



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

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DÁIL ÉIREANN

Dé Máirt, 4 Samhain 2014

Tuesday, 4 November 2014

Chuaigh an Leas-Cheann Comhairle i gceannas ar 2 p.m.

Paidir.

Prayer.

Ceisteanna - Questions

Priority Questions

Unemployment Levels

94. **Deputy Seán Ó Feargháil** asked the Tánaiste and Minister for Social Protection the number of persons who are long-term unemployed; the actions she has taken to address the challenge of long-term unemployment; and if she will make a statement on the matter. [41716/14]

Deputy Seán Ó Feargháil: This question seeks to explore issues around the plight of the long-term unemployed. Unfortunately, their numbers remain stubbornly high. We share a keen interest with the Tánaiste and Minister for Social Protection in the activation of those who find themselves in that particular position.

Tánaiste and Minister for Social Protection (Deputy Joan Burton): The most recent Central Statistics Office, CSO, data shows that the long-term unemployment rate has fallen from 9.3% two years ago to 6.8% in the second quarter of this year, a very significant reduction. There were 146,500 persons long-term unemployed in the second quarter, down from the comparable figure of 200,000 two years earlier. A key aim of our Pathways to Work strategy is to ensure that as many as possible of the jobs created are taken up by those on the live register. Over 55,000 people who were long-term unemployed at the start of 2012 have already found work since Pathways to Work was launched. I am confident the overall target of 75,000 by the end of 2015 will be achieved.

I announced several important measures in budget 2015 designed to help increase the pace of the progress we are making in helping people back to work. The new back-to-work family dividend will enable long-term unemployed jobseekers with children who leave welfare to return to work to retain the child-related portion of their social welfare payment on a tapered basis over two years. This includes those who move to self-employment including the con-

struction sector. The scheme will be worth €1,550 per child in the first year of employment or self-employment and half that amount again in the second year.

I am also increasing the monthly rate of child benefit by €5 from January. This will help all families with children but also has the additional benefit for unemployed families in that it is work-neutral as it is retained in full when they return to the workforce. I also announced a doubling of the number of places on JobsPlus next year to further encourage employers to recruit from the longer term unemployed.

Additional information not given on the floor of the House

As well as rolling out these initiatives, the Department will next year continue to improve its services to long-term unemployed people, including an increased focus on encouraging employers to recruit from the live register. The recent launch of the employment and youth activation charter, a commitment by large employers to work with the Department to recruit staff from the live register, will help to form the basis for this engagement.

Deputy Seán Ó Feargháil: Notwithstanding what the Tánaiste and Minister for Social Protection said, the numbers of long-term unemployed, including the 74,000 young people still outside education, training or employment, remain high. The Tánaiste and Minister for Social Protection and her Department have been the subject of criticism by the European Commission and the International Monetary Fund, the IMF, for failing to hit labour activation targets. Indeed, in one European Commission report she has been described as having “a broadly flat and open-ended unemployment benefits” system which remains static. Irrespective of how long someone has been claiming, the report stated “more needs to be done to alleviate or eliminate work disincentives and unemployment traps caused by some features of Ireland’s benefits system”. It has to be noted that her own policies have contributed to anomalies. If one looks at the abolition of the weekly €100 PRSI allowance, it has given rise to where someone on an annual income of €18,304 has a take-home pay of €17,343 but if they earn €1 more, €18,305, they have a take-home pay of €16,612, a differential of €731.

Deputy Joan Burton: Comments have been made on our benefits system by various international bodies. Several of them - I do not know whether the Deputy agrees with them - have indicated they would like to see reductions in the rate of payment to people on long-term unemployment benefits. I believe the way to go is not to reduce the weekly rates, as Fianna Fáil did when it was last in power by reducing the rate by as much as €16.40 a week, but to concentrate on activation, as well as getting people into education, training or work experience as a preliminary step to going back to work. The figures show this has already proved successful.

We inherited from Fianna Fáil a social welfare system that international commentators described as a passive system. In other words, once people were included in the long-term job-seeker’s scheme, they were left in it. There were very few activation measures, other than through the old FÁS structures which, as we know, had many limitations. Now everyone who is or becomes unemployed is dealt with in a case management system in which they are dealt with face-to-face. They are engaged with to see what we can do to help them to get back to work, the route to which may be through education, training or an apprenticeship, but whatever it takes, we will go the extra mile to get those who are unemployed back to work. That is the critical aspect.

Deputy Seán Ó Feargháil: Let me make it clear that I am not calling for a reduction in

welfare payments; rather, I am calling for anomalies within the system to be addressed and eliminated, wherever possible. The Tánaiste talks about the inadequacies of the welfare system when we were in government, but she has practically been in government for four years, which is long enough to have rectified the anomalies she may have identified. Will she address the fact that her own policies, in particular, those surrounding PRSI, have disincentivised low earners from increasing their earnings and also the long-term unemployed from entering the workforce?

Deputy Joan Burton: I do not agree at all. A number of popular initiatives have been launched during the Government's period in office. For instance, Momentum is specifically targeted at the long-term unemployed. It means that when people take a course - most courses are up to an academic year in length - they will continue to receive their social welfare payments. At any one time there are well over 20,000 people participating in the back-to-education initiative. We also have an extremely popular enterprise scheme. In addition, with the help of the Labour Market Council which I established, we have incentivised employers to give persons on the live register, particularly those who have been on it for a long time, an opportunity to attend interviews and compete for jobs. The JobsPlus scheme which we put in place last year is already catering for over 3,000 individuals. Some 60% to 70% of those who have been taken onto the scheme are unemployed for more than two years, which means that they are long-term unemployed.

One-Parent Family Payments

95. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Social Protection if the cuts that had been scheduled to be made to the one parent family payment scheme next year, including the lowering of the cut-off age to seven years and the reduction to the income disregard, will now proceed in view of her statement in the context of the latest budget that there would be no reductions to social welfare payments in 2015. [41714/14]

Deputy Aengus Ó Snodaigh: On budget day the Tánaiste and Minister for Social Protection said there would be no reductions in social welfare payments in 2015. In the light of that assertion, will she confirm whether she will now proceed with the planned reductions to the one parent family payment scheme next year, namely, her plan to lower the cut-off age to seven years and further reduce the income disregard from €90 to just €75 from 1 January 2015?

Deputy Joan Burton: The one parent family payment, OFP, scheme supports 71,095 recipients at an estimated cost of €865 million in 2014. The reforms to the scheme to reduce the maximum age limit of the youngest child for receipt of the payment to seven years of age from July 2015 and to reduce the scheme's income disregard to €60 per week by January 2016 are provided for in the Social Welfare and Pensions Act 2012. Budget 2015 maintains the OFP personal rate of €188 per week, with €29.80 per week payable for each qualified child. In addition, the rate of child benefit per child will increase from €130 to €135 per month in January - a measure that will benefit over 611,000 households with children, including OFP recipients.

I am pleased to say I am partially restoring the Christmas bonus this year. A bonus of 25% will be paid in early December to over 1.1 million recipients, including all recipients of the one parent family payment and the jobseeker's allowance transitional payment. Budget 2015 also introduced a new back-to-work family dividend. One-parent family recipients who go back to work become eligible to receive the dividend. I explained that this means they will keep the payments with regard to children on a tapering basis for two years. In addition, the amount

we pay in family income supplement has increased significantly, particularly for one-parent families.

Deputy Aengus Ó Snodaigh: The survey on income and living conditions, SILC, is often quoted in this House and was released in April 2014. It confirmed that one-parent families are those most at risk of poverty, with the highest consistent poverty rate, at 17.4%, a rate of deprivation of 49.5%, and nearly 30% of families are at risk of poverty. However, the Minister cannot give a simple answer about whether she is going ahead with a cut in the social welfare rate for one-parent families from €90 to €75 for the income disregard. This was indicated last year for January of next year. It is a simple question. Is the Minister going ahead with this? If so, does she understand that it contradicts what she said on budget day that there would be no reductions in social welfare rates in 2015?

Deputy Joan Burton: With regard to one-parent families, the critical thing is to provide a supportive framework for parents to get back to work in the way that happens in the North when the youngest child is well settled in school. That is why the age of seven years was selected. It is what applies in the North and in the UK. In Scandinavian countries, the age is lower. If the Deputy does not have a problem with it in the North, I wonder why he has a problem with parents in one-parent families being enabled and encouraged to return to work. The most significant way for younger lone parents to get back to work is to take up educational opportunities. The Department of Social Protection provides a varied and extensive range of back to education courses on offer in PLCs, colleges and universities throughout the country. The best way of reducing poverty levels is to ensure the lone parent has an opportunity to take up work. That is the best way of significantly increasing someone's income and providing for their financial security.

Deputy Aengus Ó Snodaigh: Perhaps the Minister does not remember it because her memory seems to be fading. The Government has already cut the income disregard from €146.50 to €90 and now to €75. When the Minister introduced changes to the one-parent family provision, she said she would not proceed without "a credible and bankable commitment" from the Government putting in place a system of "safe, affordable and accessible child care". That does not exist. Is the Minister proceeding with the cut in the income disregard for one-parent families on 1 January and is this equivalent to a cut in social welfare rates, which she said would not happen in 2015?

Deputy Joan Burton: In the budget, there have been modest but significant tax reductions, USC reductions and increases in social welfare payments as well as significant increases in areas like health and education. The effect is that everyone, including one-parent families, will share in the dividend. I have outlined what one-parent families will share. It is really important that as a society we make provision for lone parents - those parenting on their own - where they have either not been involved with the labour market at all or been out of work for a period. As with everybody else who has become unemployed or is not working, and where children are settled in school, we must provide really good mechanisms to allow parents return to work. Normally, the mechanism for this is access to enhanced education opportunities, as the Deputy may know. That is what I have been seeking in the Department, as we provide for very significant numbers of lone parents and others in taking up educational opportunities while retaining the lone-parent payment. It is the best way of helping people to financial independence.

Deputy Aengus Ó Snodaigh: It is not what the Minister promised.

Invalidity Pension Appeals

96. **Deputy Tom Fleming** asked the Tánaiste and Minister for Social Protection if she will review the existing processing and the adjudication of invalidity pension applicants due to the high percentage of initial refusal decisions being reversed following reviews and appeals; and if she will make a statement on the matter. [41748/14]

Deputy Tom Fleming: I ask the Minister if she will review the existing processing and adjudication of invalidity pension applicants due to the high percentage of initial refusal decisions being reversed following reviews and appeals. There is an increasing trend towards obstacles and barriers in initial stages, although decisions may be subsequently reversed. Will the Minister intervene and use her good office to resolve this problem?

Deputy Joan Burton: One of the main reasons there is a high disallowance rate of invalidity pension applications is that, in common with all the illness and disability schemes, claimants and their doctors often do not provide full and comprehensive details of their condition or disability until they receive notification of a disallowance. In this regard, it should be noted that invalidity pension is a long-term payment for insured people who are permanently incapable of work due to illness or incapacity. Accordingly, it is vital that comprehensive medical data is provided at the claim stage in order to facilitate a fully informed decision. I urge Members of the House to use every opportunity to get the message out that there is a need for comprehensive medical information from the individual and the medical advisers in order to have a reasonable chance of a claim being allowed.

As Members will be aware, the Department has a series of stakeholder forums with disability organisations and representative groups and the Department, in this context, takes every opportunity to emphasise the importance of providing full information at initial claim stage. With the recent improvements in information technology and other changes, I am happy to say we have now introduced a review process whereby illness benefit recipients are identified as potentially having an underlying entitlement to invalidity pension. This process utilises the medical and contribution information already available to the Department. The customers concerned are only required to complete a short supplementary application form. These claims are processed promptly, ensuring an improved and streamlined customer service.

Deputy Tom Fleming: I welcome the Minister's statement about the review group being set up and I hope this will be a workable and efficient process that will expedite the work. The statistics for 2013 speak for themselves. There were 6,958 appeals for invalidity pensions. Overall, some 80.04% of appeals by applicants were successful, with 32% of decisions being reversed in the initial stages by deciding officers. There was a huge about-turn when matters went before an independent appeals officer at an oral hearing, when decisions in some 50% of cases that had initially been refused were reversed. This is disastrous as people are in dire straits. I believe some medical professionals are making a full diagnosis in the early stages and there are unnecessary barriers and obstacles, with people being made to jump through hoops for no reason.

Deputy Joan Burton: The new system will identify people who can be transferred based on information the Department has on file. This information will include a description of the illness or disability and the period for which it may be endured. Improved information technology, IT, has made this possible. When I became Minister, I inherited an enormous backlog in this area and there were many discussions in this House on the issue. The problem remains,

however, that when people submit applications, they are often inadequate initially - this may be because applicants lack the knowledge of the Deputy and others. It is up to applicants and their medical advisers to submit information needed to support a claim. That is why applications are refused. When people appeal a decision, they tend to produce more detailed and substantial information in support of a claim, which is why awards are often made on appeal.

Deputy Tom Fleming: People feel strongly that genuine applications are deliberately delayed and refused initially as part of wider efforts by the Department of Social Protection to crack down on fraud. They believe they are the victims of such an approach and I have anecdotal evidence of similar cases. An independent oral hearing can take from 12 to 18 months and many of those involved suffer from cancer, terminal and psychiatric illnesses. It has happened that appellants had died by the time an oral hearing was held. I commend the Minister for the review process which I hope she will police effectively. I hope the process is expedited and that those involved see justice in their applications. What is happening is not good enough.

Deputy Joan Burton: In 2013 there were 9,640 applications, while this year 6,933 applications were received by the end of September. Some 9,494 claims were awarded in 2013, while this year 5,373 claims were awarded by the end of September. Obviously, they are not the same people because there is a considerable period during which claims are processed. With the new information technology, I can put it absolutely to the Deputy that if a person has the support of a medical adviser or advisers and this is clearly indicated in the documentation, it will vastly improve his or her opportunity to receive a favourable decision. That is really what it hinges on.

Personal Public Service Numbers

97. **Deputy Seán Ó Fearghail** asked the Tánaiste and Minister for Social Protection to set out the actions she will take to protect the use of PPS numbers against abuse; if she will consider new legislation to increase the offences relating to the wrongful use of a person's PPS number; and if she will make a statement on the matter. [41717/14]

Deputy Seán Ó Fearghail: This question focuses on the decision of the Government a little over 12 months ago to ram through the House the legislation to establish Irish Water, wherein provision was made for the collection of individuals' personal public service, PPS, numbers. The Government is in regret and apology mode. Against this background, we want to know what the Tánaiste is prepared to do about the growing public concern around the issue of the collection of PPS numbers and their potential abuse thereafter.

Deputy Joan Burton: Social welfare legislation specifies that the PPS number can only be used by specified bodies and agents acting on their behalf and only for the purposes of public service transactions. Provision is also made for sharing a person's PPS number between specified bodies.

The PPS number is a unique identifier. It was introduced in 1998 and is used to provide access to an important range of public, civic and other services. It replaced the old revenue and social insurance, RSI, number, which had been introduced in 1979 for engagements between individuals and Revenue or the then Department of Social Welfare. The introduction of the PPS number made it accessible by specified bodies, rather than only by Revenue and the Department, in transacting public services.

At its core, the PPS number is a device to assist in and enhance the efficiency of the provision of public services for the public. Such public services vary greatly. Thus, the PPS number is used widely, for example, by all employers in their transactions with Revenue and the Department in the delivery of social welfare payments and services, including dental, optical and audiological services, mainly provided by private practitioners, as well as financial institutions and the health and education sectors.

It is an offence for persons other than specified bodies, their agents or those to whom the number refers to use PPS numbers or otherwise seek their disclosure. A person convicted of such an offence is liable to a fine not in excess of €1,500, or, on conviction, a fine not exceeding €25,000 or imprisonment for a term not exceeding five years, or both.

The Department is committed to protecting and facilitating the use of PPS numbers in accordance with the law. In this regard, it monitors compliance with the legislation among the specified bodies and deals with identified and reported cases. The collection, storage and use of PPS numbers are subject to the provisions of the Data Protection Acts.

Deputy Seán Ó Feargháil: What the Tánaiste has said is very interesting, especially against the background of the information divulged by my colleague, Deputy Willie O’Dea, who has accessed the Department’s staff bulletin board. Some entries indicate that staff within the Department have expressed serious concerns about the use of PPS numbers. They expressed doubt about the legal basis of Irish Water checking numbers. They were uneasy about the conflict with their duty to protect members of the public. Staff also expressed concern about the lack of information on the issue. Some staff have gone as far as to say they would be reluctant to provide their PPS numbers in such circumstances. The Minister has come here and expressed satisfaction. Are we to take it that, although the Minister and the chief executive of Irish Water have apologised and the Taoiseach has said that not everything that should have been done was done and the entire matter has not been handled very well, the Minister is perfectly happy with the manner in which the PPS issue has been handled in the Irish Water debacle?

Deputy Joan Burton: My view with regard to Irish Water, and I said this a number of weeks ago and before other people commented, is that the undertaking is of such a significant size that it will take a considerable number of years to roll out. I said that in the Dáil more than a couple of weeks ago. That is the first point.

Second, PPS numbers are already used in communications with utility companies and An Post as unique identifiers, for example, for household benefits customers. Financial institutions are required to use PPS numbers under the legislation of 2008. I am sure the Deputy is familiar with that. The PPS number is used to access a wide variety of services, such as social welfare services, free travel, pupil identification in the context of education, public health services, including the medical card and drug payment schemes, optical, dental and audiology benefits which may be provided to people by practitioners, child immunisation, all the Revenue Commissioners’ schemes, housing grants, driver theory testing, driver licences, school transport schemes operated by the Department of Education and Skills, passport applications and passport renewals, and civil registration services including birth, death, marriage and civil partnership certification. All of this is regulated both by the legislation under which it falls and under the remit of the Data Protection Acts.

Deputy Seán Ó Feargháil: The litany of instances the Minister outlined in which PPS numbers are provided are instances where the public is quite happy to provide PPS numbers.

