenged. The longer this is delayed, the deeper the political mistrust and political apathy will be. We can all agree that this is something none of us wants to see. In recent elections we have seen a drop in turnout. Recently in Dublin South-West in one polling station there was a turnout of 20%. The people are sending a message not only to the political parties but also to the political system. They are dissatisfied. One could suggest it was only a by-election and that people had far more important things to do, but the trend is moving in that direction, which is a reflection on all of us. This House and the Seanad need to reflect more fully the concerns of Irish society. The Sinn Féin motion is putting forward the view that opening up the franchise and being more representative and inclusive should help to stop that trend. I hope it would work. I also hope the Government is listening to this debate and that we will see some reform and change coming down the path.

Acting Chairman (Deputy Derek Keating): The final ten minutes of Sinn Féin's time is to be divided among members of the Technical Group - Deputy Tom Fleming, Deputy Michael Fitzmaurice and Deputy Stephen S. Donnelly.

Deputy Tom Fleming: It is now over 12 months since the referendum on the abolition of the Seanad. We had a raft of promises following that exercise, including one to carry out an urgent review of the workings of the Seanad, but it has been quickly forgotten about. It has been put to bed and nothing has changed, this after 75 years during which there were ten separate reviews and reports on the Seanad.

The need for reform is evidenced by the state of the economy and its mismanagement in the so-called boom years of the Celtic tiger. At the time inadequate policies were not adequately challenged by the Opposition which was equally deficient under the current system. A Gov-

ernment Deputy subject to the Whip is like a cowboy without a gun; he or she cannot hold the Government to account. This is the result of the culture of clientelism, of which all Deputies are well aware. It is what we live by. It is historical and a major factor in the retention of our seats. By and large, we are all absorbed in this business rather than prioritising legislation on national policy. For all Deputies, it is a matter of survival, with time spent on more mundane matters. Constituency matters are a priority for the survival process. That is the world in which we live. We are not giving the required time to the studious examination of policies, legislation and so forth. Members of the Seanad can give the time that is required within that forum.

There are practical and meaningful reforms whereby effective legislation could be achieved without resorting to further referenda. People sent a clear message at the ballot box last October. They clearly signalled that they wanted the Seanad reformed for the purpose of being a watchdog and a safety net, to avoid consequences such as those with which we are now faced in the case of Irish Water. That legislation was rammed through the Oireachtas prior to last Christmas and we are now experiencing the fall-out from that. It has been described by the former Minister of State, Deputy Fergus O'Dowd, as an unmitigated disaster. We have all seen the debacle that has occurred since then.

People are becoming more informed about politics in this technological age. They are becoming more sophisticated. They are much more aware of politics than we think. They are seeking more scrutiny of legislation and of the work of the Oireachtas. The Seanad is the ideal forum to ensure that due time is given to the process. Many things can be done. It has been suggested that the work of the Seanad can be improved immediately within the existing constitutional framework by giving it a greater role in matters such as EU legislative scrutiny and North-South co-operation. There is also the report of the Commission for the Economic Development of Rural Areas, CEDRA, under Pat Spillane, which appears to be lying idle. We have not seen any discussion of it. It is very important to the future of rural areas and it is a matter that should be referred to the Seanad immediately. The Seanad could liaise with Ministers and Ministers of State about all aspects of the report.

Deputy Michael Fitzmaurice: Everybody in the country knows that politics is in difficulty. There is a great deal of apathy among the public and regardless of whether one is a party member or otherwise, when one knocks on doors one encounters a feeling of frustration. Politics must be done in a new way. The first opportunity for that is in the Seanad.

In the past ten or 15 years we have seen a large amount of EU legislation introduced in this country, and in my experience at different committees it is discussed with any other business. However, we must scrutinise it. We must go through it and ensure that what is being introduced is good for our people in all parts of Ireland and does not threaten their very existence. This is one function for which the Seanad could be used effectively.

With regard to the composition of the Seanad, I believe its Members should seek election in the same way as elections are held throughout the country, even if it is one person from each constituency. I also believe it should give the opportunity to business leaders, leaders in agriculture, social organisations, diaspora and all the different bodies among the public to provide an independent voice for them that will be heard. If one listens to what is being said on the ground, one can act on it.

Not only the Seanad, but this House and politics in general must change. I have a suggestion. Many good Ministers are appointed but when they take office they face a brick wall. The

top three layers of the Civil Service should be in place as acting staff, like an acting county manager, for the term of a Government. When that Government's term finishes, they should return to their original positions. We must bring in a new type of vibrant person, with new ideas, when Ministers are appointed. One cannot keep playing the same song, one must change. In particular, one must give youth a chance in the Civil Service. We must bring them forward and give them the opportunity. They can make mistakes, but give everybody a chance. One learns from mistakes. That is necessary in order that Ministers can bring forward more policies in the future.

Deputy Stephen S. Donnelly: I thank Sinn Féin for sharing its time and I compliment it on this motion. Last October, when the people refused the Government's call to abolish the Seanad, the Taoiseach said, "I am up for engaging with leaders in the Dáil and the Seanad and we will see what is the best way of putting in place a process that will lead to a more effective Seanad." To date, no reform has occurred. The rules are the same as they were and the culture has become a great deal worse.

I have in my hand a nomination paper for use by Members of the Oireachtas at Seanad by-elections. It states, "I, the undersigned, being a Member of the Oireachtas, declare that the said person is qualified for the said panel by reason of the qualifications hereinafter set forth." The qualifications listed for John McNulty in this case were businessman and board member of the Irish Museum of Modern Art. In this case the undersigned Member of the Oireachtas is the Taoiseach. Those were the Taoiseach's words and it is the Taoiseach's signature on this paper. In any other country a prime minister, president or chancellor would immediately resign if it was discovered that the said person had just been appointed to that board.

As a voter in this by-election and a Member of the Irish Parliament, when the ballot paper came through my letter box I felt I was being deliberately and cynically misled. What happens here is we are given the message that this is just business as usual. A total of 84 Members of the Oireachtas still voted for the candidate. There is no reform here.

Pat Leahy said recently that one can judge the sincerity of real political reform in Ireland by whether it devolves power and decision making. Deputy Eoghan Murphy of Fine Gael proposed that the whip system be relaxed at times, but the Taoiseach said this could not be done because it would undermine international confidence, as international investors might think the Government could collapse at any time. Let us think about this. The Taoiseach is saying that elected Members of this Parliament should not be allowed to think for themselves because foreign investors might stop buying our golf courses. That is the reason government Deputies are not allowed to think for themselves on any vote. The only thing the Government is thinking of reforming in the Seanad is the election of the six Independent Senators. What a shock.

The motion before the House is very similar to the Seanad Reform Bill proposed by Senators Zappone and Quinn. The Bill would give emigrant Irish citizens the right to vote in the Seanad elections. It would require gender balance in the Seanad and would extend the elections for the university panels. It would allow candidates to appear on the ballot paper as a result of public nomination and would allow the public, via petition, to put matters before the Seanad for debate. It would give the Seanad powers to scrutinise ministerial appointments to public bodies. This is how reform sounds and looks. The only question is whether this Government has any intention or ability to achieve any of that. I think not.

Minister for the Environment, Community and Local Government (Deputy Alan Kel-

ly): I move amendment No. 2:

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

“welcomes the fact that:

— through the Leader of the Seanad, the Government has presented a package of reforms to the Seanad Committee on Procedure and Privileges to improve the operation and effectiveness of the Seanad; and

— the Department of the Environment, Community and Local Government published earlier this year, for public consultation, the general scheme of a Bill to give effect to the 1979 amendment of the Constitution allowing the State to extend the provisions for the election of members of the Seanad by certain universities to other institutions of higher education in the State and that the Bill is expected to be published next year.”

Before setting out in detail what the Government has done on these and other initiatives, I will address the motion as presented. While some aspects of the motion are worthy in principle, part of it is inaccurate and many other aspects lack the substance required to make them workable. It would have been much better if they had been given more thought and greater detail had been provided. Other parts of the motion appear to be unfeasible without further constitutional amendments by means of referendums. We have before the House a wish list, albeit one which includes some worthy objectives. The motion does not have regard to whether the proposals contained therein could or should be implemented in some cases. These proposals raise policy and constitutional issues that have not been properly addressed in the text.

Citizens made their decision on the future of the Seanad in October 2013. Their decision was clear and all Members of the Oireachtas fully accepted it. Some Deputies, including me and the Minister of State seated beside me, Deputy Paudie Coffey, have had the honour of being elected to Seanad Éireann. When I appeared in the Seanad in the first week following my appointment as Minister for the Environment, Community and Local Government I made it clear that I hold the Upper House in high regard. I am committed to seeing the House play a full and effective role in our democratic system and while I am also committed to Seanad reform, I will not agree to the proposals before us as they cannot be delivered. I must be realistic.

While the Government does not support the motion as presented, this debate presents the House with an important opportunity to discuss the future role of the Seanad. It is equally important that proposals for reform are credible, substantial and detailed and have the potential to be effective. We must know how a policy proposal can be implemented in practice and how much it will cost. This is the approach adopted by the Government. Notwithstanding a number of worthy elements in its motion, Sinn Féin has taken the opposite approach.

The motion comprises two parts, the first of which sets out a commentary while the second consists of a list proposals set out in bullet point format. The opening paragraph makes a series of rhetorical points, with reference to commitments made by the Taoiseach in October 2013. Following the referendum, the Taoiseach addressed the Seanad on 23 October 2013. On that occasion, he invited ideas and proposals on reform. The Sinn Féin motion as framed does not reflect the content or tenor of the Taoiseach’s comments at the time. I believe he is being misrepresented and I urge Sinn Féin Deputies to read the statement he made in the Seanad. At that time, the Government made a commitment to listen to the views of all parties and groups on the reform of the Seanad and to legislate and reform the Seanad university constituencies.

We have made progress on both counts in the past 12 months, as reflected in the amendment I have proposed.

The motion calls on the Government to engage with all parties and groups as well as wider civic society. This process has been ongoing for the past year. As Deputies will be aware, the Taoiseach and the then Tánaiste, Deputy Gilmore, met the leaders of the different parties and groupings in the Dáil and Seanad in December 2013 to elicit their views on what areas of the Seanad should be reformed and how we should proceed to develop and implement appropriate reform proposals. These meetings produced a very good discussion with all parties and groups, and all of those present were given an opportunity to express their views, which have been taken on board. It was agreed that a number of operational and procedural reforms could be implemented quickly by amending Seanad Standing Orders. It was also agreed that the parties and groupings in both Houses, including the Government, through the Leader of the Seanad, could submit their proposals for reform to the Seanad Committee on Procedure and Privileges. It would then be a matter for the committee to consider the proposals. Arising from this, the Government, through the Leader of the Seanad, presented a package of Government proposals on Seanad reform to the committee in the first half of 2014. I will elaborate on these proposals in more detail presently.

It is clear that a good deal of debate on Seanad reform has taken place in both Houses of the Oireachtas. I have personally engaged in some of it. In the past year alone, three Private Members' Bills have been introduced on Seanad electoral reform, and the Government's general scheme on the revision of the university constituencies has been debated. The observations made by Members of the Oireachtas and submissions received from stakeholders and members of the public as part of the consultation process on the general scheme are informing the further development of this draft legislation as we speak. There has been no shortage of consultation and engagement. Moreover, the Government has taken a lead in presenting its proposals for operational, procedural and legislative change.

The motion calls for the introduction of direct elections by way of universal franchise for all Irish citizens. Whatever the merits of this proposal as an idea, it needs to be acknowledged that when the Constitution was framed, provision was not made for elections to the Seanad by universal franchise. If this had been the intention, the constitutional provisions on the election of Members of Seanad Éireann would have mirrored those of the elections of this House. That was not the case and we must deal with this fact. The Constitution stipulates that Members of the Seanad are elected by secret postal ballot. This cannot be changed without holding a further constitutional referendum. The consequence of this provision and of not amending it are sometimes overlooked when Seanad reform is addressed. This is not the first time I have made this point. Arising from this constitutional requirement, ballot papers are issued to voters by registered post. The Sinn Féin proposal does not address how a universal franchise would be implemented and how exactly a secret postal ballot on this grand scale would be conducted. Perhaps a further referendum is also envisaged to change this provision. My general point in this regard is that Sinn Féin must spell out its proposals in much greater detail.

It is also important to point out the cost of running a Seanad election with a universal franchise. Without a referendum to amend or remove the postal ballot provision in the Constitution, these costs could be significant. Based on 2014 postage rates, it would cost €6 to send each ballot paper. This gives an indication of what it would cost to send a ballot paper by registered post to 3.1 million voters, the number currently entitled to vote in Dáil elections. This figure does not include voters from Northern Ireland or among the diaspora, whom the motion envis-

ages as being included in an extended franchise, nor does it include the cost of administering the election, counting the votes or a number of other processes.

Apart from the cost of administering the elections, there is the matter of how candidates might fund a campaign on such a scale, as not all of them have deep pockets. These are important considerations when contemplating the introduction, without further constitutional amendment, of a universal franchise for the election of Members of the Seanad.

The motion calls for the introduction of Northern and diaspora representation in the Seanad but does not specify how this might be done. I note the recent Sinn Féin policy document on the role of the diaspora, which also includes this proposal, is similarly lacking in detail. Leaving aside the desirability of having representation of the diaspora in the Seanad, there is a question as to whether this could be done within the parameters set down by the Constitution. The Constitution provides for the nomination by the Taoiseach of 11 members of the Seanad and the election of six members by the National University of Ireland, the University of Dublin, namely, Trinity College Dublin, and what are referred to as “other institutions of higher education in the State.” The constitution further provides for the election of 43 members from the five identified vocational panels of persons having knowledge and practical experience of what are termed the “interests and services” covered by the panels. Article 18.7.1° of the Constitution lists these panels as covering national language and culture, literature, art, education and such professional interests as may be defined by law for the purpose of this panel; agriculture and allied interests and fisheries; labour, whether organised or unorganised; industry and commerce, including banking and finance, accountancy, engineering and architecture; and public administration and social services, including voluntary social activities. While there is scope under Article 19 of the Constitution to vary the vocational panels by law, it cannot be assumed that a diaspora panel could be created with reference to this article. We need to see exactly what is being proposed and if another constitutional referendum is envisaged or required to give effect to the proposal, and it is likely it would be.

2 o'clock

The Sinn Féin motion calls for the introduction of 50% female Members in the Seanad. On the matter of gender balance in national politics the Government has led the way. We have legislated for gender balance in candidate selection at Dáil elections through the Electoral (Amendment) (Political Funding) Act 2012. Part 6 of this Act links the State funding of political parties to the achievement of a gender balance in candidate selection at all general elections.