However, there were people among the 150,000 or 190,000, whatever number one accepts, who marched last weekend throughout the country simply and solely because of their concern about the issue of PPS numbers. Certainly, I have had the experience, and I will be amazed if the Minister's colleagues have not had the same experience, of people telling me that one of their principal concerns about this utility company is that they do not wish to provide their PPS number to it, that they will not do it and they are unwilling to participate in that way. Is the Minister saying that those people's concerns are misplaced? Is she also saying that the apologies that have been tendered do not include apologies in respect of the demand for PPS numbers?

Deputy Joan Burton: The PPS number has been in existence for a long time. It is one of the factors that enables much better delivery of public services among the wide range of services I mentioned earlier. It is governed by extremely tight data protection regulations and it is a criminal offence to misuse PPS numbers. I appreciate the concerns people have expressed on this issue but in the case of Irish Water it is in order to provide access to allowances. One of the concerns that have been mentioned has been in respect of children's PPS numbers. However, there are only two items of information that could be sought by Irish Water in that respect or only two questions that can be asked. One is whether it is a real and valid PPS number. The second question is whether the person to whom the PPS number is assigned is aged under 18 years. Apart from answering these two questions and contrary to what people appear to believe, no other data exchange is involved. The data are confined.

Water Charges Administration

98. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Social Protection the number of recipients of jobseeker's allowance or jobseeker's benefit who will not receive either a Christmas bonus or a water support payment next year. [41715/14]

Deputy Aengus Ó Snodaigh: This question seeks to gauge whether the Minister is fully aware of the hardship water charges will wreak on households and if she appreciates the gross inadequacy of the measures she announced in the recent budget.

Deputy Joan Burton: I understand the question relates to the Christmas bonus.

Deputy Aengus Ó Snodaigh: It also refers to water support payments.

Deputy Joan Burton: May I deal with the first part of the question, which relates to the Christmas bonus?

Deputy Aengus Ó Snodaigh: Yes.

Deputy Joan Burton: The Christmas bonus, which was paid each year in the period from 1980 to 2008, inclusive, was abolished by the previous Fianna Fáil-led Government in 2009. I am pleased that I am partially restoring the bonus this year, with the result that a bonus of 25% will be paid in early December to more than 1.1 million recipients, including all long-term welfare recipients, such as pensioners, carers and long-term jobseekers. I am taking this initiative in recognition of the fact that most social welfare recipients rely either wholly or mainly on their weekly payment.

The Christmas bonus this year will be paid to the beneficiaries of all schemes to which it previously applied, including schemes previously administered by other organisations such as

the community employment scheme. Short-term jobseekers who have been on the live register for less than 15 months were never eligible for the bonus and this condition will continue to apply this year. It is estimated that approximately 304,000 jobseekers will receive a weekly payment at the end of November. Of this number, some 79% or 212,000 people will receive the 25% bonus at an estimated cost of €10.4 million.

I announced in budget 2015 that recipients of both the household benefits package and-or the fuel allowance will also receive an annual environmental water support payment of €100. This will benefit 650,000 households at an annual cost of approximately €66 million. Other households will benefit from the tax credit of €100 announced in the budget.

An Leas-Cheann Comhairle: The Minister's time for this question has expired.

Deputy Aengus Ó Snodaigh: As Deputy Ó Feargháil noted, approximately 150,000 people - as many as 190,000 according to some estimates - took to the streets last weekend to say "No" to water charges. I have no doubt that these protests put the fear of God into the Government. The marchers included young and old people, the unemployed, people who depend on social welfare and people in employment, all of whom were united in their opposition to the Government's water charges. Their message was that water charges are unfair, they cannot pay them and they should not be asked to pay them.

The question asks how many of those who depend on social welfare payments will not benefit from either the Christmas bonus or the water support payment. While the Minister did not answer this part of the question, I estimate the number involved to be approximately 200,000 people.

Thus far, the Government's response to the demands of the people in respect of water charges has been to admit it got the issue a little wrong and state it had experienced problems with its communications. That is not good enough. Is the Minister aware that even if she were to extend the water support payment and tax relief announced in the budget to a greater number of people, it would only be a matter of time before these measures were withdrawn and the charges hiked? Is it reasonable to assume that once water charges have been introduced, they will be increased? That will impose a greater burden on those households which come under the remit of the Minister, namely, those who will be in receipt of social welfare in the years ahead. If she does not think that will happen, why would she refer to a freeze in the first place?

Deputy Joan Burton: The social welfare package in this budget is the first since the fatal bank guarantee introduced by the previous Government to benefit very significant numbers of people. The restoration, on a partial basis, of the Christmas bonus has been very widely welcomed by the 1.1 million people who will benefit. One of the reasons for the different numbers quoted by the Deputy is that water charges are a household matter, whereas the Christmas bonus is a question of payment to individuals, many of whom may reside in the same household. In terms of the figures quoted by the Deputy, there is probably some confusion between individuals and household numbers.

Let us be very clear. Every man, woman and child in the country needs a supply of clean drinking water. As a country, we need to invest at least €600 million a year for the next three years in water services and thereafter we need to invest at a rate of about €1 billion a year. This time last year, pubs and restaurants in the Dublin region were about to close down because the capital of the country did not have enough water to supply all the people living in the city. We

know about the situation in different parts of the country, such as when Galway could not provide drinking water for its population a number of years ago because of cryptosporidium. The objective of providing a supply of quality clean water for individuals, businesses, industrial development, tourism and agriculture is important.

Deputy Aengus Ó Snodaigh: Does the Minister accept that her Government's water charge will exceed the miserly social welfare increases announced in budget 2015? Does she intend to increase the so-called water support payment to cover the full cost of water charges for those dependent on social welfare? Does she intend to introduce the equivalent support for the low paid? If these things are not done, everything she has said means that those in our society who are low paid or dependent on social welfare will be less well off after the budget and as a consequence of the water tax.

Deputy Joan Burton: If the Deputy reads the analysis on people being better or less well off, he will find it has been my concern in the budget to ensure that 80,000 people are lifted out of the universal social charge. The two lower rates of the universal social charge, which mostly apply to the people on lower pay to whom the Deputy referred, have been reduced by half a percentage point each. That of course benefits everybody else. When those on low pay get their wage packets, slips and statements in January and February they will see a very significant saving in regard to the USC, the first in a long line of budgets. I would like it to be more, but it is a start. Some 1.1 million of those living exclusively on a social welfare income on a long-term basis will receive in the first half of December a Christmas bonus of a quarter of the weekly rate.

Deputy Aengus Ó Snodaigh: The water charge will take it away in January.

Deputy Joan Burton: That has been widely welcomed.

Deputy Thomas P. Broughan: They are giving out a fiver.

Deputy Joan Burton: The Deputy's suggestion is that somehow or other the payments to people in the budget are not significant.

Deputy Aengus Ó Snodaigh: They will have to pay more. The payments are not significant if more money is being taken from them.

An Leas-Cheann Comhairle: The Tánaiste should conclude, I must move on to other questions.

Deputy Joan Burton: For instance, in the first week of January parents will receive an additional €5 per month per child. I understand the Deputy might not welcome improvements in social welfare payments but I must confess that I am disappointed that Sinn Féin is so negative about increased payments to people on social welfare who need and welcome those payments.

Deputy Aengus Ó Snodaigh: I always welcome improved social welfare payments. I would laugh except it is not funny. The payment is being given with one hand, but taken away with the other.

Deputy Joan Burton: I understand, and we are making provision for extra income for people on social welfare. The Deputy is just a bit sour.

Other Questions

Housing Assistance Payments Administration

99. **Deputy Thomas P. Broughan** asked the Tánaiste and Minister for Social Protection the work of her Department to date in transferring its function in regard to the administration of the rent supplement scheme to local authorities with the roll-out of the housing assistance payment scheme. [41659/14]

Deputy Thomas P. Broughan: The Minister's reply to this last question reminded me that Wolfgang Schäuble was in town last week visiting the branch office, where he met his branch managers, the Ministers, Deputies Noonan and Howlin. I suppose they gave him a report on how the branch office is performing, in regard to the Deutschland project and to his boss, Prime Minister Merkel. The fact is the Minister for Social Protection, Deputy Burton, did nothing constructive in the budget.

An Leas-Cheann Comhairle: We are on Question No. 99.

Deputy Thomas P. Broughan: In regard to the winding down of the rent supplement scheme and its transfer to the local authorities by way of HAP, incredible service difficulties are being endured by the 73,000 families and individuals on rent supplement. The Minister told the House recently that 50,000 of them have been on rent supplement for more than 18 months. Many of these are facing rising rents and must try to make up these rents out of their own pockets. This Minister slashed rent supplement by €200 million or €250 million and as she knows, I made a pre-budget submission to the Minister for Finance and the Minister for Public Expenditure and Reform asking for rent controls. I know there is no chance the Minister's Fine Gael bosses in the Government would allow her to introduce any kind of rent control, but will she give us a briefing on HAP?

Minister of State at the Department of Social Protection (Deputy Kevin Humphreys): I thank the Deputy for his question. He is correct to say there are approximately 73,500 people in receipt of rent supplement, almost 49,000 of whom are in receipt of the supplement for over 18 months. The Department's strategic policy direction is to return rent supplement to its original purpose of a short-term income support scheme. Under the new housing assistance payment, HAP, responsibility for recipients of rent supplement with a long-term housing need will transfer to local authorities. HAP will provide a more integrated system of housing supports and has been designed to allow any householder that finds full-time employment to remain in the scheme. Rent supplement will continue to be paid to those already in the private rented sector who have a short-term need of rental support, often as a result of the loss of employment. HAP is being introduced on a phased basis. It was rolled out in County Cork, Limerick city and county and Waterford city and county in September last and was further extended to four other counties in October. To date, some 403 persons have been transferred to HAP following engagement between local Department staff and local authorities.

Officials in the Department continue to work closely with those in the local authorities and the Department of the Environment, Community and Local Government to support the implementation of HAP and transfer of 8,000 cases to HAP during 2015.

The Department is represented at senior level on both the HAP oversight group and the HAP project board. In terms of facilitating HAP, significant work has been undertaken by the Department at both local and central level. In addition, the household budget scheme was amended in January 2014 to support further the collection of rents for local authorities in advance of HAP

roll-out. The Department is also undertaking development of its computer systems to support the direct deduction of local authority rents from social welfare payments, which will apply to HAP and other local authority housing recipients.

Deputy Thomas P. Broughan: I thank the Minister of State for his response. Is he saying that by the end of the Government's term, only from 8,000 to 10,000 of the 73,000 households will have been transferred to HAP? What exactly does that mean in regard to the Housing (Miscellaneous Provisions) Act 2014? The Minister of State will remember we had a lengthy and very passionate debate in this House with the Minister, Deputy Jan O'Sullivan, about whether section 37 would mean that when these private tenants were transferred to the HAP, they would then be regarded as being housed. Has that matter been totally clarified? The Minister later said that, in her view, people would retain their places on the list and so on. It is a very important element of what is happening in regard to rent supplement.

This morning we received a briefing from the Simon Community which recommended an urgent review of rent supplement limits and increasing the limits to deal with rapidly escalating rents. Effectively, as the Minister of State will know from his constituency, rents are jumping by €200, €300 or more a month, with families desperately trying to keep up. What is the status of the so-called Dublin protocol, whereby rent supplement limits are allowed to be exceeded by the Tánaiste's Department in certain cases? Is it being expanded? Is it something in which the Minister of State has a particular interest?

Deputy Kevin Humphreys: To take the last question first, the protocol has been operating very well in conjunction with the local authorities and Threshold. So far, over 200 people have been assisted. I will send on further details, if the Deputy wants-----

Deputy Thomas P. Broughan: That would only be enough in Dublin South-East. What about the rest of us?

Deputy Kevin Humphreys: The protocol has been recognised by the local authorities, Threshold and the families who have engaged with it as successful in maintaining people in homes, which is always extremely important.

On the other question, the Deputy is correct that the intention of the Government is that we transfer 8,000 to the HAP by the end of 2015, but, as he well knows, that does not cover the full term of the Government. We also have a very ambitious programme to build homes. It is far better to spend the money on building new homes rather than transferring funds to landlords. It was announced in the budget that €2.2 billion would be spent in the next three years on the social housing programme, which is extremely important, of which €800 million will be spent in 2015.

An Leas-Cheann Comhairle: Time is up. I will come back to the Minister of State.

Deputy Thomas P. Broughan: On the review of rent supplement limits, is the Minister of State doing anything serious or is it just a PR exercise, given the fact that the Tánaiste slashed rent supplement supports? She could have approached the issue from the other end in that she could have looked at rent caps or limits, or even taken the suggestion made in regard to inflation. However, as I said, her Fine Gael masters will not allow that to happen; therefore, it cannot happen, although we desperately need rent controls as part of the solution.

I welcome the point the Minister of State makes about the protocol, but, unfortunately, these

are all tiny steps. My great predecessor in Dublin North-East used to say as Minister, as one of his key themes, if one looks through his various books, that members of the Executive were personally responsible for the suffering that happened within their remit. The suffering of the children in households we represent, for whom there is grave uncertainty about being evicted and who endure terror, is the responsibility of the Ministers opposite and something they should address.

Deputy Kevin Humphreys: I am trying to answer the Deputy's direct questions, one of which was where would a person be on the transfer list if they were to be included in the HAP scheme. The transfer list reflects the specific priority a resident had on the waiting list. As far as I know, the local authorities have been notified by the Department of the Environment, Community and Local Government in this regard.

Rent allowance was increased last June. The Deputy knows as well as I do, coming from a Dublin constituency, that the real problem, especially within the greater Dublin area, is supply. While I will certainly be keeping the rent bands under review, the real problem is supply; that is the issue that has to be tackled as a matter of urgency.

3 o'clock

Rent Supplement Scheme Administration

100. **Deputy Mick Wallace** asked the Tánaiste and Minister for Social Protection her plans for a review of the current system of rent supplement in view of rising rental prices; and if she will make a statement on the matter. [41699/14]

Deputy Mick Wallace: Supply is a problem the Government has not addressed in a serious way. It is a very serious problem, probably one of the most difficult facing the State, but it is not difficult to understand what is happening. The question relates to the levels of rent supplement the Government is prepared to offer. It has refused to build social housing, turned to the private market and offers rent supplement that is not high enough. As a result, it is driving people into poverty and homelessness. This is not difficult to understand; it is logical. What, in God's name, is the Department going to do about the fact that existing rent supplement levels are driving people into poverty and homelessness?

Deputy Kevin Humphreys: I will try to answer as many questions as I can directly. This question follows on from Deputy Thomas P. Broughan's question.

The Department is undertaking a review of rent limits. An analysis shows that the impact of increasing limits will yield only a very marginal increase in available supply for rent supplement recipients, with little or no new housing available to new recipients. I will continue to keep this matter under review. I am acutely aware of the difficulties people are experiencing in maintaining affordable rented accommodation in areas of high demand in the current market, including those in receipt of rent supplement. However, raising rent limits may not be the solution to the problem, as it is likely to add to further rental inflation and could impact not only on rent supplement recipients but also many lower income workers and students.

I assure the Deputy that officers administering rent supplement throughout the country have considerable experience and make every effort to ensure accommodation needs are met, including through the use of their discretionary statutory powers, as necessary. The Department has

sent a letter reminding staff of the discretionary powers available. In the light of a particular concentration of the homelessness problem in the Dublin area, the Department has agreed a tenancy sustainment protocol with the Dublin local authorities and voluntary organisations to support families on rent supplement who are at risk of losing their accommodation. Since the launch of the protocol in 2014, over 160 families have had their rent supplement claims revised by the Department which is examining the need for such protocols in other areas.

I agree with the Deputy that increasing housing supply is the real answer. We must focus on building social housing across the country, particularly where there are key demands. I know that the Deputy's constituency is probably suffering the same problems faced by my constituency in Dublin. That is why, as I outlined to Deputy Thomas P. Broughan, money has been made available in the budget - some €2.2 billion is being put in place in the next three years. Representing an inner city community, I am acutely aware of the demand for social housing and driving this home is top of my priorities since I recently became a Minister of State. I thank the Deputy for raising the issue.

Additional information not given on the floor of the House.

Increasing housing supply and the reactivation of construction activity is a critical issue for the Government and key to restoring stability to the rental market. In this context, it should be noted that the Government has recently launched the Construction Strategy 2020.

As part of budget 2015, the Government also announced significant capital investment of over €2.2 billion for social housing in the next three years. In 2015 over €800 million will be invested in a range of housing programmes, representing the first major investment in housing since 2009. My colleague, the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, is also due to publish a social housing strategy shortly. This will propose a range of approaches and reforms that are innovative and challenging and will provide a basis for an improved and sustainable approach to the provision of social housing supports in Ireland.

Deputy Mick Wallace: If the Government ever gets around to building social housing, it would be a big help, but it is two years away. In September alone, 45 families became homeless. We must deal with the people who are most vulnerable, given that this is supposed to be the Department's priority. Why does the Minister of State not have a chat with the Minister for Finance? The National Asset Management Agency, NAMA, was set up in order that we would not flood the market with too many properties too soon that would be sold too cheaply, but that is exactly what has happened. Big blocks of houses and apartments have been sold to speculators. What are they doing with them? They are banking them; they have become the new landlords. As there are not very many of them, it is easy for them to form a cartel, which is one of the main reasons rents are rocketing in places such as Dublin. There are too many rental properties in the hands of too few people who bought them at rock bottom prices because the Government decided to sell off NAMA assets at well below cost of most of this property and allowed the banks to do something similar. As it has added to the problem, rent supplement is worth bugger all to the many who are trying to find a home because it does not meet the rent charged. The Government can talk about building social housing, which is great as we want it to build it, but what is it going to do to prevent homelessness in the meantime, in the next two years? There were 45 families in September. How many will there be in October, November and December?

Deputy Kevin Humphreys: The budget provided €344 million for that area. I do not call €344 million buggery all. There is, however, a real problem and we have to explore different ways of addressing it. One of the strong ways of engaging is through the local authorities. Too many homes belonging to local authorities are boarded up and it has been a key priority over the past weeks and months to ensure homes that have been blocked up or steel framed by local authorities are put back to use. Prior to moving Departments to become the Minister for Education and Skills, Deputy Jan O’Sullivan made substantial funds available as the Minister of State at the Department of the Environment, Community and Local Government, as has the Minister for the Environment, Community and Local Government, Deputy Alan Kelly. We are following that up with the local authorities to ensure homes that are currently boarded up come on stream.

It is true that we need to consider short, medium and long-term options. I want to see a concentration in the medium term on provision of affordable social housing across the country. The beginning of that can be seen in the recent budget. I am aware that Deputy Wallace has strong views on this matter, similar to mine, but I want to make sure this is delivered on. I believe the Deputy will see it being delivered in the coming months.

Deputy Mick Wallace: The Minister of State said that local authorities need to deal with units that are boarded up. It would be great if they could do so but, to take Wexford as an example, in 2008 Wexford County Council received €26.5 million to deal with issues like boarded up units but in 2012 it received €1.6 million. What can it do for the 4,000 people on the waiting list for social housing in Wexford with an allocation of €1.6 million to deal with its housing problems? There is no point in giving out about the local authorities if they are completely at the mercy of central government for funding. The situation has deteriorated over the past 30 years. For practical purposes, local authorities do not really exist in Ireland at present because they have been drained by central government. We have the most centralised governance in Europe. Our local authorities no longer really function because they have been stripped of their powers and finances. It would be great if the Government funded local authorities to deal with the problems on their doorsteps because they know best about what is facing them.

Deputy Kevin Humphreys: I do not want to concentrate too much on one specific area because a number of issues needs to be addressed. Certainly voids are an element, however. I do not like using the word “void”, which is a technical term employed by local authorities. These are boarded up homes. The local authorities will get their share of the €2.2 billion that is being put into the situation. I recognise that people do not like to hear money is being put into position but we want to ensure that we get good quality homes back on stream as quickly as possible. I would be interested in sitting down with Deputy Wallace to discuss how we can ensure local authorities deliver in this area. I am doing this in my own local authority because I am sick and tired of seeing what I regard as good quality homes with steel shutters while people are waiting on the housing list for lengthy periods. I am concentrating on dealing with that issue in my own community and area. We need to focus on this issue because the local authorities have to deliver. There is nothing more frustrating than to be on the housing list and to see units with steel shutters.

An Leas-Cheann Comhairle: As Deputy McConalogue is not present to put Question No. 101, we will proceed to Question No. 102.

Question No. 101 replied to with Written Answers.

Water Charges Administration

102. **Deputy Joe Higgins** asked the Tánaiste and Minister for Social Protection if she will report on the implementation of the €100 allowance for Irish Water bills through the household benefits package. [41680/14]

Deputy Joe Higgins: Will the Tánaiste agree that the €100 benefit against water charges is an utterly inadequate response to the uprising of ordinary people against this latest austerity tax?

Deputy Joan Burton: The Department of Social Protection will spend €230 million this year on the household benefits package for almost 415,000 customers. The fuel allowance is paid for 26 weeks from October to April to almost 415,000 households, at an estimated cost of €208 million in 2014. That means well over €430 million will be spent between the two schemes in 2014.

I announced in budget 2015 that recipients of the household benefits package or the fuel allowance would also get an annual water support payment of €100. This measure will benefit 650,000 households at an annual cost in the region of €66 million. The combination of household benefit and fuel allowance as qualifying payments for water support will ensure that the payment is made to those most likely to be impacted by the charges. It is in addition to payments to be made directly via tax credits as announced by the Minister for Finance. Work is under way on the system developments required to implement the payments in 2015. These are in addition to the payment that will be made in December restoring 25% of the annual Christmas bonus, which was, unfortunately, discontinued by the previous Government in 2009. The Christmas bonus will go to some 1.1 million people in the first half of December. In addition, in the first week of January, families who receive child benefit will receive an increase in the monthly payment of €5 per child.

I am happy that budget 2015 is the first in a number of years in which we have been able to have a modest but significant social welfare package to improve the situation, as well as a tax reduction package which takes 80,000 people out of the USC and reduces the rate of USC for those on the first two lower rates.

Deputy Joe Higgins: The Tánaiste was not asked about fuel allowances, Christmas bonuses or anything else; she was asked about the crushing new burden her Government has imposed on ordinary people, including poor people. The Minister for the Environment, Community and Local Government and the chief executive of Irish Water made some shape of an apology in the last few days to the Irish people for the calamity that is the attempted introduction of water charges. Will the Tánaiste take this opportunity to make her own apology for her culpability in water charges and will she agree that her €100 allowance against water bills represents a panicked response to an uprising of ordinary people nationally against her latest crucifying austerity taxes on them? Will she take the opportunity, which she has not done to date, to apologise for the cynical deception she engaged in during the last general election when she promised to save people from Fine Gael's €238 water tax? Does she agree that her €100 in no way makes up for the Labour Party's treachery in this regard, and will she apologise to the 5,000 residents of the Dublin West constituency she is supposed to represent who turned out on Saturday in Blanchardstown in a determined opposition to water charges and to demand their abolition? Despite how out of touch the Tánaiste and her Government are with ordinary people with regard to this issue, will she recognise that last-minute panicked responses will not save

their political hides, and just abolish the water charges?

Deputy Joan Burton: It probably escaped Deputy Joe Higgins's notice - perhaps he was away at the time - that I announced the water support payment as far back as July. Not only that, it is written into the document that myself and the Taoiseach agreed on in the first week of July. It has been a matter of public record for some time. While it might have escaped the Deputy's notice, it was fully and publicly announced and mentioned in almost all media. Obviously, the Deputy did not spot it. However, he did spot it in more recent times. It was announced that far back, as it was my concern to ensure that households dependent on social welfare payments would get additional support for water charges.

What is essential is that all of the people in this country, including those I have the honour to represent in Dublin West, have a clean supply of high-quality, drinkable water. It is also essential that the people of Ireland, including those in my constituency in Dublin West, have opportunities to find employment in tourism, agriculture, industry and other fields of business which are heavily dependent on good, clean water supplies.

An Leas-Cheann Comhairle: I thank the Tánaiste.

Deputy Joan Burton: The difficulty that the Deputy does not recognise-----

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

Deputy Joan Burton: -----is that it will require a huge level of State investment over the next ten years in order to fix all those issues which mean that people do not have proper drinkable water. This time last year, the entire Dublin region was threatened with the closure of pubs and hotels due to inadequate water supplies.

Deputy Joe Higgins: The difficulty is that the Tánaiste has reversed everything she said for ten years when she was in opposition, pretending to be the champion of working-class people. Once she got into power, she decided that she would lash another austerity tax on them in the form of water charges and not even look at the millionaires and billionaires who could afford a few hundred million to pay for the investment that is needed. She saddled people with these charges. Let us forget the nonsense that there is no clarity and no communication. There is communication, and people understand that a family of four, including an 18 and a 19 year old and two adults, will pay just under €500. Similarly, a family of five will pay under €600, and when metering comes in that will rise inexorably.

Deputy Finian McGrath: That is right.

Deputy Joe Higgins: People are not stupid and the Tánaiste should not treat them as such. There is an uprising of working-class people out there that the Tánaiste does not seem to recognise, although, admittedly, her Government is dazed, pummelled, punch-drunk and panic-stricken, and so it should be. The Tánaiste is staggering from one crutch to another to extricate herself from the situation. Labour Party backbenchers have the demeanour of the politically condemned, and so they should have, as they will be wiped out in the next election if the Tánaiste persists with this.

An Leas-Cheann Comhairle: A question, please.

Deputy Joe Higgins: The court of Marie Antoinette could not be more out of touch with the suffering and realities of life for ordinary working people than the Labour Party and this Gov-

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ernment. The Tánaiste should get real, forget her €100, and abolish the water charges forthwith.

Deputy Joan Burton: My answer to the suggestions and scaremongering the Deputy has just now undertaken in relation to the level of charges-----

Deputy Joe Higgins: What scaremongering?

Deputy Joan Burton: -----is that I am happy to say it is my view that the charge for the type of household the Deputy described will be below €200.

Deputy Joe Higgins: Does the Tánaiste take the people for fools?

Deputy Michael Healy-Rae: This comes out every day. One-word woman.

Deputy Joan Burton: The water support payment of €100 will help to defray the cost faced by households of single individuals and those in which there are two or more people. The Deputy was very wide of the mark in the figures he announced.

Deputy Joe Higgins: They are the figures from the Commission for Energy Regulation.

An Leas-Cheann Comhairle: No, Deputy.

Deputy Joan Burton: For the figures involved, people will get what the country needs. The Deputy talked about my responsibility. My responsibility in relation to the country and Dublin West is to help to get people back to work in order that they can become financially independent.

Deputy Michael Healy-Rae: The Tánaiste is a disgrace.

An Leas-Cheann Comhairle: Please, Deputy.

Deputy Joan Burton: We do not need what Deputy Joe Higgins seems to want, which is for everybody to be on social welfare.

Deputy Joe Higgins: Get real. Get off the stage.

Deputy Joan Burton: Actually, we need people to be at work. I am perfectly happy that the level of water charges will be modest and will result in the provision of a supply of clean water for this country.

Deputy Michael Healy-Rae: The Tánaiste should be ashamed.

Deputy Ruth Coppinger: It is amazing what marches can do.

An Leas-Cheann Comhairle: Stop, Deputies. That concludes Question Time.

Messages from Select Committees

An Leas-Cheann Comhairle: The Select Sub-Committee on Transport, Tourism and Sport has concluded its consideration of the Merchant Shipping (Registration of Ships) Bill 2013 and has made amendments thereto.

Deputy Joan Burton: The Deputy is just standing up for another Kerry man.

Deputy Michael Healy-Rae: The Minister is a disgrace. This will only cause more prob-

lems.

An Leas-Cheann Comhairle: Please, Deputies. I am dealing with messages from select committees.

Deputy Michael Healy-Rae: I am sorry. The Tánaiste and Minister for Social Protection has provoked me.

An Leas-Cheann Comhairle: The Select Committee on Jobs, Enterprise and Innovation has concluded its consideration of the Intellectual Property (Miscellaneous Provisions) Bill 2014 and has made amendments thereto.

Topical Issue Matters

An Leas-Cheann Comhairle: I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Peter Mathews - the need to intervene to secure deferred pensions for members of the Irish airlines superannuation scheme; (2) Deputy Éamon Ó Cuív - an gá go dtabharfar cúnamh breise do na teaghlaigh a choinníonn Gaeilgeoirí faoi scéim na bhfoghlaimeoirí Gaeilge i 2015 de bharr an ualaigh a thitfidh orthu de bharr táillí uisce tí; (3) Deputy Brendan Griffin - concerns regarding the number of meetings held by the IDA with investors in County Kerry in 2014; (4) Deputy Lucinda Creighton - the deteriorating tax environment for productive investment in small and medium-sized enterprises; (5) Deputy Terence Flanagan - the increase in bus and rail ticket prices; (6) Deputy Maureen O'Sullivan - the need for community rehabilitation services for stroke victims; (7) 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; (8) Deputy Jim Daly - the need to improve the waiting time for spinal deformity surgery at Crumlin children's hospital; (9) Deputy Michael Creed - the need to improve the waiting time for spinal deformity surgery at Crumlin children's hospital; (10) Deputy Patrick O'Donovan - the need for a new process of allocating resources to prioritise the construction of new Garda stations and the refurbishment of existing ones; (11) Deputies Mattie McGrath, John O'Mahony and Denis Naughten - the plans to deal with the large backlog of applications for the fair deal scheme; (12) Deputy Gabrielle McFadden - the need to ensure the BSc honours degree programme in audiology at Athlone Institute of Technology continues its student intake; (13) Deputy Pat Deering - the need for further debate on the use of pylons; (14) Deputy Sean Fleming - the funding of the school meals local project scheme at Scoil Bhríde, Portlaoise, County Laois; (15) Deputy Frank Feighan - the use of thumb-style doorknobs; (16) Deputy Dan Neville - the bypass for Adare village, County Limerick; (17) Deputy John Paul Phelan - the need for the report from the ESB into projected increases in electricity demand to be incorporated into the national energy strategy; (18) Deputy Joe Higgins - Irish Water and water charges, and the changes that the Government will introduce to the charging structure and the company following recent demonstrations; (19) Deputy Ruth Coppinger - Irish Water and water charges, and the changes that the Government will introduce to the charging structure and the company following recent demonstrations; (20) Deputy Paul Murphy - Irish Water and water charges, and the changes that the Government will introduce to the charging structure and the company following recent demonstrations; (21) Deputy Martin Heydon - the implications of ESB's submission on energy policy on the Grid Link project; (22) Deputy Michelle Mulherin - the need for the Minister for the Environment, Community and Local Government to introduce and extend a housing grant scheme to be administered through local authorities to assist householders who are residing in areas identified as being at risk of flooding by the sci-

entific mapping exercise recently conducted pursuant to the Office of Public Works catchment flood risk assessment and management programme in purchasing domestic flood barriers as a short-term measure to mitigate against the possibility of flooding this winter, bearing in mind that many of the Government flood defence projects will only be put in place in the medium to long term and many of these householders who experienced flood damage last winter will now no longer be covered by insurance for any future flood damage; (23) Deputy Billy Kelleher - the need for the Minister for Health to stop proposals by the Health Service Executive to charge private patients in public hospitals at a rate of €813 a night for being accommodated in trolleys, chairs or recliners; (24) Deputy Niall Collins - the need for the Minister for Justice and Equality to discuss the appointment process of the Secretary General of the Department of Justice and Equality; (25) Deputy Seán Ó Fearghaíl - the need for the Health Service Executive to take over home care plans for children currently supported by the Jack and Jill Foundation; (26) Deputy Michael P. Kitt - the current business plan for An Post and to inquire whether the Minister has discussed the proposed business plan for 2015 with the company with regard to how it affects County Galway; (27) Deputy Brendan Smith - the need for the Minister for Justice and Equality to discuss the need for all Oireachtas Members to support the work of the Independent Commission for the Location of Victims' Remains; (28) Deputy Richard Boyd Barrett - the need to take the PKK, the Kurdistan Workers' Party, off the list of terrorist groups; (29) Deputy Clare Daly - the Irish airlines superannuation scheme crisis; (30) Deputy Mick Wallace - the urgent need to address the ongoing issues regarding the provision and quality of ambulance services in County Wexford; (31) Deputy Dessie Ellis - the future of the local drug task force network and the importance of the work it is doing in our communities; (32) Deputy Joan Collins - concerns regarding cuts to the budget of the social inclusion and community activation programme in the inner city; (33) Deputy Barry Cowen - the need for the Minister for Communications, Energy and Natural Resources to discuss the ESB's submission on EirGrid's Grid25 proposals; (34) Deputy Colm Keaveney - the need for the Minister for Health to ensure the programme for Government commitment to remove fees for GP care is honoured.

The matters raised by Deputies Maureen O'Sullivan, Seán Ó Fearghaíl, Mattie McGrath, and John O'Mahony, Denis Naughten and Dan Neville have been selected for discussion.

Leaders' Questions

Deputy Micheál Martin: Last Saturday, more than 150,000 people marched in opposition to the Taoiseach's Irish Water project. It is clear they are angry at his arrogance, at the detached nature of the Government and at its inability to listen, to be clear about anything and to simply understand that many people are not in a position to pay water charges. The former Minister of State, Deputy Fergus O'Dowd, is on the record as stating that Irish Water has been an unmitigated disaster. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, has gone further, blaming the Taoiseach for the mess, as well as the former Tánaiste and Minister for Foreign Affairs and Trade, Deputy Eamon Gilmore, the Minister for Finance, Deputy Michael Noonan, the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, all members of the famous Economic Management Council, EMC, which railroaded Irish Water through the Cabinet and the Oireachtas, and his current party leader, the Tánaiste and Minister for Social Protection, Deputy Joan Burton, who ultimately had to sign into law the provision allowing Irish Water to request people's PPS numbers.

The Minister said very clearly that he was not part of the former Cabinet and that he would ensure this Cabinet got it right. He also said this was the first time someone in his position had accepted that serious errors were made in the establishment of Irish Water and that this needed

to be conveyed clearly to the people. The Minister need not worry on that score. If there is one matter the people are clear on, it is the complete mess that has been made around the establishment of Irish Water. He also criticised strongly the way the legislation to establish Irish Water was rushed through the Dáil, and castigated the bonus culture in the company as well as the complete lack of clarity on many key issues.

Deputy Finian McGrath: He should be in the Opposition.

Deputy Micheál Martin: The Taoiseach and the Minister for the Environment, Community and Local Government should consult the Minister for Agriculture, Food and the Marine, Deputy Simon Coveney, who actually came up with the idea of establishing the utility which he named Irish Water in his NewERA document in 2009. I know he was well advised at the time. If one reads it, one will note how he was super-confident that this was going to be a great runaway success with great potential and capacity.

Is the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, right when he blames the Taoiseach, the former Tánaiste, Deputy Eamon Gilmore, the former Minister for the Environment, Community and Local Government, now European Commissioner, Phil Hogan, the Minister for Finance, Deputy Michael Noonan, and the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, for getting this so wrong? Is it time to step down Irish Water? We are reading about climb-downs all over the place. Is it time to step down the company before this debacle gets worse? What level of actual revenue does the Government need to pass the so-called market test regarding off-balance-sheet accounting? Is it €300 million, €400 million or €500 million? Is there essentially a fundamental irreconcilability between the Government's utility model and affordability?

The Taoiseach: I thank the Deputy for his comments. He asked if it was time for Irish Water to step down. It is time, actually, for Irish Water to step up.

Deputy Michael Healy-Rae: Is that a threat?

Deputy Barry Cowen: It is more like giddy-up.

The Taoiseach: The purpose of the policy decision to establish Irish Water was to deal with a situation that had been neglected for years.

Deputy Joan Collins: It was neglected for years by successive Fianna Fáil, Fine Gael and Labour Party Governments.