In order to receive full State funding, a qualified political party will have to have at least 30% female candidates and at least 30% male candidates at the next general election. After seven years from the next general election this will rise to 40%. By any measure, this is far-reaching, radical and necessary legislation. It should be recalled that the matter of applying these gender balance provisions at Seanad elections was addressed during the passage of the legislation through the Houses. In fact the Bill that subsequently became the 2012 Act commenced in the Seanad where it was given a thorough examination by its Members.

State funding is provided under the Electoral Acts to qualifying political parties which contest general elections. Payments are based on the performance of the qualifying parties at general elections. There is no link between these payments and elections to Seanad Éireann, therefore the provisions in the 2012 legislation could not be applied to Seanad elections. Furthermore, the nomination process for Seanad elections is very different to that for Dáil elec-

tions. It would not be feasible to apply the gender balance provisions to a registered nominating body for the vocational panels, for example. Where a body has the right to nominate one candidate it would be impossible to achieve a gender balance with this one nomination. One is either male or female, I suppose.

It would similarly not be possible to enforce a gender balance requirement on an individual who nominates a university candidate. I am sure one can see the practical issues. Again, I would like to see how exactly the proposers of the motion plan to address these points without having a constitutional referendum to alter the composition of the Seanad. The same observation can be made on the proposal in the Sinn Féin motion to ensure the representation of marginalised minority groups within Irish society in the Seanad. There is no question but that broader representation in politics is a good idea and an important and worthy aim that we must all strive to achieve. The Houses of the Oireachtas should better reflect the composition of society. The issue is how this can be done in an effective and fair way that is compatible with the Constitution.

There are two types of approach which can be identified as a means to promote the participation by groups that are under-represented in political life. These are described as the mandatory opportunity measures and the mandatory outcome measures. The gender balance provision introduced by the Government is a mandatory opportunity measure. It incentivises political parties in the selection of candidates, in other words it provides opportunities. There is, of course, a sanction for non-compliance. This is what makes the incentive effective. A mandatory outcome measure involves seats being reserved in Parliament for certain groups. Mandatory outcome measures are considered to be particularly problematic in constitutional democracies, for obvious reasons.

There is a fundamental question of whether it would be feasible to introduce such a measure within the parameters currently set out for the election of Members of the Seanad in the Constitution. The question to be answered is how representation can be improved in an effective and fair way that is compatible with the Constitution. We need to acknowledge that the Government's track record on this point has been strong. It is widely acknowledged that the Taoiseach's nominees to the current Seanad have added to its diversity in a significant way. This was done without recourse to constitutional or legal change. In fact, the Constitution does not provide for the nomination process by the Taoiseach to be regulated by law. In contrast, the Constitution does provide for elections for the five panels and for the university constituencies to be conducted in a manner provided for in law.

The Government has shown itself to be imaginative and practical in advancing greater participation by women and other groups in national political life. This is in direct contrast to the motion before us which contains no specific proposals. The motion before the House implies that the Government has failed to put forward any proposals for reform of the Seanad. Of course, this is not the case and I am glad to put the record straight for the benefit of the Deputies who have tabled today's motion.

I mentioned that the Government has submitted proposals for operational and procedural reforms in the Seanad. While the implementation of these proposals is a matter for the Seanad Committee on Procedure and Privileges, it is useful to recall what the package contained. The proposals focused on the legislative and vocational roles of the Seanad, while also acknowledging its role in EU scrutiny, which is particularly important. The proposals also suggest ways in which the Seanad can engage with Government, within the parameters of the Constitution, as

well as work jointly with the Dáil through the Oireachtas committee system.

On its legislative role, the package proposed that the Seanad should be involved in the legislative process at an early stage. It should play a key role in improving legislative proposals before enactment. The package said the Government would initiate more Bills in the Seanad, especially ones that deal with interests and topics on which the Seanad vocational panels are based. It also proposed that the Seanad will have a role in the new pre-legislation stage for non-emergency Bills. Oireachtas committees that have carried out pre-legislative reviews of heads of Bills would provide copies of their recommendations to both the relevant Minister and the Seanad. The Seanad will then be able to ask the committee Chair to appear before it to discuss the committee's findings and can subsequently submit its own recommendations to the Minister. This process of course would have to include an appropriate deadline so as not to delay unnecessarily the introduction of the Bill. The package put forward by the Government also proposed that the Committee Stage of non-emergency Bills of a detailed or technical nature will be restructured, to allow better consideration of Seanad amendments, which I welcome. The Government also proposed that more Seanad time be given for Private Members' Bills.

In regard to the Seanad's vocational role, innovations such as the Seanad Public Consultation Committee have enabled the Seanad to develop its work in this area. The Government supports the continued enhancement and development of the Seanad's vocational role within the existing constitutional framework. The Seanad should also review and debate reports of public bodies covering matters related to the vocational areas on which the Seanad electoral panels are based. The Government proposed that the Upper House would play a more enhanced role in North-South relations. The Seanad should review the work of the North-South Ministerial Councils and the British-Irish Council, and Ministers should make statements to the Seanad after attending such meetings. It was proposed that the Seanad should review the work of the North-South Implementation Bodies and continue to engage with minority and other special interest groups from both North and South.

The Seanad should continue to invite high-profile individuals to address the House, as well as develop other initiatives, such as the Young Senators Initiative to enhance its parliamentary and democratic role. In terms of the Seanad's engagement with the Government, it must of course be recognised that the Government is responsible to the Dáil under Article 28 of the Constitution. However, it is appropriate that the Seanad should engage with the Government of the day in regard to policy matters within the parameters of the Constitution. The package proposed, therefore, that the Government would outline its annual priorities to the Seanad in the same week that it outlines them to the Dáil.

It also proposed that the Seanad should consider the reports of Oireachtas joint committees and, if it wishes, make recommendations to the relevant Minister. The Houses of the Oireachtas jointly scrutinise EU legislative proposals and much of the detailed work on this is done through joint committees, which are best placed to undertake this task. However, the Seanad can provide a high-profile forum for public debate on the work of the joint committees, and on EU matters in general. This is something I have advocated for many years since I was in the Seanad.

The Government is proposing that the Seanad should review the reports of joint committees on EU policy proposals and also that it should debate motions for reasoned opinions from committees on compliance with subsidiarity, the so-called yellow card motions. In 2013 two such motions were passed by each House, without debate in either House. The Government also

proposed that the Seanad should debate the European Commission's annual work programme.

The Government believes it is important that the sittings of joint committees, the Dáil and the Seanad should be organised in a way that enables members to attend to their duties in their respective Houses and in the committees. The Government package therefore proposes the rescheduling of Seanad business to accommodate this. The Government proposals recommend that the Adjournment debates be replaced by commencement debates, to take place before the Order of Business. This will allow Senators to raise issues in a more high-profile time slot.

The Order of Business and Leaders' Questions in the Dáil have already been rescheduled to take place between noon and 1 p.m. on Wednesdays and Thursdays.

Rescheduling the Seanad Order of Business to take place at the same time would mean that Oireachtas committee meetings could be held between 9 a.m. and 12 noon and after 1 p.m. on those days. This would improve the running of both Oireachtas committees and the Houses. These reforms can be implemented within the existing constitutional framework and without the need for legislation.

I understand that some people have also submitted proposals for operational reform to the Seanad Committee on Procedure and Privileges and that these are under consideration by that committee. We look forward to early implementation of proposals for practical and workable reform of the Seanad. The motion before the House sets out a series of statements and a list of issues. The real challenge is not to identify problems that we all know exist, but to come up with solutions. On this count, the Government has a strong record, not just in regard to the Seanad but in regard to political reform in general.

Since taking office in 2011, the Government has introduced radical and significant reforms to the financing of the political system. I have already mentioned the Electoral (Amendment) (Political Funding) Act 2012, which contains the provisions on gender balance. This Act also brought into force restrictions on corporate donations and considerable reductions in the maximum amount that a political party or an individual can accept as a political donation. In implementing recommendations from the Mahon and Moriarty tribunals, it demonstrated the seriousness of the Government in learning lessons from our difficult past.

In 2010, the Council of Europe Group of States Against Corruption, known as GRECO, published a report on political party funding in Ireland. It identified particular problem areas and made recommendations to address these. In December 2013 a final report on the implementation of the recommendations made by GRECO was published. This report recognised that the regulation and transparency of political funding in Ireland had greatly improved. To quote directly from the report: "Ireland has engaged in a reform process by which virtually all concerns raised by GRECO have been taken on board." This is not a case of the Government blowing its own trumpet. These are the comments and considered judgments of a respected international body.

A number of other political reform measures have also been introduced. The Government legislated for a reduction in the number of Deputies, which will result in the number of Deputies falling from 166 to 158 at the next general election. We provided that the writ for a Dáil by-election must now be issued within six months of the vacancy occurring. As Deputies are aware, during the lifetime of the previous Dáil, there were significant delays in calling by-elections. The result of this measure was clear for all to see last week, when vacancies that arose

from the European Parliament elections in late May were filled. The spending limit for candidates at a presidential election was reduced from €1.3 million to €750,000. Reimbursement payments to candidates were also reduced. The spending limits for the 2014 local elections were reduced across the board and the legal provision restricting a person who is bankrupt from being a member of, or standing for election to, the Dáil or European Parliament was repealed by legislation enacted in the past year.

The Government has taken a proactive approach to reform and the system for regulating politics in this country has been transformed. However, there is further work to do, not only on Seanad reform, but on the administration of our electoral system. Hence, the statement of Government priorities published in July of this year states: “Preparatory work for the establishment of an Electoral Commission is being advanced with a view to bringing forward legislation for the establishment of such a Commission in early 2015.” This will involve detailed and considered work. Issues for consideration include: international best practice; the commission’s structure and functions; whom it reports to; its relationship with other bodies currently involved in electoral administration; and the approach to be followed in regard to the extensive legislation that will be required, as well as practical matters including staffing and funding arrangements.

The statement of Government priorities also provides for the enactment of the Seanad Electoral (University Members) (Amendment) Bill. I mentioned already that the general scheme of the Bill was published earlier this year for consultation. It provides for a six-seat constituency for institutions of higher education; for all holders of a qualification of ordinary degree level or equivalent to be entitled to register to vote in the constituency; for every voter to have only one vote in the constituency, no matter how many qualifications he or she holds; for an updated nomination process; and for new arrangements for the filling of casual vacancies, to be modelled on the replacement candidate provisions for European Parliament elections.

The general scheme was presented in the Seanad for discussion in March 2014 and a total of 22 submissions were received as part of the public consultation process. A technical working group was set up to examine and make observations on operational matters, including the register of electors, the administration of elections and costs arising. To date, the group has met on four occasions and good progress has been made in developing the Bill further. I look forward to its enactment. I believe this approach represents a good and effective way of dealing with legislation. We have consulted widely and brought key stakeholders around the same table. The observations of Members of the Seanad, the input from the technical working group, and the issues raised in the consultation process are now informing the further development of the general scheme. I look forward to coming before this House to debate the Bill in the near future.

This Private Members’ motion criticises the Government for not delivering on its commitments. However, the Government has been delivering on what it said it would do. This is evident not only in regard to the Seanad, but also on fundamental political reform generally. The Government has brought about real and lasting change. For the reasons outlined earlier, it makes sense to enhance the way the Seanad operates within the current constitutional and legislative frameworks. The Government has put forward a package of proposals designed to achieve this outcome and I look forward to the endorsement of these proposals by the Seanad Committee on Procedure and Privileges.

All sides of the House should get on with the process of reforming the Seanad. Unlike the various reports and recommendations on Seanad reform since 1937 that remained on the shelf,

this time there will be action. We need to see reform that is implemented appropriately. Reform will largely depend on the Members of the Seanad working closely to develop reforms and working with the Government towards implementing these reforms. I believe we can all work together to bring Seanad Éireann into the 21st century and I am committed to doing that.

It is good that we are having this debate today, but the motion before us leaves us with more questions than answers. It raises expectations, but lacks the substance to back them up. It does not stand up to detailed scrutiny, particularly in regard to constitutional requirements. The Government cannot agree to the motion in its present form and that is why we are moving our amendment. I thank our colleagues for putting forward this motion.

Deputy Barry Cowen: I thank my colleagues in Sinn Féin for introducing this motion, which is timely, as it is almost 12 months since the referendum which sought to amend the Constitution and abolish the Seanad, a referendum supported by Fine Gael, the Labour Party and Sinn Féin. We have put forward amendments to the motion and I urge the Government to consider those amendments seriously.

It is interesting to hear the Minister talk about the commitment to reform politics and the Seanad and to hear him talk about reports by various committees and groupings within the Houses in the intervening period. However, all of that counts for nothing since the Government proposal in regard to the amendment to the Constitution was defeated. The hollow talk of reform in the meantime beggars belief. Despite the fact that the Taoiseach got a “wallop” from the electorate on that issue, it seems the wallop was not sufficient for him to come forward with real and meaningful proposals to address the way people voted on that occasion or the way they rejected outright the effort to grab power on the part of the Government by attempting to abolish Seanad Éireann. The only proposal put forward by the Taoiseach after that failed bid falls far short of what is really needed. Simply pandering to university graduates, as much as they are entitled to vote, is not what the people would have expected, considering the wallop they gave him.

The Minister talked about political reform, new politics and the democratic revolution evident in himself and his colleagues since taking office. Unfortunately, this is against a backdrop of a serious failure by the Government to introduce real political reform across the board as regards how we do politics. The Government’s record has been a smokescreen, with changes making for a greater centralisation of power in fewer and fewer hands. In Dáil Éireann, for example, the Government has completely broken its promises of new politics, which is a damning indictment of its stated intention to bring about reform. The record will show that it continues to systematically break the pledge in the programme for Government that it would not guillotine the debates on Bills. The debates on some 63% of all legislation which has passed through this Dáil to date have been guillotined. Nowhere is this more obvious and more pertinent than when one considers the guillotining last December of the debate on the legislation that was rammed through the House to give effect to the setting up of Irish Water and how we have suffered as a result of that direction from the Government. As the Minister’s colleague, Deputy Fergus O’Dowd, said recently, that whole sorry process has proved to be nothing short of an “unmitigated disaster”.

It is not only backbenchers who now see the folly and realise they should not have taken the direction that was foisted on them last December, when they were denied the opportunity, as we were, to properly and adequately scrutinise the legislation before the House and the implications of what was contained within it. We now wonder why it is there are so many outstanding

questions that cannot be answered by Irish Water. We wonder how the Taoiseach, the Tánaiste and the Ministers for the Environment, Community and Local Government, past and present, can try to deflect the obvious and say there is a communications issue within Irish Water in not selling its message to the people. These four people and their colleagues in government, as well as backbenchers, are the very ones who walked through the lobbies but who had failed to adequately and effectively question and scrutinise the legislation. They might have had the opportunity, as many others would have had, to allow us to improve on it and not to leave us in the predicament we are in today.

That is the sum total in just one case in respect of the new politics, the democratic revolution, the new way of doing business and allowing committees to play a greater role in how politics is done and how government can become more effective. I am a member of the environment committee, as was the Minister of State, Deputy Paudie Coffey. We have sought in the past two or three months to have the officials and executives of Irish Water come before the committee but to no avail. Despite this, I picked up the newspaper this morning to read that they were with the Labour Party last week and Fine Gael two weeks previously. Even having had these executives before them, however, they could not extract the information that bonuses were being paid. The Taoiseach said the opposite on 7 October. That is the reform we have had under the Government in how we do politics, how legislation is scrutinised and how Members who are representatives of the public and have the privilege to scrutinise legislation are not being allowed to do so.

The Government has failed to implement its programme for Government commitment to allow a period of two weeks between Bill Stages in the case of 78% of the Bills that have been brought forward. The Topical Issues debate has been completely undermined by the failure of relevant Ministers to turn up, which has proven to be the case in 40% of cases. As we all know, the Friday sitting is a farce and mere window-dressing to bolster the number of sitting days, without any real debate and votes being allowed on the day on which Bills or motions are brought forward. The Government continues to engage in cronyism in State board appointments, ignoring the open public process it promised to introduce. It cannot hide behind the facts which in that instance are that just one in five appointments has been made through the public process, to which the recent controversy bears testament. The recent raft of Dáil measures taken without consultation will, in reality, disempower the Opposition and give more time to the Government for back-slapping by its own backbenchers who only now, 12 months on, realise the folly of their actions in the case of Irish Water.

It is time for real and meaningful reform. It is time to wake up and face the reality of the result of the referendum last October. We are committed to finding common ground in developing a consensual approach to reform of the Upper House. We have had the Democracy Matters proposals, while Senators Feargal Quinn and Katherine Zappone, as well as Senator John Crown, have put forward separate Bills on how to revamp Seanad Éireann. It is imperative, at this late stage, that the Government use this as the starting point for introducing genuine reform, not just the severely restricted Bill it has published on broadening university graduate voting rights. Reform must encompass a broader approach to all tiers of the State in order to reshape the structure of politics to make it fit for purpose in the 21st century. As I said, we have published detailed documents on reforming the Dáil and the system of local government. This holistic reform is critical if we are to genuinely change how we do business.

In regard to the Seanad, I will read what we advocated during the course of the debate that led to the referendum result. I do this in the hope it will be taken seriously and that the Gov-

ernment might take seriously its own responsibility, having lost its wish to grab power and take it from the Seanad. We propose that the seats of Taoiseach's nominees be set aside for minority groups and that the vote on the university seats should be open to all third level graduates. There should be 43 vocational seats, the vote on which should be opened up to the entire electorate, not just councillors, thereby enabling the people to have a strong voice. We should broaden the electorate, even from that base, to encompass the diaspora and Irish citizens living in the North of Ireland.

We have said any group of 500 citizens should be allowed to make nominations to be a candidate for the Seanad. Obviously, there should be spending limits for elections, along the same lines as those in place for all other elections. In the case of nominations for replacements, they should be filled by the next unelected candidate in the original count, not just the person selected by the Government, as is currently the case.

We look for a gender quota system to be agreed between all parties and included in such proposals. Such a system would have our support.

The people's rejection of the ill-thought-out Seanad referendum that was supported by all other political parties underlines the need for new political reform by the Government which has continually failed to deliver on its promised package of holistic political reforms. Fianna Fáil published legislation that put forward a series of measures the Government could immediately implement to empower the Seanad and which would not require a referendum. They could be put in place in a legislative format. They would give all citizens a vote, which must be the foundation for any such reform, and broaden representation across minority groups, which is most important. An overhaul of the political system is needed if we are to tackle the problems in government. This is the time for real reform and the Government can start by engaging with proposals for change, the proposals put forward in the motion by Sinn Féin and the amendments proposed by Fianna Fáil, and beginning a process whereby it would take account of the wallop, the people's wishes and the fact that they did not want to abolish the Seanad. They wanted it to be reformed. The Government has failed to respond to this decision since, but it is never too late and I hope it will grasp the two main points that emanated from it - that the Seanad should act as a check on the Government's power and scrutinise national and EU legislation, as it should and must do. That is its primary role and what it should always be.

The Government must broaden representation to provide a voice for groups not heard in Dáil Éireann. Obviously, the electorate must be expanded to take in not only citizens living in the State but also those living in Northern Ireland, as well as the diaspora. Every effort should be made to accommodate this. I hope to see worthwhile proposals emanating from the Minister of State who has been given the responsibility to act as a conduit for this sector. I hope he can play a role in bringing forward effective legislation to take account of the people's wishes. It was their wish to use it rather than lose it and it is up to the Government, together with Fianna Fáil, other Opposition parties and the Independents, to bring forward legislation that will do what it says on the tin. We might then be able to allow the Government to use the mantra that it has created a democratic revolution in some shape or form because it has shut down democracy in respect of 63% of Bills that have passed through this House. As I said, nothing is more evident than that which became apparent through the debacle associated with the setting up of Irish Water and the accompanying legislation.

Acting Chairman (Deputy Olivia Mitchell): The next slot belongs to the Technical Group and the next speaker is Deputy Finian McGrath who I understand wishes to share time with

Deputy Catherine Murphy and Deputy Shane Ross. Is that agreed? Agreed.

Deputy Finian McGrath: Before I say my few words about Seanad reform, I want to use the opportunity to congratulate the Minister of State, Deputy Paudie Coffey, on his elevation to office and wish him well in the future.

The motion about reforming the Seanad is a very important one. I support it because it is very reasonable, sensible and inclusive, as most people on the island want reform and change. That is what we all voted for in the last general election.

Sadly, the Taoiseach and the Government seem to have nothing but contempt for the Seanad. Their mindset needs to change and this issue needs to be faced. They need to change. While the people voted to save the Seanad, they want to see it reformed. The Government needs to get this as a matter of urgency. I was one of those who campaigned to save the Seanad which at the time was not very popular, but we won the referendum. At all times, however, we emphasised the need for reform, accountability and an end to elitism and the undemocratic nature of elections. That was part of the debate, which nobody should forget. Doing nothing was never an option, which is why I welcome the motion, as it deals with the core issues and sets out clearly what needs to be done.

First, the citizens of the State rejected the Government's constitutional amendment to abolish the Seanad through their votes in the referendum in October 2013. That was a very important statement because it showed that a substantial sector of the electorate believed in democratic accountability and the need for a second Chamber. They also told us during the referendum that they wanted to get rid of any elitist or undemocratic system. They want to open and broaden it to include citizens of the State and the state next door. The political system should ensure the Seanad is a modern and effective second Chamber, something at which we must also look.

I strongly support the wording of the motion which calls on the Government to engage with all parties and groups in the Oireachtas and civic society. This includes many Independent Deputies and Senators who are making a fantastic contribution to this Oireachtas. They and the members of the Technical Group are putting forward policies that are inclusive and representative and, above all, demand accountability. That is the kind of reform for which we are looking.

There should be direct election by way of a universal franchise involving all Irish citizens. We then have the other issue, a very important one, namely, Northern representation. It is very important because there is a mindset in the State and the House that Ireland ends at Dundalk and that people "up there" do not have a right to be involved in politics on this part of the island. I ask those with this mindset to look at our history and that of their own parties. A divided Ireland was always a weakened Ireland. If we had a Seanad which represented all voices on the island, it would present an opportunity. I remember, in particular, the late Gordon Wilson and the massive contribution he made when he was nominated to the Seanad. He was one of the ones who kick-started the peace process. It is important to acknowledge that voices such as his need to be heard.

We also need to change the mindset of many elected Members, particularly many newly elected Members, who seem to believe Ireland comes to an end at Dundalk. That is an issue to which we should face up. With that mindset Members cannot come into the House and talk about Connolly, Tone and Collins. Ireland played Germany the other night and it was a fantastic result. I use the opportunity to congratulate the Irish team, particularly John O'Shea for

scoring an excellent goal.

Acting Chairman (Deputy Olivia Mitchell): The Deputy should not take his colleagues' time to do so.

Deputy Finian McGrath: He is a Waterford man also. The real point was missed that night. There were two Irish teams playing. Would it not be wonderful if there was one all-Ireland football team? Would we not have a stronger and united team composed of Catholics, Protestants and Dissenters? We should not run away from these issues because genuine sports fans would accept it.

I welcome the motion and commend Sinn Féin for bringing it before the House. I will be supporting it.

Deputy Catherine Murphy: Now that citizens have spoken and decided to retain the Seanad, it is essential that it be reformed. The recent by-election which had a total electorate of just 220 Deputies and Senators exposed how numerically limited the electorate was. I take the opportunity to congratulate Senator Gerard Craughwell on his election. Some of us signed his nomination papers because we believed there was a need for a contest. It should not have been just in the gift of the Taoiseach; it was cronyism that led to the downfall of the Government-nominated candidate.

There is a lot said about the university panels which comprise just six of the 60 Senators. Extending the franchise to the other universities is a relatively straightforward issue because at least there is a sizeable electorate on the university panels. It is less straightforward to deal with the 43 Senators currently elected by fewer than 1,000 people who happen to be councillors, Deputies or Senators, and the 11 Senators who are nominated by the Taoiseach. An inter-relationship between our political institutions and the diversity that could become a refreshing feature is suggested in the White Paper on local government, which concluded that there was a need for a regional tier of government. In the near future, we will be seeing a cobbled together regional tier, with most citizens unaware of its existence or purpose. They will have no direct role in electing its members because each city and county council will nominate two or three people, probably from the largest groupings.

We need to stop talking about balanced regional development and start to develop institutions that can deliver it. Balanced regional development includes not only the built environment but also the social, cultural and economic development of our regions. There is an opportunity for a small number of powerful regions to be directly elected, with direct links with the Seanad. Such linkages have made a great difference to the development of cities like Barcelona. The 43 Senators could play a role in the regional process in speciality areas such as culture and leisure; transport and planning; or industry and commerce, where they might be able to attract investment directly. The vocational nature of this work could develop a practical side to the Seanad.

Water services could have been delivered on a regional basis. Much has been made about the concentration of 43 local authorities into a unitary Irish Water but the pipes are still located in the local authority areas. The White Paper might have offered us a different way of managing this change by connecting our institutions. The Seanad could deliver that kind of change and I support the call in this motion to engage all parties and groups in the Oireachtas, as well as civil society. This must be seen as an opportunity to refresh and renew our institutions. The White Paper was drafted at the conclusion of a long process of consultation and contained a

considerable number of recommendations that could have been implemented. Political parties need to stop using the Seanad as a play thing because it discredits the institution and politics in general. Most of all, it is a wasted opportunity to renew it in a way that links it to balanced regional development and decentralising the country in a meaningful way.

Deputy Shane Ross: Last September, I joined Members from a cross-section of political parties in attending a meeting at Government Buildings which the Taoiseach had called in order to involve all parties in what he described as reform of the Seanad. That was a hopeful move and, as far as I recall, it was decided that our great reform movement would meet again in February. It is now October and nothing has happened. We were promised that there would be reform of the university seats but no legislation is pending. If that is the extent of the Government's commitment to Seanad reform, we can forget it. An enlarged university constituency has democratic appeal and I have no quarrel with it. However, it gives the impression of reforming elitist ways of electing people to the Seanad while leaving all the patronage in place.

There is a fanfare about the new reforms and radical measures to change semi-State bodies and patronage by the Government that are to be introduced on 1 November but the greatest haven of political patronage will be left untouched, at least until the next general election, and a system which is recognised by all parties and the electorate as rotten is being fastidiously preserved. As has been pointed out by other speakers, 11 Senators are directly nominated by the Taoiseach through naked patronage. That does not exclude the fact that some have turned out to be very independent, to the surprise of the Taoiseach of the day. The 43 Members who are the chosen proteges not just of the Taoiseach of the day but also the leaders of the other political parties will also survive. That system involves insiders electing insiders from the parties concerned. The party leadership and headquarters give the signal to the people in these Houses and to councillors on who they want elected. They are not automatically elected but the result is usually that the leaders of political parties get their own people elected. It becomes a reward.

What I heard today from the Minister was a reflection of that reward. His speech set out a charter for cronyism. He was utterly misleading when he claimed that the Government had proposals to reform the Seanad. Then he gave us a list of nonsensical and minor reforms which would not make a bit of difference to the way in which the Seanad operates. It was insulting. The purpose was to give the Seanad something to do. When the Seanad is in trouble about what it should be doing it asks to be tasked with reviewing EU legislation. That was on the Minister's list. He also suggested that it review the work of the European Commission. The Commission does not give a hoot whether the Irish Seanad can review its work but it would give the lads something to do because they are really in the Seanad as a reward for what they have done in the past and what they are expected to do in future.

The primary problem with the Seanad is its electorate. Everyone has their own proposals and I have no monopoly on wisdom but I believe this problem could be solved very quickly by keeping the nominating bodies and changing them somewhat. The idea of vocational representation is totally acceptable because the Seanad should not be a straight reflection of the Dáil. Why do we not allow the nominating bodies to nominate candidates for 54 out of 60 Senators but ask the wider electorate to make the final selection in a demonstration of popular democracy?

Deputy Tom Barry: I welcome the opportunity to speak to the motion. The Seanad has an important role to play. There have been issues in the past but the Taoiseach got very little recognition for his appointees. They made up their own minds and refused to vote with the

Government on a number of issues. It is unfair to criticise him when he is trying to make a difference. The referendum has opened up discussion on the Seanad. We had to find out whether the people wanted it. It was an astonishing result in a lot of ways because in a time of economic woe people asserted their faith in the political system. It put a great deal of responsibility on our shoulders. How do we do it? We need to have a proper discussion. Today's discussions quite interesting. While all third level people should be included, where does it stop? There are third levels across all areas of society. Do we include people who go to agricultural colleges? We need to discuss this.

The Seanad should act as a reservoir of talent. There are many people in the country who have a great deal to contribute in their particular areas, but we must have a reasoned debate. We must debate it among ourselves to establish clarity before opening it to a wider audience. A balanced talent pool representing the many sectors that are out there today is important. We are living in a different Ireland from the one in which the Seanad was established. There are now SME groupings, agricultural groupings, tourism groupings, health groupings and information technology groupings. We need to figure out what we want to have there. Is it better to have a reservoir of talent inside the House rather than go to consultants who may have ulterior motives in their advice? Of course we need a gender balance, but we also need a youth and an elderly balance. Those people also have unique insights into Irish life.