The Taoiseach: I already pointed this out to the Deputy, but he disputed my figures. Government is about making decisions. One does not get it right all the time by any means.

Deputy Michael Healy-Rae: Definitely not.

The Taoiseach: Obviously, there are times when one has to look at how decisions can be improved upon. This is one of them.

I do not accept the Deputy's comments about my being arrogant, having an inability to listen or not recognising that people have difficulties in many ways with a change like this where a new contribution cost is introduced.

Deputy Barry Cowen: It is about understanding.

The Taoiseach: However, he should recall that the mandate given to the Government was to sort out the catastrophic mess of an economic position that his party left behind. I know very well the challenges and the difficulties for so many people arising from negative equity, unemployment and so on. Fianna Fáil had its own proposition for a system of water charges too. I am not prepared to allow a situation in which we continue to pump raw sewage into the seas and rivers.

Deputy Joe Higgins: He is off again.

The Taoiseach: I am not prepared to allow 40% of treated water in Dublin city to leak away or a position in which one third of treatment works are inferior.

Deputy Seamus Healy: The Government gave an additional €200 million to Irish Water.

The Taoiseach: We pride ourselves now on being the fastest growing economy in Europe, with a strengthening of foreign direct investment. Every decision on foreign direct investment requires the construction sector to measure up in terms of apartments, buildings, houses, office blocks and water supply.

It is a case of recognising that people have expressed legitimate concerns and anxieties. It is a case for the Government which set out the policy to ensure it is implemented in a fair and affordable way, as well as ensuring people have clarity about what it is they are being asked to contribute to. While people pay their general taxes - figures today show the tax yield to be ahead of profile - the fact of the matter is that for the extra infrastructure that is needed to fix the water and wastewater systems, we need a system of fair contributions. Some people do not want to pay anything and some have an ideological view about it, while others are quite willing to contribute to the upkeep of the water infrastructure. People need to know with certainty and clarity what it is they are being asked to contribute to and what it is for. As the Minister in question pointed out, there are several issues around Dublin water treatment plants such as those in Ringsend and Ballymore Eustace. Now, for the first time in years, investment is being made by Irish Water in fixing problems that have been long neglected.

I recognise, as do the Government parties, that this could have been handled better. It is time not just to listen to the people but to act on their calls. I hope in the next several weeks that the Government will make its decision, that it will be clear-----

Deputy Michael Healy-Rae: More U-turns.

The Taoiseach: -----and that it will deal with the problems expressed by people as to what they are expected to pay, what it is for and the programme of investment by Irish Water. In other words, people must know their money is going towards what it is intended for and not into a black hole of some perceived private company or something like that, which was never contemplated and is not in fact the law of the land.

Deputy Joe Higgins: The Taoiseach takes the people for idiots. They are not.

Deputy Micheál Martin: The Taoiseach did not answer my basic question. He can ignore what I say if he wishes. That is fine; that is politics.

The Taoiseach: I answered the Deputy's question.

Deputy Micheál Martin: I asked whether he agreed with the Minister for the Environ-

ment, Community and Local Government. Two Ministers, one former and one current, have essentially said Irish Water is a mess. The former Minister of State said it was an unmitigated disaster. The current Minister said there were serious errors in the company's establishment - essentially a mess - and that he was not a member of the former Cabinet, even though he was a Minister of State then, but that this one must get it right. He is blaming the Taoiseach. I asked him if he was correct in blaming the Taoiseach and the former Minister, Mr. Phil Hogan, now an EU Commissioner. From 2000 onwards, €5 billion was spent on water infrastructure. I am a former Minister with responsibility for enterprise and the one thing we were never questioned about was our capacity to supply water. We have attracted some of the most complex bio-pharmaceutical plants to the country and pharmaceutical clients. One only has to go to Ringaskiddy or visit the medical devices cluster in Galway to see this. I know that the system needs improvement and advances, but it is not quite the feudal or mediaeval structure the Taoiseach likes to portray it as from time to time. If it was, we would never have attracted these industries in the first instance. I know that we beat other countries because of the superiority of our utilities, be it energy or water. The Taoiseach needs to have a balanced perspective on that issue also instead of frightening the life out of people.

Deputy Joe Costello: There was not even €1 billion spent by them.

Deputy Micheál Martin: The meters are ticking and people still do not know what they will pay. We are now being told that the Government may go back to a flat rate system. Overall capital expenditure in the next two years only shows an increase of €100 million, with all the talk of off-balance-sheet funding. There is no timeline for expansion because there was no debate in this House at any stage. No one knows what the Taoiseach's plans are.

An Ceann Comhairle: I am sorry, Deputy, but I have to call the Taoiseach to reply.

Deputy Micheál Martin: The danger with off-balance sheet accounting is that the Government spent €650 million without any discussion here or with the general public. There has been a complete lack of transparency. Will the Taoiseach facilitate a two or three hour debate in the House in order that the Minister, Deputy Alan Kelly, can answer questions? He should outline his ideas concerning Irish Water and the Government's future plans. There has been a complete absence of any debate from the get-go.

An Ceann Comhairle: I call the Taoiseach to respond.

Deputy Micheál Martin: Not one question could be asked here about that expenditure, as the Taoiseach knows.

The Taoiseach: I recognise that there is a great deal of misinformation about this issue.

(Interruptions).

An Ceann Comhairle: Quiet now.

The Taoiseach: People are being told by those who want to tell them that the contribution they will make for water is going to some private company.

Deputy Micheál Martin: I did not say that at all.

The Taoiseach: The Deputy knows from the law of the land that was passed here that Irish Water is never going to be privatised.

Deputy Micheál Martin: I never said that.

The Taoiseach: It is not going to be privatised by this party, the Labour Party, the Fianna Fáil Party, the Sinn Féin Party or the Independent group.

(Interruptions).

The Taoiseach: If anyone here believes Irish Water should be privatised, he or she will have an opportunity to say his or her piece.

A Deputy: The Taoiseach is making an act of contrition.

An Ceann Comhairle: Will the Deputy, please, stay quiet?

The Taoiseach: The Minister, Deputy Alan Kelly, will come before the Dáil and we will have a debate on this issue when the Government announces its decisions. I am not going to tie him or the Government to announcing it on a particular day.

Deputy Micheál Martin: Why not listen to people before you make another bags of it?

An Ceann Comhairle: We are over time.

The Taoiseach: I have listened carefully to the hundreds of people who have contacted me - some of them in not very kind terms I might add, but that is to be expected in politics. Many of those who have expressed a view say they are quite willing to make a contribution for water, but they want to know what the charge is and what it is for.

(Interruptions).

An Ceann Comhairle: As we are way over time, I ask the Taoiseach for his co-operation.

The Taoiseach: I will finish now. In County Roscommon, where Deputy Fitzpatrick - gabh mo leithscéal - Deputy Fitzmaurice was elected, chas mé ar an leoraí i dTuilsce an lá cheana agus mé ag dul síos. Thank you, Michael. As Deputy Fitzmaurice will tell us, there are six treatment plants being completed in County Roscommon. The Deputy was going to leave the people concerned with their boil water notices for the next decade. There is the Ballymore Eustace treatment plant which was closed down this time last year when the digital web summit was held here. It is to bring the plant up to full capacity. In addition, there is the Oberstown wastewater treatment plant, the Galway wastewater treatment plant and the Ringsend plant in Dublin.

A Deputy: Answer the question.

The Taoiseach: It seems Deputy Micheál Martin does not want to recognise the invalidity of his own case made the other day. The point is that if this work is not done and one has to raise €850 million for a programme of investment in extra water infrastructure and facilities, how will it be raised? I am not going to go down the road of increasing taxes or pulling services.

Deputy Micheál Martin: The Taoiseach is - the water charge is a tax.

The Taoiseach: That is what the Deputy wants to do. In fact, the Government went the other way and reduced income tax for the first time. It will do so again next year and the following year when returned to government.

Deputy Michael Healy-Rae: He is raving.

An Ceann Comhairle: Who is raving? We are seven minutes over time on this question. I am trying to be fair to everybody. Will Deputies, please, cut out the shouting and allow Deputy Gerry Adams to speak?

Deputy Gerry Adams: It is very clear from the Taoiseach's waffle that he totally underestimates the widespread public anger at the imposition of water charges. They were - let us be fair about it - a Fianna Fáil idea in the first instance, but the Taoiseach has underestimated the determination of people in every house, on every street, in every sráidbhaile and county across the State. He said: "Some people do not want to pay. Some people have an ideological position on this issue." What about those who cannot afford to pay? He is ignoring them completely.

I must confess that, at times, I find it difficult to understand the Taoiseach's attitude. Then I am reminded of the deferential approach he takes to the elites in the European Union, the banking fraternity and big business and his attitude to those to whom he refers as ordinary citizens. These ordinary citizens were on the march last Saturday and I am proud to say I was there with them. They are sick to the teeth of relentless austerity and the endless list of taxes, charges and cuts the Taoiseach has brought in, aimed at low and middle income families. For many, this water tax is the last straw. From the Taoiseach's remarks today and his other remarks, he has dismissed these concerns.

From the very beginning the establishment of Uisce Éireann-Irish Water has been marked by one debacle after another. It is replete with a bonus culture and reeks of cronyism. The Taoiseach is now frantically briefing the media that he will introduce measures to alleviate the burden of water charges and that all of this will be straightened out. He did it again today. Let me tell him that talk of flat charges, changes to the board of Irish Water and improving his communications strategy ignores the main point. What citizens want from him is a clear statement that he has listened to them, heard what they are saying and that he will send a message from here that he will scrap the water charges. That is my question for him today. Has he listened to the people? Has he heard what they are saying? As they cannot afford to pay them, will he scrap the water charges?

The Taoiseach: It is obvious that the Deputy listened to some people because he has changed his tune again. A fortnight ago he said: "Of course, I will pay the water charges because they are the law of the land." We know that he is a very law-abiding citizen. When he sees movement on the streets, however, he changes his tune and says: "Oh no, I will not pay in the case of my holiday home in Donegal. I am not going to pay water charges there." If he wants to run with the-----

Deputy Gerry Adams: Hounds.

The Taoiseach: -----tide of people who say, "Okay, I am not going to pay these water charges," obviously he has gone down the road of utter populism, but it is not the first time he has changed his mind or his tune either. I will answer his question. I have listened to the people.

A Deputy: Belatedly.

The Taoiseach: The Government is engaging with the people, Irish Water and the board of Ervia. I have heard what they have said. What they have said is that they want clarity, certainty and fairness.

Deputy Pádraig Mac Lochlainn: We want clarity.

(Interruptions).

The Taoiseach: I want Deputy Gerry Adams to understand this Government is not going to go down the road of having to raise €850 million in extra tax increases or cutting other services.

Deputy Michael Healy-Rae: But the Taoiseach is threatening to do so.

The Taoiseach: What we need is the capacity to have an independent, commercial public body to borrow money off balance sheet and invest in the infrastructure that is necessary. An example is that Dublin City Council proposed to spend €350 million on upgrading the treatment works at Ringsend. The Minister has just come back from there and, because Irish Water is a public utility, it is able to do the work for €170 million, thereby saving the taxpayer €170 million and having that sum for further investment in other schemes. The Deputy has often spoken about environmental issues. In a number of towns raw sewage is being pumped into rivers, lakes and the sea. We cannot go on like this and we will not. The answer to the question is that the Government will not drop water contribution charges. It will, having listened to the people, introduce a regime that is clear, fair and affordable. When we make a decision on these matters, people will understand clearly that the contribution they will make will go to help fellow citizens in other places around the country who do not have the quality water supply in this city, Cork or other areas. I am sure the Deputy agrees with me that the €170 million saved today by the decision of Irish Water to invest in Ringsend will allow Irish Water to address the 20,000 houses in the country in which there are lead service pipes. We need to change this and must have a timescale within which to take out the pipes and restore them properly in order that people will understand that what was left to them for years has been removed and that they have a safe piping and water system of high standard.

Deputy Mattie McGrath: Get the lead out.

The Taoiseach: That is what the investment is about. Let us all understand we want the country to measure up in terms of our environmental responsibilities and high quality water systems and not leaving hundreds of thousands with an inferior system. From that point of view, we will not be dropping the charges, but we will make them as fair as we can in everyone's interests.

Deputy Gerry Adams: The Taoiseach knows all about changing his tune. His manifesto, the basis on which he was elected, and the mandate he was given were torn up as soon as he got his bum on that seat. He ignored the people and gave us lofty rhetoric about the democratic revolution, but he would not let us discuss the issue in the Chamber because of the imposition of guillotine after guillotine. It was unprecedented that all of the opposition parties and Deputies walked out in protest at the way the Government was imposing this unfair tax on citizens. The Taoiseach's words are without substance. I am disappointed with what he said because he said he would ignore the grouping of people I had identified, which he must know in his constituency, who just could not pay. These people, including elderly persons on their own who do not like to be in debt, are afraid, waiting for the bill and do not know how to pay it. Sinn Féin has proposed a Bill tabled by its environmental spokesperson, Deputy Brian Stanley. It is a constitutional amendment Bill to allow for a referendum to retain control of water services in public ownership. The Taoiseach protests that there is no privatisation subtext or agenda. Having said he will ignore the people on the issue of unfair water charges, will he say the Government will

facilitate and support Sinn Féin's Bill and allow it through the Houses of the Oireachtas speedily to allow the people a say in a referendum on the issue as quickly as possible?

The Taoiseach: I do not accept the proposition. The Deputy has said the Government did not listen to the people once it was elected. I challenge that assertion. I was in houses with people who had put together mortgages and then found buildings were disintegrating with pyrite. I met the residents in the unfortunate case at Priory Hall. I met the Magdalen laundries people here and in England and we dealt with them. We have put in place a compensation scheme for those who had to deal with symphysiotomy. We listened to the medical cards issues raised by many Deputies. It is not a case of ignoring people's voices; rather, it is about listening to people and making decisions that can bring these things to a conclusion. In the case of water services, we have made two policy decisions and given directions to the regulator, that water for children is free and that there is a 30,000 litre allocation for households.

I accept that the current structure of the regime proposed for contributions is confusing. Having listened to the people and the anxiety of those who say they cannot afford to pay, have difficulties and are in particular categories-----

Deputy Gerry Adams: What about a referendum?

The Taoiseach: -----we will attempt to address the issue in the fairest way. Those who live alone will have 40% of their water needs provided for by the allowance, which works out at 50 cent a day. The Government is considering how best to help that category, the same as everybody else. Genuinely, we want to put in place a regime that will allow borrowing off the Government balance sheet to deal with the big issues around the country. In that respect, we ask people to make a fair and modest contribution for the domestic water supply, with allowances built-in and, in return, they will have a high quality water system.

Deputy Gerry Adams: Will the Taoiseach support Sinn Féin's Bill?

The Taoiseach: No, I will not support Sinn Féin's Bill. Obviously, we will have a full-scale debate in the House with the Minister, Deputy Alan Kelly, when the Government announces its decision which I hope will be in the next two weeks.

Deputy Micheál Martin: Why can we not have the debate before the Taoiseach makes a decision?

An Ceann Comhairle: I call Deputy Joan Collins.

Deputy Joe Higgins: The Taoiseach should just abolish them, although that will not save his colleagues.

An Ceann Comhairle: Will the Deputy listen to his leader?

Deputy Joan Collins: I am no leader, I am an activist.

I have listened to the Taoiseach's reply and have to raise the issue again. The Minister sitting beside the Taoiseach has clearly stated huge mistakes were made in setting up Irish Water. He also confirmed that rushing the legislation through the Dáil was inappropriate. I do not know what Phil Hogan is doing in his cushy number in Europe, but he obviously does not give a toss about the situation here anymore. Does the buck not stop with the Taoiseach for this fiasco? He is head of a Government which has completely lost the trust of the people. That is

the message that was sent loud and clear from the mass protests held last Saturday, the biggest mass mobilisation of people in the country for at least 30 years. They have come out loud and clear on this matter. The Government came to power with a pledge to burn the bondholders and not to give them one red cent, as the Minister, Deputy Leo Varadkar, said. It then listened to the troika, the ECB and the European Commission and did a 180 degree turn. Why will it not listen to the people? People are not asking the Taoiseach to fiddle around at the edges or for an extra €100 off here or there but for the charges to be stopped now. Mickey Mouse concessions will not make a difference to the mass movement of people who will not disappear. They will be back on the streets on 10 December to demand that Irish Water and water taxes go. The Taoiseach should accept the reality that the tax will not stick. It should be abolished. This is his poll tax. He has a choice to abolish the charges or go down with them, as Mrs. Thatcher did with the poll tax.

The Taoiseach: In the spring of 2016 Deputy Joan Collins will be involved in a general election campaign - it is not that far away. The people will make up their minds as to who they want to elect. That will be their choice and that is how it should be in a democracy. They will ask whether the Government fulfilled its mandate in fixing the public finances and whether it put the country back to work. There was a mess left behind by the party whose Members are sitting in front of Deputy Joan Collins. We had to deal with the promissory note business with the European Central Bank. The Deputy will recall the number of times in this House that I was asked if we were going to borrow €3 billion per year to pay the interest on Anglo Irish Bank debt. I am not hearing about that now.

Deputy Pearse Doherty: That is not interest, it is capital.

The Taoiseach: We were left with €18 billion from the International Monetary Fund, and the Minister for Finance, Deputy Noonan, and the Government have been able to buy out substantial elements of that at a much lower interest rate, with authorisation forthcoming from our European colleagues, with the exception of Sweden, as it recently held an election. We hope it will deal with the matter by 21 November. That will amount to a saving for the taxpayer.

When a decision is made on such issues, it brings confidence, as occurred with the announcement last Friday that the strategic investment bank will soon have €800 million for small and medium enterprises. That was signed with the co-operation of the German Finance Minister. We expect to have a return to full employment by 2020 and our deficit eliminated by 2018, with the rate reduced to 2.7% of GDP next year. We hope to have 100,000 jobs created by the end of next year.

On such a point, we can validly stand and argue that the Government has fulfilled its mandate. I accept it has been difficult for people. It is the same all over the country. When a new charge is introduced, it clearly creates difficulty for people.

Deputy Peadar Tóibín: They cannot afford it.

The Taoiseach: We should remember that in the most recent budget, income tax was reduced and the lower tax band was increased. The two lower levels of the universal social charge were eased for people, with many taken from that net. A couple with young children will see a benefit of up to €1,200 paid back to them early next year because of changes to child allowances and income tax changes. These are issues on which people will decide in spring 2016. The Deputy will campaign against these, despite the fact she will see the benefit before

her eyes.

What we want is a contribution from people that is fair and affordable. It should be pointed out what this is for, as the money will not go to some bondholder black hole or a private company.

Deputy Sandra McLellan: What about the rest of it?

Deputy Michael Fitzmaurice: It is a black hole.

The Taoiseach: It will go towards fixing the sewerage problems in Arklow and Ringsend. It will help fix the treatment works in many places around the country where the facilities are inferior. Deputy Joan Collins does not live in a place like Roscommon, where people have had to boil water for ten years.

Deputy Joe Higgins: The Taoiseach forgot to mention Ballymore Eustace this time.

The Taoiseach: It seems that some people want that to continue. I do not want it to continue and the Government will not allow that. We ask for the assistance of people in that regard. The Government will make its decision in the next two weeks and I hope it will be seen to be very clear, fair and affordable.

Deputy Michael Healy-Rae: A big U-turn.

The Taoiseach: I hope the changes with the unitary board of Ervia and Irish Water will bring about a position where the mechanics of explaining their programme can go before the people.

Deputy Mattie McGrath: Is there any room for Mr. McNulty on that?

The Taoiseach: The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, was in Ringsend today and has evidence of €170 million being saved for the taxpayer, and that can be invested in other schemes-----

Deputy Mattie McGrath: He is a magician now.

The Taoiseach: -----where there are inferior facilities.

Deputy Joan Collins: The problem is that promises are made but they are broken. This has been referred to by Members on the other side of the House, particularly a former Minister, Deputy Pat Rabbitte, when he indicated that statements are made before being elected but after the election, the opposite is done.

Deputy Emmet Stagg: He did not say that.

Deputy Joan Collins: He did say it.

An Ceann Comhairle: The Deputy should ask her supplementary question.

Deputy Joan Collins: There is absolutely no doubt the people will hold the Government to account.

Deputy John Lyons: Has the Deputy paid her bin charges?

Deputy Joan Collins: The Minister for Public Expenditure and Reform, Deputy Brendan Howlin, indicated in 2011 that the Government would not install water meters when there were still leaks in the system but it did. The water must be paid for and nobody is stupid; the Taoiseach should not treat people as if they are stupid. The water has been paid for to date and we need it to be paid for through a progressive tax system. The proposed charges are a major burden on families and they cannot pay what they are being asked to pay. There could be a 1% wealth tax on shares; land, excluding farms; and property, excluding the family home, valued in excess of €1 million. The Department of Finance has indicated that this would bring in €500 million, so the Taoiseach can start there.

Some 2% of VAT and 4% of motor tax has brought in €1.2 billion per year for investment in water facilities but that was not used for that purpose. Those local authorities over the past 20 years were dominated by Fianna Fáil, the Labour Party and Fine Gael but they did not deal with issues of investment in water. I ask the Taoiseach to abolish the water tax. If he does not, the Government will be held to account by the people. It will have to go before the electorate.

The Taoiseach: I do not agree with the Deputy's claim at all. She seems to think we can continue as we have done for years. I am not prepared to do that and neither is the Government. We must provide our people all over the country - consumers, householders, businesses and everybody else - with a proper infrastructure to supply quality water.

Deputy Joan Collins: We need to get back to the drawing board. This is not working.

The Taoiseach: It is not fair that some towns are pumping raw sewage into lakes and rivers.

Deputy Pearse Doherty: The Taoiseach does not know the meaning of the word.

Deputy Joan Collins: What is proposed is immoral.

The Taoiseach: It is not fair that we are pumping wastewater to the sea when we are way beyond our environmental limits. It is not right that people in Deputy Fitzmaurice's constituency are still boiling water ten years later. Four major treatment works will be finished by the middle of next year. I hope people will not have to do that any more.

Deputy Sean Fleming: Will meters cure the problem of having to boil water?

The Taoiseach: The Deputy mentioned a progressive tax system but we have one of the most progressive tax systems in the world in Ireland.

Deputy Ruth Coppinger: No.

Deputy Finian McGrath: Check the budget figures.

The Taoiseach: The Deputy should be clear with the people. The Minister for Finance, Deputy Michael Noonan, has written to the finance committee to point out that if it is not done this way-----

Deputy Pearse Doherty: He did not. It was a private letter to a colleague.

The Taoiseach: If there is not an independent commercial body - owned publicly - that can borrow off the Government balance sheet, there would be expectation of raising €850 million next year and every year, rising to €1.2 billion, to meet the programme for dealing with the problems out there. This is the way to do it. We are not going to increase income tax or cut

services further.

Deputy Paul Murphy: Why spend €500,000 installing water meters?

The Taoiseach: If the Deputy wants to put a tax on jobs and unemployment, she will make it more difficult for people. I do not accept her assertions or claims. Over the weekend we have listened to the voices of people. Some have said they do not want to pay for anything.

Deputy Richard Boyd Barrett: Nobody said that. Nobody would say that except tax exiles.

The Taoiseach: Others have clearly stated they are willing to make a contribution for water but the process should be made clear, fair and affordable. They have said they will assist the country as they are as Irish as anybody else. That is what the Government will decide upon, and the Minister, Deputy Alan Kelly, will make his presentation to the Government and the House, I hope, in approximately two weeks.

Ceisteanna - Questions (Resumed)

Official Engagements

1. **Deputy Joe Higgins** asked the Taoiseach if he will report on his recent meeting with the Lebanese Prime Minister and other local officials; and if he will make a statement on the matter. [26762/14]

2. **Deputy Joe Higgins** asked the Taoiseach if he will report on his recent visit to the Middle East. [26763/14]

3. **Deputy Richard Boyd Barrett** asked the Taoiseach the discussions he had on his visit to the Middle East in relation to Gaza and the humanitarian crisis; and if he will make a statement on the matter. [39814/14]

4. **Deputy Richard Boyd Barrett** asked the Taoiseach if he discussed the crisis in Iraq and Syria with the Lebanese Prime Minister; and if he will make a statement on the matter. [39815/14]

The Taoiseach: I propose to take Questions Nos. 1 to 4, inclusive, together.

I travelled to Lebanon on 15 June 2014 as Taoiseach and at that time also as Minister for Defence. I was accompanied on the visit by the Chief Whip and Minister of State at the Department of Defence, Deputy Paul Kehoe. The purpose of the trip was to meet Irish troops serving with the United Nations Interim Force in Lebanon, UNIFIL. During my visit I also met the Lebanese Prime Minister, H.E. Mr. Tammam Salam. Items discussed at the meeting included Ireland's contribution to UNIFIL over nearly four decades, for which the prime minister expressed gratitude; the security, political and humanitarian position in Syria and the occupied Palestinian territory, and the burden this has placed on Lebanon; developments in Iraq; internal political developments in Lebanon; and the further strengthening of bilateral relations between Ireland and the Lebanon. I also announced an additional €2 million in support for Lebanon to address the humanitarian crisis arising from the presence of 1.4 million refugees from Syria. The prime minister expressed his deep appreciation for this and for Ireland's support for the

humanitarian crisis to date.

I then travelled to the headquarters of the joint Finnish and Irish battalion in south Lebanon, where I met UNIFIL deputy force commander, Brigadier General Kumar, and the Finnish and Irish battalion chief of staff, Major Ollonqvist.

4 o'clock

I received a briefing on the mission from Lieutenant Colonel Kevin Campion, officer commanding the 45th Irish infantry group. I then took the opportunity to spend some time with the women and men of the 45th Irish Infantry Group, who proudly wear the Irish uniform and the blue beret like so many others, past and present, in Lebanon and other locations around the world. It was a pleasure and an honour to meet them and convey the gratitude of the country for the work they and so many others are doing and have done over the years as part of our contribution to UN peacekeeping and humanitarian efforts around the globe. That afternoon I laid a wreath at the Irish UNIFIL memorial at Tibnin, south Lebanon, dedicated to the memories of the 47 Irish personnel who died in service with the United Nations in Lebanon. I returned to Ireland later that evening, Monday, 16 June.

Deputy Joe Higgins: Does the Taoiseach accept that the general policy of Irish Governments towards the Middle East has had zero effect? It has had no beneficial effect on the lives of those suffering in the region. Does the Taoiseach agree that this is the case because this Government and its predecessors subordinated their policies to those of major imperial powers, such as the United States, Britain, and, latterly, the European Union? The history of such powers in the Middle East has been one of slaughter followed by the theft of natural resources. Does the Taoiseach agree that the Irish Government colluded in the monumental lies relating to weapons of mass destruction told by the United States and Britain to justify the invasion of Iraq?

On Gaza, what has the Irish Government done that might allow it to stand proud in front of the world? What has it done regarding the slaughter of the innocents by the Israeli regime in successive invasions of Gaza? An entire people, confined in horrific conditions in the largest open-air prison camp in the world, has been pulverised, as has its infrastructure. The most recent bombardment of Gaza by the Israeli regime was a crime against humanity. What has the Taoiseach done about this horror, even within the confines of the European Union? Does the Taoiseach feel it is incredible that the state that has perpetrated this horror on an entire people gets preferential trade treatment from the European Union? European Union funds play a role in research programmes that build and design the increasingly horrific weapons that rain from the sky upon the people of Gaza. Does the Taoiseach find this acceptable? I have not heard him object to it.

Does the Taoiseach feel any responsibility to take a stand on the Middle East? If he took a stand the Taoiseach could visit the region and be greeted by ordinary people, but he does not do so. Neither this Government nor its predecessors ever took such a stand.

The Taoiseach: The Deputy raised a number of issues of global importance. The entire region of the Middle East, from Afghanistan to the northern Mediterranean countries, is huge and is host to tension, civil wars, slaughter, anxiety and geopolitics. The United States has withdrawn troops from Afghanistan and is considering doing so elsewhere. There are situations of conflict on the Turkish border and in Libya and over 1.4 million people have entered south

Lebanon from Syria. Further, over a million people have entered Jordan from Syria. None of the countries in question can withstand such pressure and there is no strategic plan to deal with the assimilation of such massive numbers of people. The humanitarian programme to feed people and provide a minimal level of comfort is haphazard.

I agree with the Deputy that it is not acceptable for missiles to be fired into Gaza. The behaviour of neither side is acceptable. It is not acceptable for rockets to be fired indiscriminately from Gaza into Israel. The Deputy is well aware that the complex politics of Gaza, the West Bank, Israel and the surrounding countries have gone on for more years than the combined period he and I have occupied seats in this House. The Minister for Foreign Affairs and Trade was in Cairo on 12 October to attend a major international conference, hosted by the governments of Norway and Egypt, on the reconstruction of Gaza. Representatives of more than 60 countries and international organisations attended and the Deputy is aware that this is not the first time the partial reconstruction of Gaza has been necessary. When I was in Gaza I saw buildings wiped out and the international school flattened. It is a horrific situation where there is 75% unemployment and many children and adults must be fed and looked after on a daily basis. Some €2.5 billion was allocated for the reconstruction of Gaza, and Ireland contributed a further €2.5 million towards the humanitarian response. Some €500,000 has been made available for displaced people with humanitarian needs as winter approaches, as well as €2 million for long-term goals including reconstruction, housing and essential infrastructure. Water presents an enormously complex problem in Gaza, as many wells there have been destroyed and poisoned. It is often necessary to bring in water from outside sources.

I am in favour of neither the firing of missiles into Gaza nor the indiscriminate firing of rockets from Gaza into Israel. Ireland is a small country with experience of conflict and 30 years of terrorist activities; therefore, we know that a situation can be brought about in which people sit down to negotiate peace and give hope to people. I hope wise heads get together to say that this wanton slaughter cannot be allowed to continue. The situation in Gaza and elsewhere must be addressed by powers greater than ours. We must consider the situations in Syria and Libya. We must look at the Assad regime and the mercenary opposition. We must consider the consequences of all this for hundreds of thousands of families in south Lebanon and Jordan. We must look at the situations in other countries in the same way. Let us consider the slaughter of Christians in Afghanistan and the situation arising on the Turkish border with ISIS.

The Deputy asked what Ireland has done. We have contributed where we have had to in Lebanon. We are contributing in a very tense situation in the Golan Heights. The Irish contingent is exceptionally well trained and kitted out. Those involved are doing an exceptionally competent and professional job in difficult circumstances. We have contributed, as we always do, from a humanitarian perspective. Not only that, we have contributed through the European Council and the Foreign Affairs Council directly. We have pointed to our experience in which we found that at the end of the day one must sit down and negotiate to reach a situation in which peace can be brought about and, hopefully, continue.

The complexities of politics, peoples and countries in that vast region have existed for 2,000 years and, unfortunately, the historical cycle has repeated itself at intervals during that period. Allegiances to one country have transferred to others in that time. Certain regimes and dictatorships have waged war on their own or different tribes because of religious beliefs or whatever. These things have been to the fore for centuries in the region. This does not mean we should not contribute what we can or attempt to play our part in bringing about some sanity in a situation in which millions have been unnecessarily slaughtered. We contribute through the United

Nations, the Cairo- and Norway-hosted talks and the European Council, and we will continue to do so. Clearly, it is not the case that Ireland can sort this out on our own. We can contribute in a small but effective way to an overall programme which, I hope, will bring about some semblance of sanity in the region.

Deputy Richard Boyd Barrett: The greatest slaughter that has taken place in the Middle East in recent times was not, as the Taoiseach has suggested, a result of the people of the region slaughtering each other. The greatest slaughter in the region arose when the United-States-led coalition bombed Iraq back into the Stone Age and, in the process, according to some estimates, took up to 1 million lives directly or indirectly. This was the result of that barbaric assault. We are witnessing the bitter fruits of that US-led war now, as Iraq and Syria disintegrate.

If the Taoiseach is concerned about these things and wishes to make any contribution to resolving them, I call on him to undertake a simple thing. Will he join the international calls that are rising to de-list the Kurdistan Workers' Party, known as the PKK, from the international list of terror organisations? If there is one bright spark in the disastrous situation that is the Syrian nightmare, it is the resistance in Kobanê against ISIS. That resistance is telling, because one of the first places in the Kurdish areas of Syria in which the people liberated themselves from the dictatorship of Bashar al-Assad was Kobanê, where the people rose up in a united movement of all the different tribal, religious and ethnic groups against his dictatorship. These same people are now fighting to defend themselves against the onslaught of ISIS. Those who represent the genuinely revolutionary forces in Syria and who have opposed Assad and ISIS in Aleppo have made their views clear. They raised a banner in the past week in response to US bombing in Syria. It read: "Insanity is doing the same thing over and over again and expecting different results. Albert Einstein." Below that were the words: "Afghanistan 2001, Iraq 2003, Syria 2014." The very people who have been the biggest victims of Assad and of the chaos ensuing from the ISIS offensive are calling for the cessation of the bombing to let them sort it out. They are calling for the resistance organisations that are fighting ISIS to be de-listed from the international terror list and for pressure to be put on the Turkish Government to lift its blockade, which is preventing Kurdish fighters from getting into Kobanê to help with the defence against ISIS.

The extraordinary hypocrisy of Turkey in essentially allowing the slow strangulation of Kobanê because of its fear of the Kurdish movement for self-determination is sickening. The international community needs to raise its voice and support the Kurdish people, their representative organisation in Kobanê, the PKK, and other groups that are fighting ISIS. That is what the Taoiseach should do if he really cares about what ISIS is doing and the threat it represents, and that is what they have said. They have asked the international community to tell the Turkish Government to stop the blockade preventing Kurdish fighters from getting in to defend Kobanê, and they believe they can sort ISIS out. The last thing they need is US bombs. In fact, US bombs are cementing support for ISIS among groups that had been previously fighting against it.

Recently in the House we were discussing the position of Irish troops on the Syrian border at the Golan Heights. The Minister said we need not worry about Irish troops in the buffer zone because it was not ISIS that was active in the area but al-Nusra Front. Does the Taoiseach know what al-Nusra Front is? It is an al-Qaeda affiliate. Our Minister was saying that we need not worry and that Irish troops were totally safe because the only active militants in that area were from al-Qaeda, which is fighting against ISIS. In fact, since the US bombing started, al-Nusra Front, an al-Qaeda-linked organisation, has made the case that the big enemy is the United States and that it will start to back ISIS from now on. The bombing has been counterproduc-

tive. The West needs to cut through all of that and simply allow the people who are resisting, the genuine revolutionary forces in Syria, to conduct their resistance against ISIS rather than manipulating the situation for its strategic interest. I am asking a specific question. Will the Taoiseach join the international calls to de-list the PKK from the list of international terror organisations, since it is fighting ISIS and defending Kobanê?

The true toll of the devastation in Gaza is only coming to light as the dust settles on the brutal 51-day assault by Israel. The consequences are absolutely devastating. Fully 13% of Gaza's housing stock has been destroyed in the offensive. A total of 20,000 housing units have been totally destroyed, leaving more than 108,000 people homeless. A total of 15 of Gaza's 32 hospitals have been damaged and six have been forced to close. Fully 45 of the 97 primary health care centres have been destroyed or badly damaged and 17 have been closed altogether. It is an absolute disaster. Against this background, will the Taoiseach please stop equating the firing of a few rockets from Gaza into Israel - with which I disagree - with this extraordinarily barbaric level of destruction of Gazan society? Will the Taoiseach join Desmond Tutu, who has called for the international community to boycott Israel? He said:

Those who continue to do business with Israel, who contribute to a sense of "normalcy" in Israeli society, are doing the people of Israel and Palestine a disservice.

He is saying that in the interests of Israelis and Palestinians there must be a boycott against the Israeli state for what it is doing to the Palestinian people. Will the Taoiseach join Desmond Tutu in supporting that call for a boycott?