I have always found the sitting hours strange and we need to look at them. There are people who would gladly contribute to the Seanad but cannot because they are running a business or have a family. We must see if there is a way to accommodate these people to access their expertise and their vision of where we should be going. The election of people to the Seanad is open to discussion. However, we need to know what we want to achieve here. It is no good to stand up and criticise all of the wrongs; we must discuss ways to create an institution that is reformed, that works and that is seen to be working. A reformed Seanad could certainly deliver a lot of success for us. It is more difficult to answer the question of how to get there than it is to criticise what is not working at the moment. That is the challenge and it is one I look forward to debating with everyone here. If we get to a point at which we have reformed the Seanad successfully, it will be a credit to everybody in the House.

Deputy Noel Coonan: I am pleased to have the opportunity to contribute to the debate. I acknowledge the fact that Sinn Féin has tabled this motion and Fianna Fáil has tabled an amendment to it. I would have thought at this particular time in our history that we had more important issues to debate in the House. I speak as someone who spent almost five happy years in the Seanad.

My first observation is that when it comes to the Order of Business in the Seanad, all the elected public representatives have an opportunity to raise issues of concern for both themselves and their constituents, or for the country. It is unlike what happens in this House. A person in my position as a Government backbencher receives very little time to raise such issues. Certainly, we do not get any opportunity on the Order of Business to raise them. One receives adequate time in the Seanad and may seek a more positive result when one does raise something there. One has an opportunity to follow it up afterwards.

There is a real role for the Seanad. I have always subscribed to that view. In speaking about reform, however, I would have expected Members across the way to be more anxious and to concentrate their energies on the reform of this House in ways which would provide us with better opportunities to represent our people and raise issues in the way I have just described. I

look at the five items on the Sinn Féin motion. The first one calls for immediate engagement with all parties and groups within the Oireachtas. The Taoiseach did that following the referendum in October 2013, when he consulted with all parties and groups in December of that year. If Deputy Stanley is upset about that, he should have a word with his Whip. The package of reforms was to be introduced and discussed by the Seanad Committee on Procedure and Privileges to reflect the Taoiseach's engagement with groups, parties and individuals.

We must be very careful about how we reform the Seanad. We speak about the diaspora. Let us look at similar bodies in the USA and Canada. There is an example of a successful appointments system in Canada, where the Upper House is an entirely appointed body which capably represents a vast range of territories, including the interests of Quebec, where there is a struggle for sovereignty which might be loosely compared to what we have in Irish nationalism. It is a parliamentary monarchy based on the British system, and Deputy Stanley will be delighted to know that Senators there can serve until they are 75 years of age. It could be argued on foot of the appointment system and the term Senators have that the Canadian Senate is elitist. However, it can be contrasted with the US Senate. Due to direct election and the way the House is formulated, the US Senate cannot introduce finance or appropriations Bills. Both the Senate and the House of Representatives must pass such a Bill before it becomes law. Senators are elected for a six-year term in first-past-the-post elections by the general electorate and elections are staggered so that one third of the seats are contested every two years. The question is how well it functions. Every two years, the administration in power commits immense resources to trying to win or maintain control of the Senate. These are very substantial resources which could be allocated to legislation rather than partisan gridlock. If this is what Sinn Féin is recommending here, it would result in stalemate in the Seanad and the Government of the day would not be able to function and put through necessary legislation.

When I entered the House today and listened to Deputy Barry Cowen's contribution, I thought the debate was about Irish Water. While many of his concerns about Irish Water are justified, does the Deputy want to leave the situation as it was after his party had been in power for almost 20 years? We have a water system that is unusable, with boil-water notices all over the country and the problems we see in Roscommon. We have a dysfunctional water system across the country. Should the Government have ignored that and proceeded as though nothing was wrong? No. It had to take action and it did. We acknowledge that there are difficulties, but the problem will be remedied and the people will have the water supply to which they are entitled. Something similar will happen with the reform of the Seanad, but we must give constructive thought and criticism to the matter and come forward with radical solutions that improve the lot of the Members of the Seanad and the people.

Deputy Joanna Tuffy: I begin by commenting on the comments of Deputies Shane Ross and Catherine Murphy. Deputy Shane Ross mentioned insiders and Deputy Catherine Murphy referred to patronage. They were talking about the manner in which the Seanad is elected in part by Deputies, Senators and local authority members. They include themselves, as Deputies Shane Ross and Catherine Murphy are part of that electorate. If a Labour-Party-aligned elector votes for a Labour Party candidate, it is democracy, not patronage. The same goes for all other parties and independent candidates when they vote for themselves. In a general election to the Dáil where there is a universal franchise, the majority of voters vote along party lines rather than for independents, and that is their choice. It is democracy, and that is reflected in democracies all over the world. Multi-seat constituencies in the Dáil, the Seanad and local authorities provide voters with a choice as to which candidate to choose, be it a party representative or an

independent person. It is not undemocratic. As well as being in their interest, it is disingenuous of independent representatives to say it is.

3 o'clock

Neither is the manner of indirect election to the Seanad undemocratic, unique or unusual. We have it in the Dáil in how we elect the Taoiseach, and in county councils in how they elect their mayors. In Israel, for example, the parliament also elects the country's president. If one is going to use indirect election, then there should be full coverage of the electorate. The county council franchise for the Seanad elections is properly equal. Councillors are elected not just by every citizen but by every resident. All of the country votes for councillors, who in turn elect the Seanad. The same cannot be said of the university representatives in the Seanad. Its electorate is partial, comprising graduates of only some of the universities, namely the National University of Ireland and Trinity College Dublin. To eradicate that main inequality in the electoral system, the Government should broaden the university Seanad franchise.

I am favourable to other Seanad electorate reforms but I am not sure whether it should be elected in the same manner as the Dáil. For example, elections to the German Senate are decided by local government. It is good to maintain the tie between the Seanad and local government. The Constitutional Convention should consider what is the best electoral process for the Seanad - for example, whether it should be directly or indirectly elected. All political parties, with the exception of Fianna Fáil, campaigned to abolish the Seanad in last year's referendum. I do not believe they have taken on board the fact that the mere existence of the Seanad is of value to our democracy. Many of the voters who voted to retain the Seanad did so on that basis. People informed me last year that they wanted the Seanad to keep an eye on the Dáil. Their number one issue was not whether it would be reformed.

Another issue that emerged during the referendum campaign, as well as in today's debate, is how we find new business for the Seanad. Its constitutional function is to legislate and, in that way, it plays a vital watchdog role over the Government. The whole idea is that legislation should go through two parliamentary processes to give longer time for scrutiny and more time for controversial aspects of it to come into the public domain. That is an important role, similar to that of the President's. We do not need to find extra business for the Seanad, as that role in itself is fundamental. I am wary of this idea of trying to find business for the Seanad.

It is not true to say the Seanad has never been reformed. Most recommendations of the 12 reports on Seanad and general constitutional reform, with the exception of the 2004 report, have been implemented, including the extension of the franchise. Originally, the Seanad's franchise was much narrower. It was first extended through the Seanad Electoral (Panel Members) Act 1947, while further modifications were made in 1954 and 1972 legislation. A proposal that could be further examined is Article 19 of the Constitution, which allows for the substitution of election by panel with election by vocational body or institution. The question of who decides nominations for Seanad by-elections could also be examined, as this is done by law and is not prescribed in the Constitution.

Deputy Patrick O'Donovan: As someone who stood several years ago for Seanad election and missed out by less than quarter of a vote - some would say I was lucky, or unlucky, depending on what way one looks at it - I welcome this debate on Seanad reform. The people made up their minds and decided to keep the Seanad last year. No one, however, wants to keep it in its current format. Accordingly, can meaningful reform be introduced within the confines of

what is permitted in the Constitution, or will it require greater constitutional reform in a series of measures that can be brought to the people?

As an Oireachtas Member and a university graduate, I have two votes in Seanad elections. In my estimation, it is grossly undemocratic that a person can get a vote on the basis of an academic qualification. It harks back to a measure of which the apartheid regime in South Africa would have been proud, or the Ulster Unionists in the old Stormont assembly. It basically means that because someone has an academic qualification they are in some way better than somebody else. That is repugnant to democracy. I would like to see a referendum that would remove academic qualifications from future Seanad elections. A person with a third level qualification is no better or worse than someone with no qualification whatsoever. It harks back to everything that the State symbolised in the 1930s, namely a copycat measure of the House of Lords when the 1937 Constitution was adopted.

I discussed this issue with Senator Maurice Cummins and Deputy Eoghan Murphy at lunchtime. We agreed that Seanad elections should take place on the same day as the general election. Deputy Shane Ross - like many other Members, he might be happy to return from whence he came - spoke about his concerns about naked patronage and the Taoiseach's nominees. This could not be further from the truth. If the Taoiseach had gone down the road of naked patronage, the Government would not have the problem it has with its majority in the Seanad now. The Taoiseach did not go down that road. Did he get any credit for not doing so? No. I did not hear any Opposition Members praise the Taoiseach for appointing 11 independent Seanad Members, achieving a gender balance at the same time, and for not appointing cronies. Of course, one never gets credit for doing things right around here.

The Constitution only lays out the names of the Seanad electoral panels. It does not state how they have to be constituted or whether they are required to have fixed numbers, can be ascribed to geographical areas, can use the European Parliament constituencies or can be composed of particular affiliations or age groups. There is nothing to stop this type of Seanad reform. Some Members are of the opinion that allowing councillors only to vote is a bad development. I draw their attention to the Belgian and German Senates, which are elected by regional assemblies. What is wrong with people being indirectly elected by people who are themselves directly elected? In fact, it is probably a truer representation of what happened on the day of the local elections than on the day of the general election. The Opposition parties might wind up gaining from it compared to what they might get if there were Seanad elections on the same day as a general election.

I agree with Deputy Joanna Tuffy that we should not ask what business we can give the Seanad. Under the Constitution, it is a House of the Oireachtas; therefore, it has a legislative responsibility. The Constitution is specific that it cannot initiate money Bills but it can initiate any other legislation it so wishes. Ultimately, such legislation will come back to the Dáil, which is the right process because this is the directly elected forum. Suggesting we need to give the Seanad something to do is demeaning the work that many good Seanad Members have done in the past and do now.

I do not agree with Deputy Shane Ross on the patronage element of Seanad elections. What is wrong with a Fine Gael councillor voting for a Fine Gael candidate in the Seanad? What is wrong with a Sinn Féin councillor voting for a Sinn Féin candidate? I know we have a different attitude to discipline, if some people drift away and do not vote down the line, but we just have to get over it. Sinn Féin might have a different way of approaching that. From my point

of view there is absolutely nothing wrong with that. It is indirect democracy. Essentially, the person who puts the ballot paper into the box on the day of the local elections is electing an elector who becomes a member of an electoral college who subsequently elects a Senator. There is nothing wrong with that.

Deputy John Paul Phelan: That is the way the President of the United States is elected.

Deputy Patrick O'Donovan: The Deputy is correct; that is way the President of the United States is elected. I do not see anybody here jumping up and down about that. Article 19 of the Constitution states:

Provision may be made by law for the direct election by any functional or vocational group or association or council of so many members of Seanad Éireann as may be fixed by such law in substitution for an equal number of the members to be elected from the corresponding panels of candidates ...

There is scope in that article for this to be examined. All I am saying is that we should not throw out the baby out with the bathwater, as there are many good things that can be done. In the absence of a concrete debate that includes all elements, the proposed reforms would be unfair to the current Senators and those who went before. The Seanad has a lot to offer and can make a difference going forward.

Deputy John Paul Phelan: I am pleased to have the opportunity to make a few points. I am sorry that my vote seven or eight years ago was not enough to give Deputy Patrick O'Donovan, Councillor O'Donovan at the time, the extra quarter to have him elected to the Seanad. I, too, have been a Member of the Seanad and have seen how it operates. I agree with some of the previous comments, particularly those of Deputy Noel Coonan, who mentioned some of the freedom that is available to Senators to raise topical issues. The operation of the Seanad on a day-to-day basis is much freer than this House. On the Order of Business one can raise relevant national and local issues and get a direct or sometimes an indirect response to the concerns raised. This House would do well to reflect on how it does its business and make itself more like the Seanad in that regard at least.

The most interesting thing in the whole debate is that everybody who has contributed here has a different view as to how the Seanad should be reformed. I too have a different view. There does not appear to be any agreed mechanism by which the Seanad should be reformed. Some of the previous speakers may be right that a wider body, such as the Constitutional Convention, could be usefully engaged in designing the shape of the Seanad into the future. I am not convinced of the desirability of having a completely directly elected second Chamber that is merely a mirror of this House. I do not see the point or the purpose; it would be a duplication of the Dáil. The Seanad has an important function.

I shouted across at Deputy Patrick O'Donovan earlier when he mentioned how the indirect election process works already for those on the vocational panels in the Seanad. That is the mechanism by which the President of the United States is elected. Most people think it is a direct election, but it is not. It is an electoral college system with an indirect election. That is what happens. There is nothing wrong with a Sinn Féin, a Fine Gael or a Fianna Fáil councillor voting for whomever they wish. When I was elected by 0.15 of a vote to the Seanad in 2002, it was the elimination of a Fianna Fáil councillor from Kerry and a No. 11 vote that came, I think, from a Fianna Fáil councillor in Kilkenny that successfully elected me, rather than another Fine

Gael candidate. It is not right to assume that everybody votes down the line according to their own parties. It is a secret ballot and they do not always do that. The notion that Deputy Shane Ross has put forward is a bit rich. It is hard to listen to a lecture about cronyism from a man who inhabited for more than 30 years the most twisted form of electoral system that there is in this country, namely, the Trinity College electoral panel in the Seanad, which can hardly be said to be a truly fair, reflective and open system of election. Yet he has the temerity to come in and criticise the Taoiseach, who appointed a number of Independents who have voted more often against the Government than with it in this Seanad.

There are two schools of thought as to how the Seanad should be elected, one of which is to retain the indirect system. That is the option I prefer, but there is merit in the argument for a wider electorate for the vocational panel; for example, the agricultural panel, of which I was a member for nine years, could be elected by people who are directly involved in agriculture.

There is no doubt that, whatever system emerges, we need to ensure the Seanad is more representative of the general public and more representative of different groups that are not represented in the Oireachtas. I agree with the Sinn Féin proposal in relation to the diaspora. It would be a useful mechanism to allow representatives of the diaspora to be members of the Upper House.

We mention frequently in this House and in other places the lack of women in politics. The Seanad is not particularly representative of the general population in terms of the number of women who are Members. It is certainly not representative in terms of the number of younger people who are Members. Whatever system is drawn up needs to reflect that.

Deputy Stephen Donnelly mentioned that the Government reforms focused on what he termed the six independent Senators. He meant, of course, the six Members of the two university panels. On several occasions, including at present, individuals on those panels have been members of parties, not independent Senators. I do not know if it was a Freudian slip on his behalf, but in the history of the Seanad there have been many people, not least Deputy Shane Ross, who was a member of my Party on at least one occasion on which he was elected as a member of the Seanad.

Deputy Barry Cowen made a flippant comment earlier that I think he did not particularly mean. He spoke about the people rejecting the abolition of the Seanad out of hand. To reject something out of hand implies a rejection without any thought or study. I can safely say that when it came to the referendum on Seanad abolition, much talk, thought and study went into it. A total of 51.7% of the electorate voted “No” and 48.3% voted “Yes”, so it was quite a narrow result, but it was clear that the people wanted the Seanad to be retained. Now we must have legitimate proposals for its reform.

An Leas-Cheann Comhairle: Deputy Dessie Ellis is sharing time with Deputies Sandra McLellan, Brian Stanley, and Michael Colreavy.

Deputy Dessie Ellis: Ba mhaith liom an Bille Chomhalta Phríomháidí seo a mholadh. Tá sé an-tábhachtach do gach aon duine, agus go háirithe do dhaonlathas na tíre seo, tacaíocht a thabhairt don Bhille seo.

In the run up to the general election in 2011, Sinn Féin was unconvinced that the potential merits of a bicameral system in Ireland were strong enough to maintain a structure that was profoundly democratic and served little purpose. That structure was and remains the Seanad.

We believed that radical reform could make it beneficial, but we doubted it would happen under another conservative government. We were proved right that this reform was not achievable, at least up until now. What has changed is the will of the people. When the abolition of the Seanad became more than a soundbite and a cheap political slogan, people rejected it.

The political class have spent the last two decades sowing complete distrust among the general public, especially in working class communities, which has become much more vocal since the economic collapse. This has meant that every proposal from the political class has been met with distrust, from Oireachtas tribunals to children's rights. The Seanad referendum showed clearly that people believed if the political establishment was saying X, then Y must be the right choice.

Some might see it as bizarre that people chose to show their distrust by retaining an institution that, in its current set-up, embodies all of the worst of the political establishment's excesses and abuses. In reality, it was an aspirational vote by the people. They believed the Seanad could be something better, they resented being given no option and they wanted to punish the Government for failing to do so.

A better second House is possible. A more democratic and representative House is possible. The rejection of the referendum should be seen by all on the "Yes" side, including us in Sinn Féin, as an opportunity to explore the expansion of our democracy and engagement and participation with the public. True, valued political reform can only happen when democracy is allowed to flourish and we have a very limited expression of democracy in this State. Voting every five years for councillors or Deputies is not the be all and end all of democracy but the bare minimum.

A reformed Seanad could be a wholly democratic body but, in contrast to the Dáil, one that sets out to address structural problems in our society and to promote equality, pluralism and co-operation. This can be done in part by some of the recommendations in the Sinn Féin motion. A Constitutional Convention hearing on Seanad reform, which would fill the first bullet point criteria, would be positive. The people have been impressed by this structure and felt it has represented their views and presented arguments for real change, particularly its proposals on social and economic rights.

Direct election of Senators by universal suffrage would begin a renewed interest in democratic engagement and give all citizens ownership over the reformed body and political reform as a cause. Northern representation would present a wonderful opportunity to give voice to a people left out of the narrative of the Ireland of the Oireachtas and could give great insight for political leaders into the nuts and bolts of the peace process, which continues to unfold today. Having 50% women Members would further advance the cause of gender equality and show that the Government is serious on the issue, as well as providing a new generation of role models for young women who want to be involved in public life but see nothing but men at the top tables and policies that dehumanise them in a society that objectifies them.

Representation of marginalised groups would also be invaluable. Members of the Traveller community, other ethnic minorities, the LGBT communities and others have an important voice, which is either unheard or under-represented. Constitutional reform is urgently needed and the Seanad needs to be more democratic. It must be a House that people feel enhances our democratic processes and values. The people have spoken and they want to keep the Seanad. I commend the motion to the House. The cause of political reform is one we all cherish.

Deputy Sandra McLellan: I welcome the opportunity to speak on this motion. It is timely we discuss and debate it. One year ago, in October 2013, the Government's proposal to abolish the Seanad was rejected by the citizens of the State. During the referendum campaign, Sinn Féin campaigned for a "Yes" vote. We voted "Yes" because no option was available that would have allowed for root and branch reform of the Seanad. The decision by voters to retain the Seanad does not mask the fact that what is needed now is fundamental reform of the Upper House to make it more democratic, representative and accountable.

Following rejection of the proposal to abolish the Seanad, it was business as usual and carry on regardless. In its current form, this archaic institution, which is modelled on the equally unrepresentative British House of Lords, can be justifiably labelled elitist and unfit for purpose. It is an affront to the democratic process that only 1% of the electorate are afforded the right to cast a vote for the Senators who sit in an institution that should form one of the cornerstones of our democracy.

The Sinn Féin motion before the House sets out to rectify that aberration by introducing the reform of the Seanad so that it is reconstituted in a way that is better able to serve the common good. We have tabled the motion because the Government, despite its repeated promises of a democratic revolution, has failed to implement the type of constitutional reforms that would ensure a modern and effective second Chamber that is in step with 21st century Ireland. In our efforts to transform the Seanad, Sinn Féin believes it must become a fully inclusive institution that safeguards and acts in the best interests of our citizens. It must therefore have the powers and autonomy to exercise political oversight of our Legislature in a way that has never happened since the formation of the State. Anything less undermines our democratic process. If we fail to ensure that the Seanad acts as a real and effective check and balance to the power of the Lower House and the Executive, ultimately we are failing to protect properly the rights and entitlements of our citizens.

The failure of Fine Gael and Labour to fulfil their promises to reform our political system is unsurprising, particularly in light of the Taoiseach's recent attempt to manipulate an appointment to a public body for the sole reason of enhancing the CV of a Fine Gael candidate contesting a Seanad by-election. The appointment of Mr. John McNulty to the board of the Irish Museum of Modern Art, IMMA, regardless of his suitability for the role and despite the fact his candidature would have prevented him from sitting on the board, is typical of the type of stroke politics that has besmirched and shamed our political system. It is bad enough that the Taoiseach's role in this unseemly affair discredits him personally but it also brings the Seanad and arts into disrepute and is a reminder of how Fine Gael, Fianna Fáil and Labour have all used the Upper House to further their own narrow political agendas. The crass appointment of Mr. McNulty to the membership of a body charged with managing and supervising a national institution shows that cronyism and a sense of entitlement is as much embedded in the political DNA of Fine Gael as in Fianna Fáil. The McNulty debacle also provides conclusive proof that this Government treats our arts and heritage, language and culture with a level of contempt that is quite staggering. The abuse of the Seanad shows that reform of the Upper House is long overdue and what is needed is a democratic, accountable and egalitarian second Chamber that works in the best interests of good governance.

I emphasise the importance of having in place procedures that address the unacceptably low percentage of women who sit in both the Dáil and Seanad. The Sinn Féin proposals include the introduction of a list or panel system that guarantees 50% of people elected to the Seanad are female. If proof were needed that this type of measure is needed to end gender inequality in

Leinster House, we only need look again at the track record of this Government, where in recent months capable female candidates were denied the opportunity to contest a Seanad election and overlooked for ministerial positions. If we continue to do what we have always done, nothing will change. We need to act now and we need real reform.

This motion sets out to end the elitism, cronyism and political manipulation that has prevented the second Chamber from having the power to scrutinise the Government's legislative programme in a meaningful way. Its proposals set out a framework to reform the Seanad so that it is inclusive and representative of Irish society, with voting rights extended to all citizens, including those living in the Six Counties and the Irish diaspora. Today, the Government has a chance to demonstrate it is serious about implementing real reform of our political system by allowing this motion to pass unhindered. I ask that all Members support the motion.

Deputy Brian Stanley: I welcome the opportunity to speak to this very important motion. Deputy Coonan wondered about the wisdom of today's debate and argued there are more important issues to be addressed but his Government felt this matter was important enough to put to a referendum and included it in the programme for Government. Little has happened 12 months after that referendum. I sat here most of the afternoon listening to the Government Deputies and I was interested in what they had to say. Deputy Patrick O'Donovan indicated he had two votes for the Seanad but he actually may have ten votes if one considers there are five panels. There are people on the street who do not have one vote in Seanad elections, which shows how ridiculous is the process.

Since the defeat of the referendum to abolish the Seanad, there have been a number of proposals to radically reform it which have come from all sides of the House, inside the Seanad and outside Leinster House. Unfortunately, the Government appears to have gone in a different direction from its position of wanting to get rid of it altogether to leaving it exactly as it is. We wanted the Seanad radically reformed rather than kept as it was. What has happened to the Taoiseach's proposed reforms a year after the referendum? He indicated he would work with others and some Deputies argue that he is doing so. My understanding is that people were summoned to one meeting in Government Buildings to discuss the issue, and that was almost a year ago.

Our motion proposes reform of the Seanad by increasing representation of women and broadening the franchise to allow representation of Irish citizens in the North. An Irish citizen from the North ran for the most recent by-election to the Seanad, Ms Catherine Seeley, although she was not elected. She could not vote for another candidate or herself, which indicates how ridiculous that election was. We would like to see Members of the other Chamber elected through direct elections involving all registered electors. I would include people over 16, as we saw recently with the Scottish referendum on membership of the United Kingdom how people aged 16 and over had a vote and were capable of using it.

There are 17 European countries with second chambers and the members of these chambers in Belgium and Poland are elected by direct elections. Spain had a dictatorship until fairly recently so it is a fairly new democracy, and it directly elects 80% of its second chamber. Spain came through a difficult period in getting into a democratic process and some, particularly those in the Basque region and other areas, might argue it still has a bit to go in this regard. Half of the members in the Czech second chamber are elected by universal franchise. There have been proposals by others, including the Government, to broaden the franchise and include all those who are third-level graduates. This does not go far enough and there are proposals to include

broad representation from community groups, including people involved in sports, arts, the Irish diaspora and so on. All that would achieve, without reform of the electoral system, would be to make the system more representative in a token fashion, as it would not fundamentally address the question of how people get inside the four walls of the Seanad.

In its response to the rejection of the referendum on the abolition of the Seanad, the Government proposed to give all third-level graduates a vote in Seanad elections. This would be an improvement but we could not accept it as a meaningful attempt to genuinely reform the second Chamber. It cannot be seriously considered as an attempt by the Government to address its own commitment in the wake of the rejection to radically democratise the Seanad. There is only one meaningful way to create a truly democratic republican second Chamber. We live in a republic, and although I would like to see it extending to Ballycastle, this is as much as we have for now. If we are to have a proper democratic republican second Chamber, we must allow full and inclusive voting rights for people on this island right up to Ballycastle, across to Derry and taking in all the citizens of the country, as well as the Irish diaspora.

Deputy Coonan and the Minister, Deputy Alan Kelly, wondered about potential expense, as it costs €6.50 per envelope in the electoral process. Other governments can work out such matters in allowing their diaspora to vote and people here queue at embassies to vote in elections in their native countries. People could also go to regional centres, and there is nothing to stop us doing that in Boston, London, Leeds, Liverpool or anywhere else. If people cannot go to embassies or centres to vote, other mechanisms could be established to allow people to vote. The Minister also labelled our motion a wish-list but I do not see anything wishful, fanciful or way out in space about asking for democratic rights or that the Upper House should be truly representative of the people who elect it. That should not be beyond us. We should make these changes.

This issue should be passed to the Constitutional Convention, as some of the Government Deputies indicated, which is to be welcomed. Some Government backbenchers seem to be ahead of Ministers in this regard, as they have argued it should be passed to the Constitutional Convention for consideration so it can formulate genuinely democratic proposals and we can have a broader discussion, involving society and community representatives. Unfortunately, the Taoiseach and others around the Cabinet table have blocked such efforts to date. I call on the Government to honour its commitment and reform Seanad Éireann.

I asked a member of the public who visited Leinster House approximately a year ago what she thought of the Seanad. She told me the plasterwork of the ceiling was very decorative and the chandeliers were fantastic but she did not have much else good to say. When people see the Seanad on the television, they can see chandeliers and fancy plasterwork. Unfortunately, the Seanad is meant to represent people and it is not doing that. It must be changed and the Government must honour its commitment. It got an answer from the public on whether it should be retained but the public wants it radically changed.

Deputy Michael Colreavy: I dislike speaking near the end of a long list of speakers as most of what I want to say has already been said at least once if not a number of times.

Deputy Peter Mathews: I know that feeling.

Deputy Michael Colreavy: Yes. What is wrong with the Seanad? Its first problem is that it does not have any clearly defined purpose. People have been scrambling around the place

looking for a purpose for the Seanad but we must consider what it is supposed to do before we can even begin to examine what it does. We must ask what we want of the second Chamber.

Its second problem is that it is elitist, undemocratic and even anti-democratic. I imagine that in ten or 20 years, people will look back and wonder how we tolerated a position where only degree holders would have a vote. That is discrimination, and if we discriminated against women or any other particular group, it would be labelled as such more readily. The voting practice is elitist. A qualified plumber is not entitled to vote in a Seanad election but a qualified dentist is. The guy making false teeth may not be entitled to vote in an election but the dentist is. Politicians are entitled to vote in these elections because we are favoured in being in this place.

The third problem is that the Seanad, as it is currently constituted, is a clone of this House. There is a kind of built-in majority in the Upper House such that when members of the Government parties speak on something, the majority of Seanadóirí will nod their assent. They are like the little dogs one sometimes sees in the rear windscreens of cars, with their bobble heads going up and down. The Seanad is a clone of Government party structures. It is only when something goes wrong - as happened in recent weeks - or when a Seanadóir goes walkabout and cannot be found, that the Government's wishes are thwarted in the Seanad. It is a mirror image of this House and 99 times out of 100 it will deliver the answer the Government wants. We again saw evidence of this in recent weeks. The membership of the Seanad club is open to all sorts of favouritism and cronyism and thus the privilege of the inside few is perpetuated. This has not changed. We were promised change but it is clear it has not been brought about.

If what I have said defines the problem properly, what has been the response of the Taoiseach and the Government? Prior to the most recent general election, the current Taoiseach made a headline-grabbing announcement to the effect that he intended to abolish the Seanad. It was a simple statement, it produced great headlines and it was a dramatic and populist move. What he did showed that he was the leader who could make the tough choices with which everyone would be impressed. The Taoiseach held a referendum in which the people were asked whether they wished to keep the Seanad in its current form or abolish it. We argued that real reform of the Seanad should also have been included as an option but "Action Man" said "No". He wanted to be seen to be decisive and strong. We went to the people, therefore, and they voted to retain the Seanad. Why did they vote to keep a dysfunctional Upper House? The first reason is because they do not trust the Taoiseach or the Government parties and the second is because they believe, quite rightly, that it is not possible to reform something which has been abolished.