The Taoiseach: These are issues that always require an amount of concentrated negotiation before one can peel away problem after problem, like the layers of a vegetable, and expose the real nub of the matter, which dates back many years. On the second Iraq invasion, I could never understand why Mr. Blix was not given another six months to determine that there were no weapons of mass destruction readily available in depots all over that country, as was proved to be the case. However, geopolitics played their part in that regard.

The Deputy will recall from his own analysis of the history of the region the support for different regimes from different countries, how they changed and how the religious conflict can and has flared up in so many cases. Obviously, the people of Gaza made their decisions in the elections they held. Then there were the difficulties with the tunnels, access from Israel, the offers made and the negotiations that broke down. I saw some of the shells of the rockets fired from Gaza. They had been poorly manufactured in the early stages. Some of them that have been imported from other countries have been more sophisticated, with direction finders and global positioning system, GPS, locators. It is not true to say one just disagrees with this; we disagree with both sides very strongly, both at the level of engagement from Israel into Gaza which has resulted in the total destruction of regions in Gaza and the indiscriminate firing of more sophisticated rockets than previously from Gaza into Israel.

The Deputy is right that this is not the first time there have been reconstruction programmes in Gaza. I hope it will be the last, but given the nature of the historical series of engagements in that unfortunate area in the last 100 years, one would have to be very strong in one's faith to believe something might not happen again. For now, at the conference hosted by Norway and Egypt there were pledges of \$4.5 billion for the region, of which \$2.5 billion is directly for reconstruction in Gaza. Obviously, there is an international logistics issue regarding equipment, transport and capacity to build in the hope it might not happen again.

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I have disagreed for many years with the housing policy adopted by Israel in areas of the West Bank in terms of the difficulties it causes. However, I am aware from attending European Council meetings that, for example, the sanctions imposed on Russian oligarchs have begun to bite from an economic point of view, but these things are not as easy as they appear when people suggest boycotts in either direction. The connections in terms of energy and industrial supplies either way mean that even in a situation where there have been mercenaries and military personnel unofficially or supported unofficially in Ukraine, it still means that one must do deals in respect of business and energy supplies for huge numbers of people facing into exceptionally cold winters.

I prefer the negotiation route, where people have the understanding or the courage to come to a table and hammer out the arguments and discussions to a point where they can reach a conclusion. We have all supported for a long time the two state solution of Palestine and Israel, but it is based on a conclusion being reached. It was the late 1940s when it was put in place in the first instance and it has been broken on many occasions since. It was never possible to put it in place in a lasting way. I do not agree that a boycott is the solution. It is not the first time that difficult and complex discussions and negotiations have taken place. Ireland, as a member of the European Union, has urged the parties to sit down and get together in a way that I hope could bring about a conclusion.

As the Deputy says, when one travels through portions of Gaza, one sees what happened - the children at the seaside, the wells destroyed, schools destroyed, the numbers that must be fed with humanitarian aid every day and the blockade of the sea - but there are the other arguments about the transportation of explosives, rockets and so forth, the political situation in Gaza and the support that comes into the country. These are all complex issues. I am glad that there is now a fragile peace and hope it will last in order that reconstruction can start and people can put some shape on their lives in respect of all those who were blown away by the 51 day barrage. It is one area of the Middle East that is riven with tension and war and it will not be sorted easily.

I accept the Deputy's point about the situation in Kobane. We have had discussions about the mercenary opposition in Syria. These are collections of personnel which are not really an opposition force and in many cases they have carried out worse atrocities than others. The Assad regime has Russian support. It is an atrocious situation. Libya is on the verge of civil war. There are 1.5 million refugees in south Lebanon and over 1 million in Jordan. Now Kobane is under siege. In the Iraqi area the airstrikes or military action must be sanctioned by the Iraqi Government, but no sanction has been given for anything in the case of Syria.

It is an exceptionally complex issue and I doubt that we will sort it out at Question Time today.

Deputy Gerry Adams: I had the privilege recently to meet Dr. Maqadma, the UN Relief and Works Agency chief for the medical field programme in Gaza. He was in Ireland at the invitation of the Services Industrial Professional and Technical Union, SIPTU, health division and gave me and others a first-hand report on the situation in Gaza as he had been there during the recent onslaught. It is a frightfully dreadful picture. Nothing I saw in the North compares with the plight of the people there. Perhaps the Penal days or some other point was comparable but nothing in recent times, as the Taoiseach knows as he has visited the area.

The Government has the wrong starting point. The starting point must be the Government stating it wants to do something about this issue, but it has not taken that decision. Once one

takes that decision, it is A, B and C stuff. The Israeli Government is in breach of international law. The separation wall and the blockade of Gaza are in breach of international law. The settlements are illegal and in breach of international law. The apartheid system being put in place on the West Bank is also in breach of international law.

I have raised these matters with the Taoiseach since I became a Member of the House. I have referred to reports from EU heads of missions and other reports, put them before the Taoiseach and asked him to raise these matters, but he did not do so. During the recent onslaught the Irish Government abstained in a vote on a UN committee probing what was happening. If we do not stand up for international law, who will? As the Taoiseach acknowledged, we have a history both of resistance and, recently, peace-making. If he decided to do something about this, he would raise these matters in all the appropriate fora in which the Government is represented.

I have raised these issues with the Taoiseach, the former Minister, Deputy Eamon Gilmore, and the current Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, ach táim anmhíshásta lena bhfreagraí. Again, I make two suggestions which I have put to the Taoiseach in the past. One is to upgrade the Palestinian mission in Ireland. This has nothing to do with anybody else. The mission is not afforded the same privileges, immunities, exemptions and facilities as are granted to other diplomatic missions in Dublin, pursuant to the provisions of the 1961 Vienna Convention on Diplomatic Relations. A simple act will afford recognition of the Palestinian state and its people.

The Swedish Government recently announced that it will recognise the state of Palestine and Sweden was the first long-term European Union member state to do so. Will the Government follow Sweden's example and take the same decision, which is entirely within its province and authority?

The Taoiseach conceded that the most recent destruction of Gaza may not be the last time it experiences such destruction. We all welcome the money the Government has contributed towards Gaza's reconstruction. Dr. Maqadma stated that the recent destruction was the second time Gaza had experienced such destruction in recent times. Will it happen again?

Will the Taoiseach highlight Israel's breaches of international law? Why does he not state clearly that illegal settlement expansion should stop and that the separation wall, blockade of Gaza and apartheid system are wrong? Upgrading the Palestinian mission and recognising the state of Palestine would not be a judgment on the people of Israel. These steps would simply afford to the Palestinian people the same recognition that has been afforded to the people of Israel.

Deputy Micheál Martin: On behalf of my party, I express appreciation to the Defence Forces for the work they have been doing in Lebanon for many years. The Irish nation, through its soldiers, has made a distinguished contribution to peace, particularly in Lebanon and the Golan Heights. The House does not often collectively acknowledge the practical contribution of the nation, as opposed to the Government, in providing assistance in the Middle East. This contribution is highly appreciated and well regarded in the region. I recall that on a visit to Lebanon after some of our troops had been deployed to other locations and the Defence Forces strength in the region had diminished, there was a clamour for Irish troops to return because of the sensitive manner in which they operated and their overall approach.

Ireland's contribution to the United Nations Relief and Works Agency, UNRWA, in Gaza over the past five or six years has been good. The current head of UNRWA and his predecessor, Mr. John Ging, have been appreciative of Irish Aid's commitment to the agency. Without UNRWA, the people of Gaza would be in an appalling position. The agency, one of the unsung heroes of the region, does not receive the support it needs from the United Nations or the major powers. It is the key to the region in terms of education, health and basic humanitarian services. I ask the Taoiseach to review the budget of the wider Irish Aid programme to establish whether we could do more for UNRWA and the citizens of Gaza in the aftermath of the appalling savagery of the recent conflict.

When the Government came to office, it took the decision - the wrong one in my view - to adopt a very pro-Israel stance. This decisive shift in Ireland's relationship with Israel clouded the Government's response to issues as they unfolded. During the onslaught on Gaza, the Government was slow to come to the table in terms of condemnation and it equivocated in the early stages of the bombing about some of what was taking place. It is not logistically possible to bomb Gaza without killing innocent women and children. I have always condemned Hamas rocket attacks on Israel but the response to these attacks has been utterly disproportionate and has resulted in an unacceptable loss of life. While I accept the legitimacy of the Israeli state and believe in its viability, Israel's strategy and policies have served to support extremists in the Palestinian world and have continuously alienated moderate Palestinians. Time and again, Israel has left President Abbas beleaguered.

The ongoing discussion about a two state solution has to some extent served as a cover for the diplomatic responses to events as they unfold. Many states and the European Union indicate they are fully in favour of a two state solution, which could be achieved if only people would come together and talk. It is time to face the reality that Israel may not be in favour of a two state solution as all of its policies appear to be aimed at ensuring it is never achieved. By continually promoting and developing settlements, Israel is ensuring that a two state solution will never be viable. The settlements are growing and expanding without regard to international law and Palestinian rights are cast aside time and again.

At some point, anyone who looks at a map of the region and asks where the two states are will conclude that it is not viable to have two states, the reason being the urge of the Israeli Government to pursue a never-ending policy of settlement. This strategy is designed to ensure the two state solution will never be viable. In essence, Israel's approach is one of containment; in other words, it seeks to contain Gazans in the Gaza Strip and manage the Fatah Government in the West Bank by keeping it on a drip feed which is cut off every time it becomes boisterous or objectionable. That is essentially what is happening and it creates a very difficult situation.

What should Ireland do? We should recognise the state of Palestine. Israel has strongly resisted moves towards recognition and most countries in the European Union and most members of the Quartet do not favour pursuing this option because they want talks on a two state solution to commence. In their view, we should give talks a chance and the recognition of Palestine would cause further difficulty. At this stage, we should read the tea leaves because there will not be a successful talks process. When President Obama was first elected, he put his reputation on the line by appointing George Mitchell as his Middle East envoy. Prime Minister Netanyahu defied Mr. Mitchell, saw him out and created pressure in the United States to ensure the peace initiative to which the president was committed would not work. While I believe the efforts of John Kerry are worthwhile, he too will be fobbed off and the issue played out by the Israelis until the next presidential election in the United States. That appears to be what is happening.

More affirmative action needs to be taken and Sweden deserves great credit for taking the stance it has adopted. The Fianna Fáil Party led the way on this issue in the Seanad when, with others, it made a proposal on recognition. The Oireachtas, as an entity, should consider recognising the state of Palestine, as should the Government. Ireland was the first European country to recognise the right of Palestinians to a homeland. Given everything that has happened, we should not move to change the international diplomatic response to the continuing breaches of international law by Israel. More important, we should give some concrete expression to our belief in a two state solution. Why not recognise a Palestinian state, with all such recognition would entail, and press for this recognition at United Nations level? This should be Government policy. I am open to holding discussions with other party leaders on the issue. It would be wonderful if the Oireachtas could arrive at a unified position, free from partisanship and knock-about politics. If we were capable of uniting on this issue, I believe it would make a difference.

The Taoiseach: Deputy Gerry Adams raised a question on Israel being in breach of international law and asked about the upgrading of the Palestinian mission to Ireland arising from the 1961 Vienna convention.

In regard to the situation to which Deputy Micheál Martin referred, the Seanad passed a motion calling on the Government to formally recognise the state of Palestine and do everything it could at an international level to help to secure a viable two state solution to the Israeli-Palestinian conflict. Deputies Gerry Adams and Micheál Martin will be aware that the House of Commons in the United Kingdom adopted a similar non-binding motion earlier in the month. Sweden has taken a different view. Deputies will be aware that for many years Ireland has supported the full achievement of a Palestinian state and that there was always a belief this might actually happen and might happen soon. I remember the meetings at Camp David with different American Presidents at which peace was brokered and deals were done but which did not measure up.

The need for progress in resuming substantive peace talks in advancing the realisation of a two state solution was one of the central messages the Minister, Deputy Charles Flanagan, brought to the discussions in Cairo. That remains the position of the Government, as it does of most European Union partners. As the Deputies are aware, it was always the position that the formal recognition of a Palestinian state should come about as part of a comprehensive peace agreement. To what are we agreeing? It was also expected until now that the question of recognition of the Palestinian state would be subject to a common decision by the European Union, but Sweden took a different view and recognised Palestine. I do not know the boundaries of territories such as Gaza and the West Bank which it has recognised and whether it refers to the situation in the late 1940s. Sweden's decision may well alter the situation at a European level. I am quite sure it will be reflected in discussions at the Foreign Affairs Council as a consequence and will arrive on the table at the European Council through that method.

I am aware that there is some tension in east Jerusalem at the Temple Mount. We have made contact to have those involved draw back and reflect on the situation. In view of the decision made by Sweden, while it was always contemplated that Europe would react to Palestine, we need to reflect on the changed consequences.

Deputy Micheál Martin raised the question of UNRWA and I share his view. When I was in the Middle East some years ago, I had a long meeting with Mr. John Ging, an extraordinary man who comes from Dublin. I met him recently at the UN climate change conference in New York. What he did, even though there was a price on his head in Gaza by different forces, was

extraordinary. He was not afraid of any of the forces which were not working in his interests. I take the Deputy's point - there may well be something here. Let us consider the wider aid we can give. I saw children being fed and a curriculum being developed which was not one sided but rather very broad and fair to give children a chance of having some understanding. I will discuss the matter with the Minister, Deputy Charles Flanagan.

I stood in no man's land for a considerable period on the way into Gaza from Israel. I hope I have not shown any pro-Israeli stance. In regard to rockets, I agree that the reaction was utterly disproportionate. There is a requirement in international law for it not to be so. I am still of the opinion that there should be a two state solution, whether it is words or, as the Deputy said, leads to a question of containment. The water supplies on the West Bank are drying up which means that farming will become more difficult. We will discuss this issue and reflect on the consequences of the decision made by Sweden and how it will impact on Europe's decision and view of the recognition of a Palestinian state. I will, in view of the Deputy's comments, consider the question of wider aid for UNRWA. We had a particular interest when Mr. John Ging was involved and it is still a very important programme, even more so now given the consequences of the 51 day war.

Constitutional Convention Recommendations

5. **Deputy Joe Higgins** asked the Taoiseach the referenda scheduled for the period ahead. [35179/14]

6. **Deputy Micheál Martin** asked the Taoiseach the position on the implementation of the recommendations of the Constitutional Convention; and if he will make a statement on the matter. [35202/14]

7. **Deputy Micheál Martin** asked the Taoiseach the position on the Constitutional Convention's recommendations; the actions that will be taken; and if he will make a statement on the matter. [35660/14]

8. **Deputy Richard Boyd Barrett** asked the Taoiseach the referenda he plans to hold before the end of his term in government; and if he will make a statement on the matter. [39816/14]

9. **Deputy Gerry Adams** asked the Taoiseach the position on implementation of the recommendations of the Constitutional Convention. [39822/14]

10. **Deputy Gerry Adams** asked the Taoiseach the position on the Constitutional Convention's recommendations; the actions the Government will take; and if he will make a statement on the matter. [41688/14]

11. **Deputy Gerry Adams** asked the Taoiseach the referenda his Government plans to hold before the end of the current term of the Government; and if he will make a statement on the matter. [41689/14]

The Taoiseach: I propose to take Questions Nos. 5 to 11, inclusive, together.

The Government has implemented a programme of constitutional reform. There have been six referendums held since we took office, namely, on investigative powers for Oireachtas committees; judges' remuneration; the fiscal stability treaty; children; abolition of the Seanad; and

the establishment of the Court of Appeal. Of these, five arose directly from commitments in the programme for Government. It also made a commitment to the establishment of the Constitutional Convention to examine a wide range of other constitutional issues.

Following agreement with the Opposition representatives, the convention was duly established in 2012. It has been a very valuable innovation in our democracy. I commend the members, the chair and the staff involved for their significant contribution. The Government has responded in the Dáil in detail to four of the reports of the convention as follows: to the first report on the voting age and presidential term on 18 July 2013; to the second report on the role of women and women in politics on 10 October 2013; to the third report on same sex marriage on 17 December 2013; and to the sixth report on blasphemy on 2 October 2014.

In response to recommendations made in the first three reports of the convention, we have announced that we will bring forward proposals for referendums on marriage equality, reducing the voting age to 16 years and reducing the eligible age for candidacy for presidential elections to 21. In response to these reports the Government also decided to refer to the relevant Oireachtas committee the question of a constitutional amendment to give citizens a say in the nomination process for presidential candidates. This has been done.

The Government also undertook to consider making Article 41.2 of the Constitution on the role of women gender neutral and including in it other carers within and beyond the home. It undertook to consider amending the Constitution to include the principle of gender equality, as well as the use of gender inclusive language in the Constitution. That work is under way in the Department of Justice and Equality.

A major outcome of the fourth report was that there should not be a change to the electoral system. It recommended the establishment of an electoral commission. The Government announced that it had accepted that recommendation and the preparatory work has commenced in the Department of the Environment, Community and Local Government.

There are a number of other recommendations that do not require a referendum. I should, of course, add that the Government has implemented a range of reforms to the Dáil, including longer sitting times, better opportunities for Members to raise topical issues, changes to committees, the introduction of pre-legislative scrutiny of Bills and the establishment of a proper framework for parliamentary inquiries.

In response to the sixth report of the convention, the Government announced that it would bring forward proposals for a referendum on the removal from the Constitution of the offence of blasphemy. The Government is continuing to work on its response to the remaining convention reports, namely, the fifth report on giving citizens resident outside the State the right to vote in presidential elections, the seventh report on Dáil reform, the eighth report on economic, social and cultural rights and the ninth report which contains the conclusions and final recommendations of the convention.

The Minister for the Environment, Community and Local Government is considering the recommendations on votes for citizens outside the State in co-operation with the newly appointed Minister of State with responsibility for diaspora affairs. Work is also under way on the seventh, eighth and ninth reports. These contain a number of recommendations that require consideration throughout a number of Departments. I anticipate the Government will consider all of these remaining reports within the next month and that we will have Dáil debates on each

of them before the end of this session. The Government Whip will consult Opposition Members on the timing of these debates, once the Government response is ready for consideration in the Dáil.

In regard to referendums, the Government also intends to hold a referendum on the unified patent court. This follows on an international agreement which will assist business and job creation in Ireland by facilitating cost effective and uniform patent protection throughout the 25 EU member states through a single patent court, with a local division here in Ireland. The Department of Jobs, Enterprise and Innovation is making the necessary preparations for that referendum.

Once all of the remaining reports of the Constitutional Convention have been considered, the Government will make its decision on the timing and number of referendums to be held in 2015.

An Ceann Comhairle: I call Deputy Higgins. As we have only seven minutes left, I suggest we allow one and a half minutes to each Deputy contributing.

Deputy Joe Higgins: I will be brief, as I was at the outset. The offering of my colleague here should also be taken.

An Ceann Comhairle: We will try to do the best we can, but the clock is against us.

Deputy Joe Higgins: In the past few days, some members of Government parties have been speaking about a referendum to keep Irish Water resources in public ownership. What is the Taoiseach's attitude to that? While I am not opposed to it, is the Taoiseach as amazed as I am at the audacity and sheer neck of some of these people, who are responsible for making water a market commodity, therefore, opening it up to privatisation, and who are now trying to pose as champions of keeping water public by looking for a referendum? These people are the hapless Green Party members, the politically condemned in the Labour Party and the politically threatened in Fine Gael. The Fine Gael mayor of Drogheda has gone native in the past 48 hours.

Will the Taoiseach agree that the clearest protection to ensure our water resources remain in public hands is not to turn it into a commodity and, therefore, to abolish these hated water charges? Let me save him much time and trouble by telling him that if he persists in this, he will go down to perdition on the issue. He will not win. These charges will be abolished and the Taoiseach should listen to the people in that regard.

Deputy Micheál Martin: I counted approximately five referendum proposals in the Taoiseach's comments. He promised an inclusive approach to these issues, but what has happened is that he has simply announced that the Government will decide what will happen and when it will happen. The Dáil will have no role other than to vote on what the Government decides and puts before it. That is a long way short of the democratic revolution that was promised.

Does the Taoiseach have a schedule for the proposed referendums and for when they will happen? As he knows, significant work must be done in advance. For example, the legislation must be published and the electoral commission must be established. We know from previous debacles and the children's referendum, which is still in the courts, that the referendum must be conducted properly and people must be given proper information. When people are denied a proper debate, they get angry. The Taoiseach read out the list of referendums we have had so far and, as he said, the Government got a wallop on some of them, not least because of the proposal

in one of them but also because of the manner in which they were handled.

It seems the Taoiseach is saying we will have a referendum on a voting age of 16, marriage equality, blasphemy and the age at which a person can be elected to the presidency. He was not quite clear in terms of proposals pertaining to women in the Constitution and whether we will have a referendum in that regard. He mentioned a unified patent court and said we would have a referendum on that issue.

I have looked to see what scheduled legislation has been published, but not even one Bill is promised before the end of this year on any of these issues. We are running against the clock on this, in terms of the lifetime of the Government and the capacity to have these referendums. Is it proposed to have them all on the same day? I urge the Taoiseach to ensure the referendum on marriage equality is kept separate in order that people can debate the issues properly, without being clouded by other referendums. The referendums deserve careful consideration and I ask the Taoiseach to share his thoughts on the issues with the House. We may not have the time for that now, but will he share his thoughts in terms of the timing and scheduling of the referendums?

Deputy Richard Boyd Barrett: In the past few days, some Government spokespeople have indicated the possibility of a referendum on the right to water. Given that the Constitutional Convention supported by 85% the idea that economic, social and cultural rights should be enshrined in the Constitution and, more significantly, given from 150,000 to 200,000 people came out on the streets at the weekend under the broad banner of the right to water, does the Taoiseach accept that access to water is a human right? We do not need a referendum to vindicate that right. All the Taoiseach needs to do to ensure it is a human right is to abolish water charges and ensure that all citizens have access to water, regardless of whether they have the money to pay charges for it. Does the Taoiseach believe access to water is a human right? If so, is it not encroaching on and subverting that right to have any sort of user charges?

An Ceann Comhairle: Thank you.

Deputy Richard Boyd Barrett: Can I ask a brief question?

An Ceann Comhairle: Please conclude. We have only one minute 50 seconds left and Deputy Gerry Adams had three questions.

Deputy Richard Boyd Barrett: On the issue of the right to housing and given the housing crisis, is the Taoiseach thinking of responding to the Constitutional Convention's call for these sorts of rights to be enshrined in the Constitution?

Deputy Gerry Adams: The citizen delegates who attended the Constitutional Convention did their work, as did the chair and staff. I attended a number of the meetings and noted that citizens who had no previous political experience were well prepared and were uplifted by the experience. They played their part, but the Government has not played its part.

The Taoiseach said there were five reports from the Constitutional Convention and that there would be Dáil debates on all of the outstanding reports in this session. He said the same in July and when I raised this matter previous to that. I have formed the view now that this delay is due to nothing other than that some of the issues coming forward, such as the right to housing, the reduction of the voting age, social and economic rights and voting rights for the diaspora, are issues the Taoiseach is against and that this is why they have not been brought

forward. There has been no other satisfactory explanation for the delay given by the Taoiseach on the number of occasions I have raised these issues. We will see whether these issues come forward in this session, but will the Taoiseach explain why there are five outstanding reports?

An Ceann Comhairle: Deputy Ruth Coppinger has ten seconds.

Deputy Ruth Coppinger: The Taoiseach raised the question of gender equality. I am the only woman present in the Chamber, but I have only ten seconds.

An Ceann Comhairle: The Deputy did not submit a question in this grouping. I am obliging her by allowing her put a supplementary question.

Deputy Ruth Coppinger: The Taoiseach listed a significant number of issues on which there will be referendums, including, laughably, gender equality. However, the one issue he did not mention was a repeal of the eighth amendment. How can we have gender equality when a woman is equated to a foetus? Ireland is the only country in Europe where this happens. Do women's lives matter? Does their health matter? Should women be able to make their own decisions over their lives and bodies?

An Ceann Comhairle: We are over time.

Deputy Ruth Coppinger: Some 56% of people believe the eighth amendment should be repealed in the lifetime of the Government. The Taoiseach is bringing people out to vote on a range of important issues, but none of these issues is more important than the issue of women's lives.

An Ceann Comhairle: Thank you.

Deputy Ruth Coppinger: We have seen victims of the eighth amendment this year, but when is the Taoiseach going to let people concentrate on a 31 year old amendment?

An Ceann Comhairle: I ask the Deputy not to abuse the situation please. We are over time. I call on the Taoiseach to reply.

The Taoiseach: It is not proposed to hold a referendum in respect of a right to water being enshrined in the Constitution. We live in a democracy and as far as I understand, no party or individual in the House favours privatisation of our water system. Any party that decides it does favour privatisation can put in its manifesto that it stands for this.

5 o'clock

The Fine Gael Party does not stand for it; the Labour Party does not stand for it; the Fianna Fáil Party does not stand for it; the Sinn Féin Party does not stand for it and I understand, given the range of views among the Technical Group and Independents, that they do not stand for it either. Therefore, it is not going to arise that there will be any question of privatisation of the water system in Ireland.

What I said was that when the Government had considered the reports and decided whether there should be a referendum on each of them, we would come back and discuss them at that stage. The reason there are so many reports outstanding is that there is quite a range of complicated work to be done in different Departments arising from the considerations that the delegates to the Constitutional Convention actually made. I have outlined the ones we have

announced - that is, propositions for referendums on marriage equality, on reducing the voting age to 16, on reducing the eligible age for candidates in presidential elections from 21, and on the unified patent court. Most of these are from the people themselves in that the requests have come through the Constitutional Convention. The intention would be to hold a number of referendums on the one day, as I do not believe we can have a series of referendums, one after the other, each month. I take Deputy Micheál Martin's point about the importance of the marriage equality referendum. I hope to be able to stand over the discussions on the remaining reports in this session and to bring forward the legislation to give effect to the referendums that the Government will actually decide to hold, some of which are mentioned here, and deal with it in that way.

It is a fact that people are entitled to water and, in a democracy, where that water is supplied through an infrastructure provided by the State or, in previous times, by the local authorities, they are entitled to look for a contribution in respect of the cost of provision of that water which is fair and affordable.

Deputy Joe Higgins: Even if they cannot pay?

The Taoiseach: A total of €2.5 billion was announced in the recent budget for social housing, and the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, is anxious to get this moving. In fact, we discussed this at a Cabinet sub-committee yesterday. Significant progress has now been made on voids here in Dublin. These are places that are boarded up but are well capable of being reconstructed and regenerated as good-quality housing.

I would say to Deputy Ruth Coppinger that it is not intended to repeal the 1983 amendment in the lifetime of the Government.

Deputy Ruth Coppinger: Why not?

The Taoiseach: What we did after 20 years of waiting was to address the issue in legislation, as was required and determined by the Supreme Court in its interpretation of the Constitution.

Deputy Ruth Coppinger: It failed over the summer.

The Taoiseach: That meant giving effect to legislation which applied where the life of the mother was threatened, as distinct from the health of the mother.

Deputy Ruth Coppinger: It has failed.

The Taoiseach: It filled a long-standing void whereby no Government attempted to deal with the interpretation of the Supreme Court in respect of what the people put into the Constitution.

Deputy Ruth Coppinger: Four thousand women a year will still go.

The Taoiseach: I have said before that the question the Deputy raises will not be dealt with in the lifetime of the Government and is one for consideration by the next Government.

Written Answers follow Adjournment.

4 November 2014

Resignation of Member

An Ceann Comhairle: I wish to make an announcement for the information of the House. I have received a communication from former Deputy Phil Hogan in regard to his appointment as a member of the Commission of the European Communities and to advise the House that former Deputy Hogan, having become a member of the Commission, ceased to be a Member of Dáil Éireann on Saturday, 1 November 2014.

Deputy Micheál Martin: On Saturday.

An Ceann Comhairle: Saturday, 1 November.

Deputy Micheál Martin: How opportune. His timing was impeccable. Just as 150,000 went to the streets, Phil was officially gone.

Deputy Joe Higgins: It was a very symbolic day. He finally got the message.

Order of Business

The Taoiseach: It is proposed to take No. 15, motion re referral to select committee of the proposed approval by Dáil Éireann of the Doha amendment to the Kyoto Protocol, to be found on a Supplementary Order Paper; No. 16, motion re leave to introduce a Supplementary Estimate - Vote 33; No. 17, motion re referral of the Supplementary Estimate on Vote 33 to the select sub-committee; No. 18, Irish Collective Asset-management Vehicles Bill 2014 - Financial Resolution; No. 5, Finance Bill 2014 - Order for Second Stage and Second Stage; No. 32, Health (Miscellaneous Provisions) Bill 2014 - Order for Report, Report and Final Stages, to be taken at 9 p.m. tonight, and the order shall not resume thereafter. It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m.; and Nos. 15, 16, and 18 shall be decided without debate and, subject to the agreement of No. 16, No. 17, referral to select sub-committee, shall be decided without debate and any divisions demanded thereon shall be taken forthwith. Private Members' business shall be No. 166, motion re mortgage arrears. Tomorrow's business after Oral Questions shall be No. 5, Finance Bill 2014 - Second Stage (resumed).

An Ceann Comhairle: There are two proposals to be put to the House. Is the proposal for dealing with the late sitting agreed to?

Deputy Joe Higgins: It is not agreed. This is the third time in a few weeks that we have had a late sitting in order to do business that is not urgent, when the country is in a state of social insurrection and electoral revolution over the water charges, as we see in Dublin South-West and in Roscommon-South Leitrim, yet we cannot have a debate here on the issue because the Government will not provide the time. I ask the Taoiseach to amend his proposed order in order that we can have the discussion the people want us to have-----

An Ceann Comhairle: The Deputy has made his point.

Deputy Joe Higgins: -----to put it up to the Government to abolish this hated tax. They have clarity; they know what they object to-----

An Ceann Comhairle: Thank you, Deputy.

Deputy Joe Higgins: There was nobody carrying banners saying "We need more clarity".

They were people saying “No way; we can’t pay,” and “Enda Kenny, not a penny.” Can we give the Taoiseach a message, if he has not got it from the streets already-----

An Ceann Comhairle: I am sorry, but the has made his point.

Deputy Joe Higgins: Give us the time we need now to discuss this critical issue, which our people are demanding be dealt with here by abolishing this hated bondholder tax.

An Ceann Comhairle: The Deputy has made his point.

Deputy Eric Byrne: Does Deputy Higgins imagine that Deputy Gerry Adams cannot pay? He is the wealthiest TD in the place.

The Taoiseach: We lost time here because of a series of objections to your good self, a Cheann Comhairle, and the ruling you gave in respect of Standing Orders. The Opticians Board has to be subsumed into the Health and Social Care Professionals Council. This has to go through the Dáil and it has to go through all Stages in the Seanad. It is an urgent piece of legislation dealing with a critical element of the health care industry. It is not true to say it is not urgent, because it is. It would have happened in the last week of business if we had not had the disruption from the far side.

An Ceann Comhairle: I am putting the question: “That the proposal for the late sitting be agreed to.”

Deputy Joe Higgins: I asked the Taoiseach specifically and I am entitled to an answer, according to Standing Orders. When will we get to discuss the issue-----

An Ceann Comhairle: The Deputy can vote against it.

Deputy Joe Higgins: -----that the people are talking about incessantly?

An Ceann Comhairle: Sílim go bhfuil an cheist rite.

Deputy Joe Higgins: Níor fhreagair an Taoiseach an cheist, a Cheann Comhairle.

An Ceann Comhairle: I am sorry, but will the Deputy, please, not be disruptive?

Deputy Joe Higgins: Cathain a bheidh am againn díospóireacht a dhéanamh faoin rud seo, faoi uisce na hÉireann?

An Ceann Comhairle: The Deputy made his point.

Deputy Joe Higgins: Ní bhfuair eas freagra. I did not get an answer.

An Ceann Comhairle: The Deputy did get an answer.

The Taoiseach: Nuair a bheidh an cinneadh déanta ag an Rialtas, beidh díospóireacht anseo sa Dáil againn, taobh istigh de choicís sílim.

Deputy Ruth Coppinger: When will there be a debate on the water charges?

An Ceann Comhairle: We are not having a debate across the Chamber.

Deputy Ruth Coppinger: It is unbelievable when the people-----

An Ceann Comhairle: The proposal is agreed to. Is the proposal for dealing with No. 2 agreed to? Agreed.

Deputy Micheál Martin: I have a number of issues to raise. First, at Leaders' Questions before the recess, I asked the Taoiseach if the Government would facilitate the Oireachtas with time to debate the allegations of abuse within the Sinn Féin-IRA movement at the time.

Deputy Eric Byrne: Which abuse?

Deputy Micheál Martin: It was agreed that time would be allocated. It has not happened this week and I would appreciate if it could be facilitated next week, because a lot has been said both here and outside the House. I would like to express my views in a considered way in a structured debate in the House and I am sure others would like to do so also.

My second point concerns the programme for Government. Changes have been suggested in respect of the filling of appointments to State boards. I do not know if the Taoiseach is familiar with the work of John Walshe, the recently retired adviser to the former Minister for Education and Skills. Mr. Walshe has published a book where he states that Mark Kennelly, who is a leading official in the Department of the Taoiseach, metaphorically twisted his arm and said that Fine Gael wanted its quota of appointments in the education world.

An Ceann Comhairle: That is not a matter for the Order of Business.

Deputy Micheál Martin: We had the John McNulty fiasco. I know the Taoiseach is smiling but we were promised a democratic revolution and Mr. Walshe did say that people who advertised were the last to be considered.

(Interruptions).

An Ceann Comhairle: Will Deputies settle down?

Deputy Micheál Martin: He said the Labour Party had its appointments and that Fine Gael must now get its appointments.

An Ceann Comhairle: Could we hear the Deputy's views on the Order of Business?

Deputy Micheál Martin: The third issue I want to raise is the water environment Bill. This Bill is to support the implementation of the water framework directive, which is particularly relevant given all the debate we have had.

A fourth piece of legislation that has been promised relates to the establishment of a new model of financing social interventions called social impact bonds. These would share the Exchequer savings with charitable and voluntary organisations. When will that legislation be introduced?

The broadcasting (amendment) Bill will amend the Broadcasting Act 2009 to remove the television licence fee provisions, introduce the means of collecting a broadcasting charge and implement the Government decision relating to the Broadcasting Authority of Ireland's five-year review of public funding. The former Minister for Communications, Energy and Natural Resources was very enthusiastic about this legislation. The Taoiseach might indicate when it is proposed to publish it.

The health reform Bill will put in place the new structures for the health service. When can

we expect this Bill or is it to be published? The health (transport support) Bill is to provide for a scheme to make individual payments to people with severe disabilities who cannot access public transport as a contribution towards their transport costs. The Taoiseach will remember that this was a very hot issue nearly two budgets ago. He made promises that he would look after those whose mobility is severely hampered by virtue of having a disability and nothing has been done. It is a scandal in itself that the Taoiseach has allowed all this time to go by without fulfilling his commitments in that regard. I will leave it at that for today.

The Taoiseach: We will have the debate on sexual abuse next Wednesday. I would like to get the views of Members as to the structure of that debate. I share the Deputy's view about its importance. As I have said on many occasions, there can be no equivocation about sexual abuse or about harbouring those who have carried out sexual abuse or are a danger to children in particular.

With regard to appointments to State boards, the Government made a decision that from 1 November and leaving aside those that were in train, every Minister would see that their Departments were on the *StateBoards.ie* system in respect of the boards under their remit and the vacancies arising on those boards and that people would have to apply through that system, have their credentials and qualifications assessed by the Public Appointments Service and be referred to Departments subsequently having being cleared, or vetted if the Deputy uses that word, by the Public Appointments Service. That is in train.

Deputy Micheál Martin: Will both parties still want their share of the boards as per John Walshe's revelations?