I will deal with the Government's amendment to the Sinn Féin motion. In the first instance, it is an abuse of language to call it an amendment because it only contains two words from the original motion. It is, therefore, a counter-motion rather than an amendment. Of course, in this House we are used to saying things we do not really mean or that do not mean what they appear to mean. If the Government's amendment is an abuse of language, then its response to the debate is an abuse of the intelligence of those who put forward the original motion, those who will support it and the members of the wider population who clearly see a need for fundamental reform of the Seanad. The latter also want fundamental reform of the Dáil, but we will leave that matter until another day.

During his contribution, the Minister for the Environment, Community and Local Government, Deputy Kelly, made a number of points. He commended Sinn Féin on tabling the motion and stated that while it had some good points, some of our proposals were either incompatible with the Constitution or were not set out in sufficient detail and would require further thought,

that it raised as many questions as it answered, that the Government is moving forward with a scheme to extend voting rights to degree holders from all higher level institutions and that the Seanad Committee on Procedures and Privileges is considering proposed reforms to improve the operation of the Upper House. We can all sleep well now. The Minister also indicated that some of the proposals are not well thought out, that further detailed consideration would be required in respect of them and that they had the potential to be very expensive to administer. That is disappointing.

Sinn Féin does not claim a monopoly of wisdom in respect of this matter. Our motion calls on the Government to “immediately engage with all parties and groups within the Oireachtas, but also broader civic society, to consider how best to reform the Seanad to ensure that it becomes a fully inclusive, representative and accountable institution”. Amendment No. 1 is, I presume, the Government’s response to that call. The nature of the response indicates to me that the Government does not want real change or reform. In fact, I am of the view that it would fear such change or reform. The response is similar to that of a person who owns a clapped-out old car which fails the NCT and who says: “Let us spray it a different colour and it will be grand on the day of the re-test.” It is wrong, and this will remain the case ten, 20, 30 or whatever number of years from now, that we continue to have the elitist anachronism we call the Seanad, which still has no clearly defined purpose, which remains a mirror image of this House and which is still open to cronyism, favouritism and privilege. The Government’s so-called amendment shows it has no intention whatsoever of bringing about its much-vaunted democratic revolution.

Minister of State at the Department of the Taoiseach (Deputy Paul Kehoe): I thank Deputies for their contributions to this debate. I welcome this opportunity to remind the House of the very real and significant political reforms initiated by this Government since it came to office in 2011. We have been carrying out our radical programme of reform at the same time as we have been bringing about a remarkable transformation in the country’s economic fortunes. We have embarked on what can be fairly described as the biggest programme of political reform since the passing of the Constitution in 1937.

I will begin with the Constitution. The Government has held six referendums in its three years of office: on the powers of Dáil committees; judicial salaries; the Treaty on Stability, Co-ordination and Governance in the Economic and Monetary Union; children’s rights; the establishment of the Court of Appeal; and the abolition of the Seanad. This is a much more intensive programme of constitutional reform than has ever been attempted by a Government since the 1937 Constitution was adopted. The Government is committed to continuing its programme of constitutional reform in 2015.

Following the Seanad referendum, the Taoiseach committed the Government to working to improve the operation of the Upper House and make it more effective. Earlier this year, the Government, through the Leader of the Seanad, submitted to the Seanad Committee on Procedure and Privileges a package of measures designed to do this. The Minister for the Environment, Community and Local Government, Deputy Kelly, has outlined these proposals to the House. They focus on the Seanad’s legislative and vocational roles, while also acknowledging its role in respect of EU scrutiny. The proposals suggest further ways in which the Seanad can engage with the Government, within the parameters of the Constitution, as well as work jointly with the Dáil through the Oireachtas committee system.

The Taoiseach also committed the Government to bringing forward legislation to imple-

ment the 1979 amendment to Article 18 of the Constitution on the election of Members of Seanad Éireann by institutions of higher education in the State. Earlier this year, the Government published the general scheme of a Bill to achieve this. Again, the Minister, Deputy Kelly, set out the details so I will not repeat them, except to say that it is a poor reflection that the amendment to the Constitution which enabled this to take place was passed in 1979 - some 35 years ago - when one of the parties opposite was in government. Following public consultation on the general scheme, the Department of the Environment, Community and Local Government expects to publish the Bill to extend the university franchise next year.

It is proper, when discussing reform of the Seanad, that we should reflect briefly on Dáil reform. As Government Chief Whip, I play a central role in advancing the Government's ambitious agenda in this regard, which is being introduced on a phased basis during this Administration's period in office. The Government has brought forward extensive packages of reforms since it took office in March 2011. The first phase of Dáil reform was introduced in 2011 and included an additional Leaders' Questions session on Thursdays; monthly Friday sittings to give Deputies the opportunity to have their Private Members' Bills debated in the House; replacing the old Adjournment Debate with the Topical Issue Debate; and a procedure to allow Deputies raise issues with the Ceann Comhairle regarding replies to parliamentary questions.

The reforms also included several measures to improve the effectiveness of the committee structure. They included reducing the number of Oireachtas committees from 25 to 16 and introducing the pre-legislative review process to involve Oireachtas committees at an early stage in the development of legislation before a Bill was published. We established Joint Committee on Public Service Oversight and Petitions, chaired by a member of the Opposition, and allow MEPs to attend Oireachtas committee meetings. In 2012 the Oireachtas committee system was reviewed and further reforms were introduced to improve its effectiveness.

The second phase of Dáil reform was introduced in September 2013 and included a broad range of additional measures, including an expansion of the pre-legislative stage, an annual outline to the Dáil of Government priorities by the Taoiseach and the Tánaiste, followed by a detailed debate, and additional time for legislative debate in the standard Dáil week to help to reduce the need to guillotine debates on legislation.

In parallel with these ongoing reforms, the number of Dáil sitting days has been significantly increased since the change of Government by reducing the length of Dáil breaks at Christmas, Easter, bank holiday weekends and during the summer and by the introduction of regular Friday sittings. Any Deputy who has further reform proposals should contact me to discuss them and they will be considered as part of the ongoing process of Dáil reform.

In addition to progress in the area of political reform, the Government, through the Minister for Public Expenditure and Reform, has been pursuing a wide-ranging programme aimed at delivering open, accountable and ethical government. Many of the commitments in the area of political reform set out in the programme for Government and the public service reform plan are now in the delivery phase. Real progress has been made on several fronts, including extensive reform of freedom of information legislation, the introduction of legislation to protect whistleblowers, the provision of a detailed legislative framework for parliamentary inquiries and the extension of the Ombudsman's jurisdiction and powers.

The motion tabled by Opposition Deputies calls on the Government to take several steps to bring about Seanad reform. The Minister for the Environment, Community and Local Govern-

ment has outlined what the Government is doing in this area. The Opposition motion suggests the Government has not delivered on the commitment to reform the political system and ensure the Seanad is a modern and effective second chamber. However, it is fair to say the reforms of the Seanad put forward by the Government and outlined today, together with the ongoing programme of constitutional, Dáil and legislative reform, clearly show that the Government has delivered and continues to deliver on its promises of reform. As I stated at the beginning, it has been doing all this work while bringing about the dramatic recovery in Ireland's economic and fiscal position, as was demonstrated in the budget announced on Tuesday.

An Leas-Cheann Comhairle: I call Deputy Caoimhghín Ó Caoláin who will be followed by Deputy Jonathan O'Brien.

Deputy Jonathan O'Brien: I will speak before Deputy Caoimhghín Ó Caoláin.

An Leas-Cheann Comhairle: Is the Deputy giving one minute of his time to Deputy Peter Mathews?

Deputy Jonathan O'Brien: Yes.

I wish to address certain points since the Minister of State responsible for Dáil reform is in the Chamber. He outlined some of the reforms introduced and while some of them are welcome, including publishing the heads of Bills and the pre-legislative phase, and certainly work well, others have been an abject failure. For example, when I first came into the Chamber, as an Opposition spokesperson, I was able to ask a Minister ten or 11 questions at Question Time. Now I would be lucky to put two or three every five weeks. That is not progressive; it is a regressive reform that the Government has implemented.

I have listened to some of the contributions on Seanad reform and a common theme is how the Seanad is elitist. This is not to say Members of the Seanad are elitist as individuals, but the system of electing them could certainly be described as such. Only recently there was a Seanad by-election in which one candidate, whom we had nominated, was unable to vote for herself because she lived on the wrong side of the Border. That is elitist. Some people because they are graduates or have an academic qualification, as Deputy Patrick O'Donovan stated, have greater rights than others who perhaps slogged hard for many years to gain a trade. That is not fair and is elitist. We need to subtly separate the argument that the Seanad is elitist from the perception that we are referring to the individuals who serve in it. They are not elitist, but the system used to elect them certainly is.

One of the first things we should do is to give the Seanad some respect. Regardless of whether people admit it, there are many Members in this Chamber who have little respect for the role played by the Seanad. We need only reflect on the by-election last week when several Members of this House did not bother to cast a vote to fill the position. It is not as if they had to trudge to a polling booth in the rain. They only had to sign a bloody form on the kitchen table, put it in an envelope and send it back. They had so little respect for the Seanad that they were not even able to do that much. Those of us who are Members of this House should start by respecting the other House. How can we expect the public to respect an institution when certain Members of this House and members of the Government do not? That much was evident from the scam pulled by Fine Gael in the candidate nominated. No respect was shown to the other House in that case.

There are many fine Senators in the Upper House. I sit on committees with some of them.

They are articulate and can make concise well thought out contributions, but when it comes to legislation, they do not have the opportunity to debate points with a Minister on Committee Stage. They can debate in the Seanad, but if we are discussing real reform, let us start by at least giving the other House some respect.

Deputy Peter Mathews: I thank Deputy Jonathan O'Brien for one minute he has graciously given me.

I support Sinn Féin's motion which has been well thought out. It would give scope and a framework for the start of the reform process. I acknowledge Fianna Fáil's efforts to make a statement on the matter, but it is unnecessary. As for the Government's amendment, I agree with Deputies Jonathan O'Brien and Michael Colreavy that it is not an amendment but an obstructive act of malevolence. It is a symptom of über-majorititis - if I can term it in that way - whereby the Government's majority is too big and it reaches an arrogant stage which causes trouble and rot.

Deputy Paul Kehoe: The Deputy would be welcome to come back to us at any stage.

Deputy Peter Mathews: I support the motion. I am pleased to have heard the contributions of Deputies Michael Colreavy and Jonathan O'Brien, although I am sorry to have missed some of the earlier contributions.

Deputy Caoimhghín Ó Caoláin: Is mór an onóir dom tacú le beartas Shinn Féin maidir le leasú ar an Seanad. Teastaíonn athrú bunúsach go géar. Caithfidh an Seanad a chur ag obair dúinn agus do ghnáthmhuintir na tíre seo.

On 4 October last year the Government held a referendum on a constitutional amendment to abolish the Seanad. Citizens of the State were offered a "Yes" or "No" choice and rejected the Government's proposition. Sinn Féin would have preferred if voters had been given a further option of fundamentally changing the Seanad. Unfortunately, the Government chose to present the public with a simplistic either-or proposition. Sinn Féin has long believed the way in which Seanad membership is constructed is inherently undemocratic and it was on this basis that we called for a "Yes" vote to abolish the Seanad.

4 o'clock

Following the public's rejection of the Government's proposal, both the Taoiseach and the Government promised reform of the Seanad. There has been little progress towards that aim in the intervening period. However, we have seen the Seanad and the political system in general further abused by the Taoiseach and Fine Gael in a grubby case which shows Fine Gael is just as adept as Fianna Fáil at stroke politics.

The Seanad is an undemocratic institution that is not elected by the people but by 1% of the population. In a modern republic it is entirely unacceptable that the vast majority of the population is disenfranchised. Simply put, the way the Seanad currently functions suggests that all people are equal, but that some are more equal than others. Six Senators are elected by the graduates of universities, 43 are elected from five panels of nominees and 11 are nominated by the Taoiseach. Is the Government afraid of giving a real voice to the public on the composition of the Seanad?

Throughout the life of the Seanad we have seen it abused and misused by consecutive

Taoisigh as a reward home for some and a launch pad for others. However, I agree with Deputy O'Brien that many current and previous Members of the Seanad have been people of the highest calibre, with very good motivation and intent in terms of contributing to debate on the issues that matter. While the ideals and aims of the Seanad, as a check on the actions of the Dáil and a forum of consideration by specialised groups, are to be commended, it rarely functions in this way. During the lifetime of the present Government the Seanad has voted with the Government on almost every occasion, with one or two notable and newsworthy exceptions.

I note that Fianna Fáil campaigned for the retention of the Seanad, but also that in 14 years in government no effort was made by Fianna Fáil to reform the Seanad. To do so might have cost it, by losing some of the perks it could dole out to its political friends.

We can no longer support an institution that is based on such an unjust system of appointment. Sinn Féin proposes that the Government meet and discuss with all interested parties and groups affected, along with civic society in general. We support the introduction of universal franchise for all future Seanad elections. We also support a guarantee of 50% women members. The old boys' club mentality must end. We would also increase all-Ireland and international links by introducing Northern and diaspora representation. We would break the elitism of the Seanad by ensuring representation of marginalised minority groups within Irish society. Sinn Féin calls on all Members of this House who believe in fair and democratic representation for our population to support us in this effort to reform the Seanad.

With regard to the amendments, Fianna Fáil has proposed its own version of Seanad reform. As I have already said, it is a great pity that this is something it did not find the time to do while in government. It had an unprecedented opportunity to do so over an unbroken term of 14 years. In its amendment Fianna Fáil continues to support elitism. It would continue to deem university graduates more suitable to take part in the democratic process than their non-university graduate peers. It would continue to have the helpful situation, for it, of Taoiseach's nominees and would only open a proportion of seats to universal franchise. This should hardly surprise us.

The Fine Gael and Labour Party Government also has "a plan" for Seanad reform. Associating its plan with genuine reform of the Seanad is nothing short of baloney. Fine Gael has shown no more respect for the recent referendum result than Fianna Fáil did during its years of inaction.

I do not share the Government's minimalist views of the reforms that are necessary. Its reform plan is nonsense. Fine Gael has done worse than nothing to realise the commitments it made regarding the Seanad in the wake of the referendum. It has been an insult to the electorate that voted against the simple abolition of the Seanad. As recently as the latest by-election, we have seen Fine Gael misusing appointments in an effort to get its man elected to the vacant Seanad seat. In doing so, it has run the risk of the population losing all confidence in the Seanad and in politics in general.

The Government reform plan is pathetic, while Fianna Fáil, which failed to do anything when it had the opportunity, would now hardly change a jot. Government Members will recall that the final report of the Constitutional Convention, upon which the Government has yet to make its position known and Dáil time available for debate, recommended the establishment of a fresh convention with a comprehensive constitutional reform mandate, to consider a range of issues, including Seanad reform. Indeed, Seanad reform was one of the priority issues the

convention short-listed for emphasis during its final deliberations, as a mark of respect to the people's recent verdict in the referendum. The Government should demonstrate by its actions that it respects the convention and, by extension, that it respects the people, and establish a second Constitutional Convention with an explicit mandate for Seanad reform. I hope the Chief Whip will share my serious proposition with his colleagues in the Cabinet. Hopefully, he will be an advocate for such a step to be taken. There is unanimity across the House on the value of the Constitutional Convention process. That has been well demonstrated and acknowledged. A reconstituted Constitutional Convention with an explicit mandate to address Seanad reform would make a worthwhile contribution to this overall project.

Given the pathetic track record of all the establishment parties on this issue, we would have much greater confidence in the ability of citizens to formulate Seanad reform proposals that are meaningful, workable and can command broad popular support. Certainly, we have no confidence that the other parties have the will to do so. Why refer the matter to the Constitutional Convention when Sinn Féin has its own proposals? If Sinn Féin were in government, we would take our lead from such a citizen-dominated body. Through this and other fora, we would engage with the citizens directly and seek their views on the sufficiency of our reform proposals. While we are confident that our plans stand up to scrutiny, we equally recognise that ordinary citizens can make their own astute observations and contribute valuable additional ideas, perspectives and nuance that can enhance the proposals we have formulated. We would welcome such input. We are not afraid of the people.

We therefore once again urge the Government to mandate a fresh Constitutional Convention, comprised of a demographically representative citizen majority and an elected representative minority, to deliberate and make its considered recommendations on Seanad reform as an issue of fundamental public importance. The Government must now act on Seanad reform in a meaningful way. The first thing it could do is withdraw its amendment and support the proposition in the Sinn Féin motion. Tacagá linn Seanad níos cothroma a chur ar fáil.

Amendment put:

<i>The Dáil divided: Tá, 56; Níl, 41.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Tom.</i>	<i>Adams, Gerry.</i>
<i>Breen, Pat.</i>	<i>Boyd Barrett, Richard.</i>
<i>Butler, Ray.</i>	<i>Broughan, Thomas P.</i>
<i>Buttimer, Jerry.</i>	<i>Calleary, Dara.</i>
<i>Byrne, Catherine.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Colreavy, Michael.</i>
<i>Carey, Joe.</i>	<i>Coppinger, Ruth.</i>
<i>Collins, Áine.</i>	<i>Cowen, Barry.</i>
<i>Conaghan, Michael.</i>	<i>Crowe, Seán.</i>
<i>Conlan, Seán.</i>	<i>Doherty, Pearse.</i>
<i>Connaughton, Paul J.</i>	<i>Ellis, Dessie.</i>
<i>Conway, Ciara.</i>	<i>Fitzmaurice, Michael.</i>
<i>Coonan, Noel.</i>	<i>Fleming, Tom.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Healy, Seamus.</i>

<i>Costello, Joe.</i>	<i>Higgins, Joe.</i>
<i>Daly, Jim.</i>	<i>Keaveney, Colm.</i>
<i>Deasy, John.</i>	<i>Kelleher, Billy.</i>
<i>Deering, Pat.</i>	<i>Kirk, Seamus.</i>
<i>Doyle, Andrew.</i>	<i>Lowry, Michael.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Finian.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGuinness, John.</i>
<i>Gilmore, Eamon.</i>	<i>McLellan, Sandra.</i>
<i>Griffin, Brendan.</i>	<i>Martin, Micheál.</i>
<i>Hannigan, Dominic.</i>	<i>Mathews, Peter.</i>
<i>Hayes, Tom.</i>	<i>Murphy, Catherine.</i>
<i>Humphreys, Heather.</i>	<i>Murphy, Paul.</i>
<i>Keating, Derek.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Kehoe, Paul.</i>	<i>Ó Cuív, Éamon.</i>
<i>Kenny, Seán.</i>	<i>Ó Fearghail, Seán.</i>
<i>Kyne, Seán.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Lynch, Ciarán.</i>	<i>O'Brien, Jonathan.</i>
<i>Lyons, John.</i>	<i>O'Sullivan, Maureen.</i>
<i>McCarthy, Michael.</i>	<i>Pringle, Thomas.</i>
<i>McFadden, Gabrielle.</i>	<i>Ross, Shane.</i>
<i>Mitchell, Olivia.</i>	<i>Shortall, Róisín.</i>
<i>Mitchell O'Connor, Mary.</i>	<i>Smith, Brendan.</i>
<i>Murphy, Eoghan.</i>	<i>Stanley, Brian.</i>
<i>Neville, Dan.</i>	<i>Troy, Robert.</i>
<i>Ó Ríordáin, Aodhán.</i>	<i>Wallace, Mick.</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>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>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Twomey, Liam.</i>	

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

Amendment declared carried.

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

<i>The Dáil divided: Tá, 57; Níl, 41.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Tom.</i>	<i>Adams, Gerry.</i>
<i>Breen, Pat.</i>	<i>Boyd Barrett, Richard.</i>
<i>Burton, Joan.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Catherine.</i>	<i>Colreavy, Michael.</i>
<i>Byrne, Eric.</i>	<i>Coppinger, Ruth.</i>
<i>Carey, Joe.</i>	<i>Cowen, Barry.</i>
<i>Collins, Áine.</i>	<i>Crowe, Seán.</i>
<i>Conaghan, Michael.</i>	<i>Doherty, Pearse.</i>
<i>Conlan, Seán.</i>	<i>Ellis, Dessie.</i>
<i>Connaughton, Paul J.</i>	<i>Fitzmaurice, Michael.</i>
<i>Conway, Ciara.</i>	<i>Fleming, Tom.</i>
<i>Coonan, Noel.</i>	<i>Healy, Seamus.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Higgins, Joe.</i>
<i>Costello, Joe.</i>	<i>Keaveney, Colm.</i>
<i>Daly, Jim.</i>	<i>Kelleher, Billy.</i>
<i>Deasy, John.</i>	<i>Kirk, Seamus.</i>
<i>Deering, Pat.</i>	<i>Lowry, Michael.</i>
<i>Durkan, Bernard J.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Farrell, Alan.</i>	<i>McDonald, Mary Lou.</i>
<i>Ferris, Anne.</i>	<i>McGrath, Finian.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGuinness, John.</i>
<i>Gilmore, Eamon.</i>	<i>McLellan, Sandra.</i>
<i>Griffin, Brendan.</i>	<i>Martin, Micheál.</i>
<i>Hannigan, Dominic.</i>	<i>Mathews, Peter.</i>
<i>Hayes, Tom.</i>	<i>Murphy, Catherine.</i>
<i>Humphreys, Heather.</i>	<i>Murphy, Paul.</i>
<i>Keating, Derek.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Kehoe, Paul.</i>	<i>Ó Cuív, Éamon.</i>
<i>Kenny, Seán.</i>	<i>Ó Fearghail, Seán.</i>

<i>Kyne, Seán.</i>	<i>Ó Snodaigh, Aengus.</i>
<i>Lynch, Ciarán.</i>	<i>O'Brien, Jonathan.</i>
<i>Lyons, John.</i>	<i>O'Sullivan, Maureen.</i>
<i>McCarthy, Michael.</i>	<i>Pringle, Thomas.</i>
<i>McFadden, Gabrielle.</i>	<i>Ross, Shane.</i>
<i>Mitchell, Olivia.</i>	<i>Shortall, Róisín.</i>
<i>Mitchell O'Connor, Mary.</i>	<i>Smith, Brendan.</i>
<i>Murphy, Eoghan.</i>	<i>Stanley, Brian.</i>
<i>Neville, Dan.</i>	<i>Troy, Robert.</i>
<i>Ó Ríordáin, Aodhán.</i>	<i>Wallace, Mick.</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>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>Shatter, Alan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Twomey, Liam.</i>	

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

Question declared carried.

Message from Seanad

An Leas-Cheann Comhairle: Seanad Éireann has passed the Forestry Bill 2013, without amendment.

European Stability Mechanism (Amendment) Bill 2014: Report Stage (Resumed) and Final Stage

Debate resumed on amendment No. 1:

In page 3, between lines 18 and 19, to insert the following:

“2. Following the passing of this Act the Minister for Finance shall in 2014 make an application for the direct retroactive recapitalisation of the capital injected by the State in Irish banks as per the Direct Recapitalisation Instrument.”.

- (Deputy Pearse Doherty)

Deputy Pearse Doherty: The Minister’s response contained no logic in regard to not allowing an inclusion in the legislation to the effect that the State would apply for retroactive recapitalisation of the moneys invested by the previous and current Government into the banks. These moneys amount to €14,222 per man, woman and child. Many people feel the Government has given up the ghost in regard to these moneys. Therefore, I wish to press amendment No. 1, the only amendment on Report Stage, on behalf of Sinn Féin.

Amendment put:

<i>The Dáil divided: Tá, 28; Níl, 69.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Adams, Gerry.</i>	<i>Barry, Tom.</i>
<i>Boyd Barrett, Richard.</i>	<i>Breen, Pat.</i>
<i>Broughan, Thomas P.</i>	<i>Burton, Joan.</i>
<i>Collins, Joan.</i>	<i>Butler, Ray.</i>
<i>Colreavy, Michael.</i>	<i>Byrne, Catherine.</i>
<i>Coppinger, Ruth.</i>	<i>Byrne, Eric.</i>
<i>Crowe, Seán.</i>	<i>Calleary, Dara.</i>
<i>Doherty, Pearse.</i>	<i>Carey, Joe.</i>
<i>Ellis, Dessie.</i>	<i>Conaghan, Michael.</i>
<i>Fitzmaurice, Michael.</i>	<i>Conlan, Seán.</i>
<i>Fleming, Tom.</i>	<i>Connaughton, Paul J.</i>
<i>Healy, Seamus.</i>	<i>Conway, Ciara.</i>
<i>Higgins, Joe.</i>	<i>Coonan, Noel.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>McDonald, Mary Lou.</i>	<i>Costello, Joe.</i>
<i>McGrath, Finian.</i>	<i>Cowen, Barry.</i>
<i>McLellan, Sandra.</i>	<i>Daly, Jim.</i>
<i>Mathews, Peter.</i>	<i>Deasy, John.</i>
<i>Murphy, Catherine.</i>	<i>Deering, Pat.</i>
<i>Ó Caoláin, Caoimhghín.</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>O’Sullivan, Maureen.</i>	<i>Ferris, Anne.</i>

<i>Pringle, Thomas.</i>	<i>Fitzgerald, Frances.</i>
<i>Ross, Shane.</i>	<i>Fitzpatrick, Peter.</i>
<i>Shortall, Róisín.</i>	<i>Flanagan, Terence.</i>
<i>Stanley, Brian.</i>	<i>Gilmore, Eamon.</i>
<i>Wallace, Mick.</i>	<i>Griffin, Brendan.</i>
	<i>Hannigan, Dominic.</i>
	<i>Hayes, Tom.</i>
	<i>Humphreys, Heather.</i>
	<i>Keating, Derek.</i>
	<i>Keaveney, Colm.</i>
	<i>Kehoe, Paul.</i>
	<i>Kelleher, Billy.</i>
	<i>Kenny, Seán.</i>
	<i>Kirk, Seamus.</i>
	<i>Kyne, Seán.</i>
	<i>Lowry, Michael.</i>
	<i>Lynch, Ciarán.</i>
	<i>Lyons, John.</i>
	<i>McCarthy, Michael.</i>
	<i>McFadden, Gabrielle.</i>
	<i>McGuinness, John.</i>
	<i>Martin, Micheál.</i>
	<i>Mitchell, Olivia.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Murphy, Eoghan.</i>
	<i>Neville, Dan.</i>
	<i>Ó Cuív, Éamon.</i>
	<i>Ó Fearghail, Seán.</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>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Quinn, Ruairí.</i>
	<i>Rabbitte, Pat.</i>
	<i>Ryan, Brendan.</i>
	<i>Shatter, Alan.</i>
	<i>Smith, Brendan.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>

	<i>Troy, Robert.</i>
	<i>Tuffy, Joanna.</i>
	<i>Twomey, Liam.</i>

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

Amendment declared lost.

Bill received for final consideration and passed.

An Leas-Cheann Comhairle: The Bill will be sent to the Seanad.

Topical Issue Debate

An Leas-Cheann Comhairle: I ask Deputy Seán Kyne to defer the Topical Issue matter he raised.

Deputy Seán Kyne: In the absence of the Minister, Deputy Kelly, and the Minister of State, Deputy Paudie Coffey, I will defer until Wednesday.

An Leas-Cheann Comhairle: That will be deferred. I ask the Minister, Deputy Varadkar, if the Minister will be available next Tuesday or Wednesday.

Deputy Leo Varadkar: Yes. I do not know what day it will be but it will be next week.

An Leas-Cheann Comhairle: Deputy Kyne is happy with that. I call Deputy Terence Flanagan.

Anti-Social Behaviour

Deputy Terence Flanagan: I thank the Ceann Comhairle for giving me the opportunity to raise this very important issue and the Minister for Justice and Equality for being here to hear about it. Anti-social behaviour in Dublin city centre is an obvious problem, particularly around O'Connell Street, which is our premier street in the city centre along with Grafton Street. Tourists coming from abroad are getting a very bad impression. I am particularly concerned about the amount of drug taking and the negative impact of that on businesses in the city centre. Some constituents have contacted me to say they are scared going around different parts of the city centre. They are being approached and there is an element of aggressive begging, as mentioned recently in an edition of "Prime Time". Some Dubliners do not feel safe in the city centre. The problem here seems to be worse than in some other capital cities. Obviously, the Garda does a

lot of hard work on the ground. Community policing has become the new norm in many areas and a lot of good work is done. However, we need to ensure that there is dedicated policing for our city centre streets to target drug dealing in particular. People want to see more Garda patrols not just in the city centre but around different parts of the city. Obviously, I welcome the fact that there will be more gardaí on the beat to do that. That is a good result.

New York City, which had a major problem over the past number of decades, has cleaned up its streets and has been successful in a number of strategies it adopted to target outdoor drug dealing. It also has the stop-and-frisk policy. I am not saying that we need to adopt all these strategies, but could we look to other cities which have been successful in cutting down on the element of anti-social behaviour that can take place in all cities?

One proposal I made to the gardaí at Store Street Garda station was that a Garda shed or booth should be available on O'Connell Street to ensure more of a Garda presence. Certainly, one should see a Garda within a certain distance in major cities. Having visited Paris, I know there are always mobile police units around which are available to respond to various crimes that may be committed. Has the Minister looked at this measure?

I am glad to see the Minister for Health here. We know that the budget for local drugs task forces has been retained in the most recent budget. This is good, but more could be done for people who find themselves in difficulty, particularly those who are addicted to drugs and who use crime to feed their habit. I do not remember the situation being as bad five or even ten years ago. The situation has escalated and this issue needs to be examined. I know zero tolerance has had a bad name because of other Governments which abused the word, but a zero-tolerance approach is needed in the city centre to ensure that people feel safe, encourage more tourists into the city centre and ensure that businesses do well.

Minister for Justice and Equality (Deputy Frances Fitzgerald): I am grateful to the Deputy for raising this important matter for debate. I am, of course, very much aware of the concerns about crime and anti-social behaviour in the city centre and the potential impact for all who live in, work in and visit our capital city. Of course we want our capital city and its thoroughfares to be safe and secure places for the residents of Dublin and our visitors. As the Deputy will be aware, the Garda Commissioner is responsible for the deployment of Garda resources. However, as Minister for Justice and Equality, I am committed to supporting An Garda Síochána in providing a strong, visible policing presence in communities right across the country in order to help reduce crime. This includes Dublin city centre.

There is a Garda plan in place which is called the Dublin City Centre Policing Plan. I welcome this important plan. The Deputy spoke about zero tolerance. The vision expressed in the plan is to create a safe city to live, work, visit and enjoy, with Garda operations following the principle that no offence or behaviour will go unnoticed or unchallenged. In implementing the plan, the Garda approach includes dedicated high-visibility, uniformed patrols in key commercial and public thoroughfares. That is what we want to see, and we want to see more of it. A number of targeted city centre policing operations are in place. Operation Pier concentrates on the south quays, an area about which many people speak, and the Temple Bar area while Operation Spire is focused on O'Connell Street and the north inner city. There is also a specific public order unit which operates on a reactive basis as the need arises. Gardaí have also conducted a number of targeted operations in respect of the effects of begging in the area, particularly aggressive begging, which is very upsetting for people and which I am sure has been mentioned to the Deputy as well.

Gardaí have increased their activity in targeting the supply of illegal drugs in the area, with increased numbers of drug seizures and searches. According to the provisional statistics from the Garda Síochána Analysis Service for the first nine months of the year, the total number of drug searches has increased by 5% in the North Central (Store Street) division and by 24% in the South Central (Pearse Street) division. I also wish to acknowledge the work of An Garda Síochána, including work with the entertainment and night-time sector, in seeking to address problems of disorder associated with the abuse of alcohol. This remains a very serious issue in our society generally. Huge Garda resources must be deployed to support this effort, with a dedicated public order patrol van assigned to the city centre every Friday and Saturday night.

The Garda is very active. The latest provisional statistics collated by the Garda Síochána Analysis Service for the first nine months of the year show a positive trend. It is important that I put this on the record, because we do hear about a lot of particular incidents, but public order offences are down 7% in the South Central (Pearse Street) Garda division and down 19% in the North Central (Store Street) division. There is a very active police presence, which is having a deterrent effect.

5 o'clock

I will be the first to say that we should not rely solely on statistics, but neither should we allow high-profile reports of individual incidents to cast our city in an unfairly negative light. We need a fair discussion about this. What is most important is the first hand, day-to-day experiences of shoppers, visitors residents and workers, who should feel safe in the city centre at all hours. I acknowledge that challenges remain to be addressed but I am confident that the ongoing efforts of the Garda and others will make a positive difference.

Our commitment to policing was very clearly demonstrated in the budget 2015 announcement on increased expenditure in the justice sector. This week I also announced that the Garda college in Templemore would take in 200 new recruits, which means that we will have 300 new recruits in 2015. A further 75 gardaí will be freed from their current airport duties because this work is being civilianised, and 75 gardaí who work on border and visa issues will also be freed up. This will provide a total of 450 gardaí who can contribute to the active policing of our communities. The budget also provides funding for the purchase and fit-out of more than 400 new vehicles which will offer a more visible Garda presence in all areas, including Dublin city centre.

The anti-social activities that the Deputy described are not simply policing issues. The context for finding solutions must involve Dublin city management, drug treatment centres and the business community. Tackling homelessness will have to be a part of the solution. My colleague, the Minister for the Environment, Community and Local Government, has allocated an additional €10.5 million to deal with homelessness. I commend Dublin City Council on the leadership it has shown in working with the Garda and facilitating the Dublin city joint policing committee, which includes a range of stakeholders whom I intend to meet at an early opportunity to investigate how I can further support these ongoing efforts to deal with the issues outlined by the Deputy.

Deputy Terence Flanagan: I thank the Minister for her response and welcome the new Garda recruits, who are badly needed. Gardaí on patrol are experiencing considerable pressure and low morale at times. Can some of the new recruits be deployed to city centre type activities? The Garda Reserve should also be more visible. I ask the Minister to comment on

the increased use of the reserve. People want to see gardaí on the beat, especially on our main streets, because it helps them feel safer and more confident. Businesses are suffering a negative impact from the number of people who are either begging or are drug addicts. These people need extra services. The poverty problem is an important part of the reason people go begging.

In regard to sentencing, there are people walking our streets who have received 100 or more convictions. The revolving door is a big problem in this regard, particularly where people persistently commit offences and are still walking the streets. Would the Minister consider anti-social behaviour orders as a measure to target certain people and stop them engaging in anti-social behaviour? Rehabilitation services for drug addicts need more money. As the Minister for Health has a lot on his hands, the Government should consider appointing a Minister specifically to deal with drugs and alcohol because these are key areas.

I ask the Minister, Deputy Fitzgerald, for her assurance that she will investigate solutions to the issues arising for policing and improving the quality of the environment in the city centre, which we have to face every day.

Deputy Frances Fitzgerald: I take note of the Deputy's comments. The context for finding solutions must encompass a co-ordinated approach from State agencies involved in social housing, health and drug treatment services, as well as through partnership with business, community and voluntary groups. I support the multi-agency approach to tackling this issue.

I agree with the Deputy that we must ensure the city centre is a safe place for residents, workers and visitors. I intend to meet shortly senior gardaí and members of the Dublin city joint policing committee and its associated stakeholder groups with a view to identifying how I can further support and strengthen these ongoing efforts to enhance the policing and public safety of the city centre area. The centre of our capital city is important not just for those of us who live there but also for the many people who travel there to work, shop and enjoy their leisure time. It is also important from a tourism perspective. I share the Deputy's general concern that we must make every effort to promote a safe and welcoming environment in the city centre. I have discussed the matter with the acting Garda Commissioner on a number of occasions. I raised it most recently when I met her earlier today to discuss other issues. The number of gardaí who should be deployed to the city centre is an operational issue but clearly there are big demands in that area and I am sure the Garda will make the best decisions in deploying the new recruits. It is important we send the message that Dublin city centre can be safe and secure.

Deputy Terence Flanagan: Will the Minister comment on the Garda Reserve?

Deputy Frances Fitzgerald: We can examine that.

Orthodontic Service Provision

Deputy Seán Kenny: I thank the Minister for Health for coming into the Chamber to respond to this Topical Issue matter. The parents of children in my constituency who are on orthodontic waiting lists for treatment at the dental clinic at Ashtown Gate, Navan Road, have been notified recently that they can transfer to the waiting list at the orthodontic unit in Louth County Hospital in Dundalk. This would involve not only considerable travel costs, particularly as orthodontic treatment can involve several return visits to the dental clinic, but also consume considerable time for children and their parents. I will read a letter which one of my

constituents received last week from the orthodontic service at Ashtown Gate, because it takes an interesting tone. The letter reads:

Dear Parent or Guardian,

We are now in a position to offer [Jack] an orthodontic treatment place in the Orthodontic Unit, Community Care Building, Louth County Hospital, Dundalk, County Louth if you are willing to travel to Dundalk for the duration of the treatment.

Please note that [Jack's] complete orthodontic treatment will take place in Dundalk and patients who commence their orthodontic treatment will not be able, under any circumstances, to transfer back to the orthodontic unit at Ashtown Gate. If you accept this treatment place [Jack's] record will be forwarded to the Orthodontic Unit in Louth County Hospital and the orthodontic staff in Dundalk will be in contact with an appointment by post within the next four to six weeks.

Please confirm if you wish to avail of this treatment place in Dundalk or remain on the waiting list in Ashtown Gate by completing the section below and returning it to the above address. I cannot give you the waiting time for orthodontic treatment in Ashtown Gate.

Please respond immediately on receipt of this letter and no later than two weeks from the date at the top of this letter to indicate your preference for treatment.

Please note a complete orthodontic treatment typically equates to approximately 30 to 40 visits to the Orthodontic Unit in Dundalk over a period of two to four years. It is imperative that you attend all of these appointments punctually. Failure to do so may result in you being removed permanently from the orthodontic list.

The letter is signed by the manager of orthodontic services, HSE Dublin north-east. The tone of this letter is interesting. In effect, it is putting a gun to the patient's head.

As Jack's parents found this notification disturbing, I wrote to the director general of the HSE asking him to review the orthodontic clinic location for children in Dublin city north of the Liffey to find a more convenient location for a dental clinic. Today, I received a reply from Mr. O'Brien's office to tell me that my correspondence had been referred to the HSE's parliamentary affairs division. This response is not good enough, which is why I have sought to raise the matter in the House as a Topical Issue matter. I ask the Minister to intervene with the HSE as a matter of urgency to find a more accessible orthodontic health treatment clinic for the Dublin region north of the Liffey.

Minister for Health (Deputy Leo Varadkar): I wish to thank the Deputy for the opportunity to address the issue of orthodontic services. I am taking the debate on behalf of the Minister of State in my Department, Deputy Kathleen Lynch, who is attending to business elsewhere.

Orthodontic treatment is provided by the HSE to patients based on their level of clinical need. The HSE provides orthodontic treatment to those who have been assessed and referred for treatment before their 16th birthday. Patients are assessed by the HSE orthodontic service under the modified index of treatment need. Patients with the greatest level of need are provided with treatment first. The HSE endeavours to provide patients with services close to where they live. Occasionally, when there is capacity to provide this treatment sooner in another centre this option is offered to patients. In this way, patients on a waiting list who live in Dublin

may be offered treatment in Louth County Hospital. Should they choose not to avail of this option, treatment will still be provided in Dublin. Most patients - approximately 75% - who are given this option choose to accept it. At the end of the second quarter of 2014, a total of 23,982 patients were in treatment, 6,658 were awaiting assessment and 16,518 were awaiting treatment. While patients with greatest need are given priority, long waiting times for orthodontic assessment and treatment are a matter of concern for my Department and the HSE.

The HSE commissioned an independent review of orthodontic services in 2012. The key issue highlighted by the review, which assessed services nationally, is that the orthodontic service should be fully integrated within the primary care service. This recommendation will be implemented as part of the HSE's wider reform programme. The HSE has also recently established a pilot scheme which will involve the use of orthodontic therapists. The HSE Dublin north east, or DNE, orthodontic service has been chosen as the pilot area for this new and innovative training programme. One member of the dental hygienist staff and one member of the dental nursing staff commenced this training in September 2014. During the course of their training, the students will work under the direct supervision of specialist orthodontists currently working in HSE units in the Dublin north east region in the treatment of a select number of children eligible for HSE funded orthodontic treatment. In addition, orthodontic treatment for certain categories of misalignment will be provided over the next three years by a panel of independent practitioners under contract to the HSE. A tender process is underway and provision is due to commence in 2015. It is expected that these changes will have a positive impact on waiting times and on the services available to patients.

I have a copy of the standard letter sent out to patients which Deputy Kenny's constituent would have received. The only thing that is wrong with its tone is that it does not give an indication as to where a person is on the waiting list for Ashtown Gate. If it did, parents could make an informed choice as to whether to wait it out at Ashtown or go to Dundalk. I am very familiar with Ashtown Gate as the service which serves my own constituents and is located in my own constituency. It is not practical or appropriate for me to start deciding where clinics should be located for reasons the Deputy will appreciate.

The reason the policy is pursued is a good one. In the HSE Dublin mid-Leinster area, there is only one person who has been waiting more than seven months for assessment yet there are 556 children in the Dublin north east area waiting between six and 12 months for assessment. If it is not possible or we do not have the resources to bring waiting lists down everywhere, does it not make sense and is it not fairer to allow people who live in an area where there is a very long waiting list to choose to transfer to an area where there is a low or no waiting list? That is why this is being done. It is an attempt to provide some equity across the regions so that people do not face excessive delays just because they happen to live in the wrong place.

Deputy Seán Kenny: I thank the Minister for his response. The letter from the HSE does not tell the parents of Jack where he stands in regard to the Ashtown Gate waiting list and therefore, as the Minister says, they cannot make an informed decision. If they thought they could get treatment sooner by going to Dundalk perhaps that would change things. However, the problem is that Jack's father is in full-time employment while his mother is a person with Crohn's disease. It would be difficult for her to travel with her son to Dundalk for what we are told may be treatment requiring 30 to 40 visits. It is quite expensive to purchase a return train fare from Kilbarrack to Dundalk for a child and an adult and it would amount to a significant sum for 30 to 40 trips. There is also the question of the health of Jack's mother.

The policy of the HSE is not focused on the needs of the particular client and his or her family. As the Minister pointed out, there is no information in the letter as to whether they would be better off remaining on the Ashtown list. The implication of the letter is clearly that they will be seen more quickly if they go to Dundalk but it does not say that directly. In the absence of definite information, the family is in a quandary. To have to go to Dundalk for 30 or 40 visits would pose difficulties for the family. I am disappointed with the director general of the HSE who did not take up the points I made and simply referred the matter to someone else. I would appreciate it if someone could persuade the HSE to give more information to children like Jack as to whether they would be better off staying on the Ashtown Gate list or seen more quickly by going to Dundalk.

Deputy Leo Varadkar: The figures I gave the Deputy earlier related to the time it takes to get assessed. In fact, HSE Dublin north east is better than Dublin mid-Leinster. One is assessed more quickly in the former but gets to the treatment stage more slowly. Of the 4,000 cases in HSE mid-Leinster, only 87 have been waiting more than two years whereas 748 of the 3,786 cases in HSE Dublin north east have been waiting for more than two years. However the Deputy's point is well made. It is right to give people the option to travel a certain distance to get better treatment but we should allow parents to make an informed choice as to how long they may have to wait if they do not accept the offer of going to another location. It is certainly something I will take up with the dental section of the HSE. That is a fair point.

I note, however, that no matter where one draws the boundaries, there will always be some issues. As politicians who deal with constituency boundaries, we know that well. There will be people who live in parts of Meath who are just as close to Dundalk as they are to Ashtown Gate. The offer to go to Dundalk may even be more convenient for them. That is just the nature of boundaries and catchment areas.

Acting Chairman (Deputy Joanna Tuffy): As the fourth Topical Issue matter has also been deferred, the Dáil will adjourn.

The Dáil adjourned at 5.20 p.m. until 10 a.m. on Friday, 17 October 2014.