An Ceann Comhairle: I am sorry.

The Taoiseach: There was a-----

An Ceann Comhairle: Through the Chair, please.

The Taoiseach: There was a party in government some time ago which made 300 or 400 appointments in an interregnum period before an election. I would not comment on it.

An Ceann Comhairle: Let us get on with the Order of Business.

The Taoiseach: The water environment Bill is due next year. I will come back to the Deputy about the social impact bonds Bill. The other Bill mentioned by the Deputy was the broadcasting (amendment) Bill. A great deal of work has been done on that Bill and I expect that it should be produced before the end of this year. I hope it can be produced by then. If not, it will be very early next year.

The health reform Bill-----

Deputy Micheál Martin: What about the social impact bonds Bill?

The Taoiseach: I will revert to the Deputy in respect of social impact bonds and give him an update.

In respect of the health reform Bill, a number of policy measures are being considered and I must update Deputy Micheál Martin and the House in that regard. The health (transport support) Bill is expected early next year.

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Deputy Gerry Adams: I have already been on record as welcoming a debate on abuse of any kind. However, I must take exception once again to Deputy Micheál Martin when he talks about allegations of abuse within Sinn Féin-IRA. It is welcome that-----

An Ceann Comhairle: We cannot debate this matter on the Order of Business, as the Deputy knows.

Deputy Gerry Adams: The Ceann Comhairle did not interrupt Deputy Micheál Martin.

An Ceann Comhairle: I do interrupt Deputies if they are out of order.

Deputy Gerry Adams: He did not interrupt him a moment ago.

An Ceann Comhairle: The Deputy cannot debate this issue on the Order of Business.

Deputy Gerry Adams: I am not looking for a debate. I am looking to say something about the debate we will have. I welcome the fact that the Taoiseach has said that there will be consultation on this matter. I have written to the Ceann Comhairle about the way the Taoiseach and the leader of Fianna Fáil conducted themselves the last time this matter was discussed here. I understand from the public media that the Taoiseach also received a letter on behalf of four citizens taking exception to the way he had subverted the legal process and so on; therefore, I look forward to the response to his-----

Deputy Micheál Martin: Do you want to suppress Dáil Éireann? Do you want to suppress freedom of speech in Dáil Éireann? Is that what you are at now?

An Ceann Comhairle: Will the Deputy please-----

Deputy Micheál Martin: How dare he talk about how I conducted myself here.

An Ceann Comhairle: Through the Chair, please.

Deputy Micheál Martin: I am fully aware of my parliamentary responsibilities. He cannot shut me up any time soon and he will certainly not suppress me inside this House. How dare he - hypocrite.

An Ceann Comhairle: Will Deputy Adams stick to the Order of Business?

Deputy Gerry Adams: I am doing so.

An Ceann Comhairle: He is not speaking to the Order of Business and I ask him to do so.

Deputy Gerry Adams: The contrived theatrical performance-----

An Ceann Comhairle: We are not having any of this stuff on the Order of Business. I ask the Deputy to stick to the Order of Business and ask about promised legislation.

Deputy Gerry Adams: This conduct impresses nobody, especially not victims and survivors of abuse.

(Interruptions).

An Ceann Comhairle: Will the Deputy, please, proceed?

Deputy Gerry Adams: These folks want to reduce this Chamber to a piece of theatre.

An Ceann Comhairle: We are dealing with the Order of Business and promised legislation.

Deputy Gerry Adams: Tá a fhios agam agus táim ag déileáil le sin. I understand that the stated intention of the forthcoming national monuments Bill is to consolidate and update the legislative code governing the protection and regulation of the national archaeological heritage. I welcome that and would like an update on that Bill's progress. In light of the decision by Dublin City Council to vote against a proposed land swap with Chartered Land that would have seen the historic battlefield site of Moore Street demolished, will the Taoiseach move to intervene and find a resolution? I understand that the national monuments Bill aims to protect and regulate our national heritage. If I recall properly, this battlefield site was described by the Taoiseach as the lanes of history. It is of incredible and profound historic relevance. Given that we are approaching the centenary of the 1916 Rising, will the Government intervene, as it did with Temple Bar and the IFSC, on this matter?

The other issue I wish to raise is the mobility allowance and the motorised transport grant. The Taoiseach will recall that last year, the mobility allowance and the motorised transport grant were axed by the Government.

An Ceann Comhairle: We are not dealing with that issue on the Order of Business. It is not promised legislation.

Deputy Gerry Adams: It is - if the Ceann Comhairle will let me finish my point. The Government promised to devise an alternative scheme.

An Ceann Comhairle: It did not do so on the Order of Business. It cannot promise on the Order of Business. We are dealing with promised legislation.

Deputy Gerry Adams: We were promised primary legislation for a replacement scheme. That is what we were promised. I note the number of times the Ceann Comhairle has interrupted me as a number of Deputies have interrupted others.

An Ceann Comhairle: Do not be so sensitive. I am trying to keep order in this Chamber and it is difficult enough. I am not here to worry about everybody's sensibilities. As I treat everybody equally as best I can, do not be so sensitive. Will the Deputy put his question and I will get him an answer.

Deputy Gerry Adams: I am looking for a timeframe for the introduction of this new scheme, as was promised, and progress under primary legislation, which was also promised.

The Taoiseach: On the health (transport support) Bill, I have already indicated to Deputy Micheál Martin that it is due early next year. The national monuments Bill is scheduled for the middle of next year. I met a number of personnel in regard to the issue of Moore Street. It is a complex problem, given the views expressed by the different groupings. The Minister for Arts, Heritage and the Gaeltacht has responsibility for the national monument and made a clear decision on it. Arising from the decision of Dublin City Council, I would like to think time is getting short in terms of it being in a presentable state in 2016. The Deputy will be aware of the allocation for the archives, Kilmainham courthouse and the GPO. It is not unwillingness on the part of the Government; rather, it is due to difficulties with the different groupings as to what they want. Of course, the ground outside the national monument is not owned by the State.

Deputy Gerry Adams: It is owned by NAMA.

The Taoiseach: That is another issue being addressed by Dublin City Council and the people.

Deputy Gerry Adams: It is owned by the State.

The Taoiseach: I have asked the Minister to examine the consequences of the decision by Dublin City Council to determine what is the best thing to do.

Deputy Richard Boyd Barrett: While I understand the Government is distracted with the unprecedented popular revolt against water charges which has engulfed it ----

An Ceann Comhairle: We are not going into that issue again.

Deputy Richard Boyd Barrett: Does the crisis facing the Government mean that it has changed the promised schedule for bringing forward the other important publication on social housing strategy promised by the Minister for the Environment, Community and Local Government? It was promised before the recent recess that we would have the document and a debate in the House on a crisis that continues. Families are being made homeless on a daily basis because of the failure to address the issue. The Taoiseach promised on several occasions that we would have the document and a discussion on the Government's policy for dealing with this most severe of crises. When is that going to happen?

The Taoiseach: We discussed this issue at the Cabinet sub-committee yesterday. I will let the Deputy have that piece of information. I expect the Minister, Deputy Alan Kelly, to bring the document to the Cabinet next week and then the Deputy will have it. We will stand by this promise, at least. He will have his discussion and the opportunity to say his piece. The Minister is very interested in seeing to it that the housing situation, in so far as we can impact on it, will be impacted on in the shortest possible time, including voids, social housing and other stimuli through the construction sector.

Deputy Bernard J. Durkan: In the context of the national pediatric hospital development board Bill, I ask the extent to which the national children's hospital plan has progressed. Have the relevant targets been met in terms of the schedule to date and when are we likely to see further progress?

My other old chestnut is the bail Bill, an issue I have raised on a number of occasions. I ask for the current status of the Bill. Is it likely to be brought before the House in the near future and to what extent has progress been made since I last raised the issue?

The Taoiseach: On the children's hospital Bill, the design team is in place and working very well. The project is on track. I cannot give a date for publication of the Bill, but it is very much under control. The sod will be turned for the Central Mental Hospital next year.

I do not have a date for the bail Bill. The Deputy has raised the matter on numerous occasions. I will investigate the current stage of completion of the work involved. As the Deputy will be aware, it is quite complicated.

Deputy Pat Deering: I ask the Taoiseach about an issue I raised previously regarding the technological universities Bill. It has recently been highlighted that difficulties have arisen in the south east with the promotion of a technological university involving Carlow Institute of

Technology and Waterford Institute of Technology. The programme for Government proposed a technological university for the region. Is a proposal in place to get discussions back on track in order to achieve the targets set out in the programme for Government?

The Taoiseach: Shortly after it was elected, the Government made the decision to support the concept of a technological university for the south east, taking into account the merger of Waterford Institute of Technology, Carlow Institute of Technology and other ancillary facilities. That is the intention of Government and that was its decision. For a variety of reasons, there was a recent break-up in the proposed merger. The Minister for Education and Skills met both parties and has now appointed an independent mediator, Mr. Kelly, who has been given ten weeks to come back with a proposition for getting the talks back on track in order that the Government's decision can be implemented. We want to get the matter back on track and ascertain whether the mediator can bring this about.

Deputy Pearse Doherty: There has been considerable speculation on water charges legislation and Ministers have refused to rule out the involvement of Revenue. Is it planned to introduce a water services (amendment) Bill which would change the structure of how charges are collected?

Two weeks ago we debated the European Stability Mechanism, ESM, legislation. This is the day on which the ESM receives applications for retrospective recapitalisation of the banks and the billions of euro pumped into them. Can we have a debate on when the Government intends to make an application to the ESM to get our money back, or as much of it as we can?

The Taoiseach: On the water services (amendment) Bill, the Government will make its views known, having listened to the people, within the next two weeks. There will be a discussion in the House arising from this.

On the ESM Bill, we have made it clear that the option is open to the Government to lodge an application for retrospective capitalisation, if that is its decision, from this point on. As the Deputy noted, today marks the start of that opportunity. The Government will consider the best option in respect of an application for recapitalisation or the value of the banks in Government ownership.

Deputy Mattie McGrath: On the criminal justice (miscellaneous provisions) Bill, I ask the Taoiseach to inform the House whether the Minister for Justice and Equality has met the families of victims of the Omagh bombing. The previous Minister promised such a meeting, but it did not happen.

An Ceann Comhairle: That is the subject of a parliamentary question.

Deputy Mattie McGrath: We have heard statements from the Minister for Health on the children's hospital and the twin approach to both planning applications. On the medical paediatric hospital development board, is this a Government position or is the Minister flying a kite? Is there a sense of having both hospitals -----

An Ceann Comhairle: To what Bill is the Deputy referring?

Deputy Mattie McGrath: I am referring to the medical practitioners hospital development board (amendment) Bill. It is on the list.

The Taoiseach: The Deputy is normally very clear, but this is quite confusing.

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Deputy Mattie McGrath: The entire situation regarding the site for the children's hospital is very confusing.

The Taoiseach: The medical practitioners board Bill is awaiting Committee Stage in the Seanad. The criminal justice (miscellaneous provisions) Bill is due late next year.

Deputy Mattie McGrath: Will the Minister meet the families of the Omagh bombing victims?

The Taoiseach: I do not know whether the Minister has met the survivors or families of the victims of the Omagh bombing.

An Ceann Comhairle: That is a separate issue which the Deputy will have to raise in some other way.

The Taoiseach: I will have the Minister confirm the position for the Deputy.

Deputy Michael Healy-Rae: The Taoiseach is a very practical man, or at least he used to be. On the companies (miscellaneous provisions) Bill, the Competition Authority is toothless because farmers are getting so little for their meat -----

An Ceann Comhairle: Hold on.

Deputy Michael Healy-Rae: This is very important.

An Ceann Comhairle: I know it is very important but not on the Order of Business.

Deputy Michael Healy-Rae: Meat is very expensive at the counter.

An Ceann Comhairle: What Bill is being discussed?

Deputy Michael Healy-Rae: I ask the Taoiseach to explain the issue to the people of Ireland. He is aware of the protests taking place at factories.

An Ceann Comhairle: I do not mind a little leeway, but it is happening every day.

Deputy Michael Healy-Rae: Please give me a little leeway on behalf of the farmers of Ireland.

An Ceann Comhairle: The Deputy should table a Topical Issue or a parliamentary question.

Deputy Michael Healy-Rae: I urge the Ceann Comhairle to allow the Taoiseach to answer.

The Taoiseach: The Minister for Agriculture, Food and the Marine called the beef forum together with all of the interested bodies involved. They agreed on a strategy and I hope that, arising from what they agreed to, the factories will respond to farmers' concerns. It is an issue of concern to a great number of people. One farming organisation has issued instructions to have a further protest, but I hope, arising from what was agreed at the beef forum, that decisions might be made that do not disrupt that process.

Deputy Dara Calleary: The EirGrid Bill is intended to establish EirGrid as a separate legal entity. EirGrid is currently legally attached to the ESB, which last week rubbished Grid25, the central plank of EirGrid's plans. The Minister can deny that if he wishes. Will the Taoiseach

bring forward the EirGrid Bill or allow a debate on Grid25 in the context of the ESB's proposals and submissions last week?

The Taoiseach: The EirGrid Bill is due next year. If the Deputy wishes to table a Topical Issue with the Ceann Comhairle's consent, he may get permission to raise the matter that way.

Housing (Homeless Prevention) Bill 2014: First Stage

Deputy Maureen O'Sullivan: I move:

That leave be granted to introduce a Bill entitled an Act to amend the Housing Act 1988 to update the definition of "homelessness", to include prevention of homelessness within its remit, and to facilitate local authorities to harness skills from other sectors in order to more effectively meet the needs of a preventative homeless strategy.

I introduce the Housing (Homeless Prevention) Bill 2014 as it has been obvious for quite some time that there is a crisis in housing in local authority areas and in the private rented sector. Increasing numbers of people are becoming homeless and there has been a change in the nature of homelessness from the stereotypical homeless person who is out on the street due to addiction issues or anti-social behaviour. Now families are becoming homeless, including people who in normal circumstances, as in pre-Celtic-tiger Ireland, would never have become homeless. Regardless of the circumstances behind it, if a person or family becomes homeless, it is a nightmare situation for them emotionally and psychologically. On a purely financial level, it places a massive strain on authorities to access accommodation at a time when housing stock is not sufficient to meet the demand. Hence, there has been a need to use hotels and bed-and-breakfast facilities, which are particularly unsuitable for families.

There have been a number of reports and strategies, including the 2002 preventative strategy, the 2007 strategy entitled Key to the Door, the 2008 strategy entitled, The Way Home, the Homeless Agency's comprehensive strategy to prevent homelessness 2005-2010, and the Government's target of ensuring the end of long-term homelessness by 2016. All of those acknowledge the importance of housing advice, advocacy and tenancy support in relation to preventing homelessness, but it is widely acknowledged by agencies and Departments dealing with the issue that section 10 of the Housing Act 1988, which governs the scope of the remit of local authorities to meet the needs of those who are experiencing homelessness, is now out of date. In particular, the drafting of the 1988 Act focuses exclusively on people who have already become homeless and does not reflect the increasing priority given to preventative measures in Government policy. According to the most recent statistics, 45 families became homeless in Dublin alone in September in spite of the tenancy sustainment protocol that is active in the area. In total, 380 families, including 828 children, were homeless in Ireland in September. The Minister has said she will not increase rent supplement levels, but if the Government is to meet the target of ending long-term homelessness by 2016, there must be strategies in place to stem the flow of individuals and families experiencing homelessness.

The Bill I introduce is therefore vital as it provides for the first time for a policy of preventative action rather than dealing with the issue of homelessness when a person or family has already fallen into the trap of being homeless. My proposed amendments augment and reinforce in a practical way the provisions in the 2009 Act. Housing advice, advocacy and tenancy support are all important, effective and cost-effective, but the current wording of section 10 limits those interventions. I acknowledge the support of Focus Ireland on this matter. I also

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acknowledge the material we all received today from the Simon Community setting out its three common-sense solutions, the last of which is to prevent homelessness before it happens. Once a person falls into homelessness, it is a very difficult journey back to stability. There are all sorts of statistics which show that those in emergency accommodation can get back into a home situation with very little help. This is part of what I am discussing here, and I hope the amendments I propose will be made.

An Ceann Comhairle: Is the Bill opposed?

Minister for Communications, Energy and Natural Resources (Deputy Alex White):
No.

Question put and agreed to.

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

Deputy Maureen O'Sullivan: I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

An Bille um an gCeathrú Leasú is Tríocha ar an mBunreacht (Uimh. 3) 2014

Thirty-fourth Amendment of the Constitution (No. 3) Bill 2014

Deputy Brian Stanley: Tairgim:

Go gceadófar go dtabharfar isteach Bille dá ngairtear Acht chun an Bunreacht a leasú.

I move:

That leave be granted to introduce a Bill entitled an Act to amend the Constitution.

The Bill proposes to insert a clause in Article 40 of the Constitution following a referendum on the ownership of Irish Water, water services and water infrastructure. There have been large-scale demonstrations over the weekend and one of the issues arising involves ownership and people's fears in that regard. People want to ensure that Irish Water does not slip into private ownership. When meters are put in place outside people's front doors, this brings in revenue and makes it attractive to large industrialists to cast their eyes over the infrastructure. That has happened with other sectors. I have heard the guarantees from the Government benches on this, but the company will be under the parent company Bord Gáis, part of which was privatised last year. This is the concern I have. While the legislation as currently framed does provide a level of protection for now, and the Act that came out at the far end of the legislative process last year says that Irish Water cannot be privatised, everyone here and most people outside know that a future Government can waltz in with a majority and push through a new Bill. The next thing will be an Act that allows for the privatisation of Irish Water. There could be a Government of a completely different make-up which does this.

We are committed to ensuring that water services stay in public ownership. Some Labour Party Ministers have said they are favourably disposed to a referendum. I heard Deputy Joe Costello saying it over the weekend. There are people on the Government benches clearly saying this, but it was disappointing to hear the Taoiseach say today that he will not have a referendum. The people own the water supply and the infrastructure, not the Deputies in the House

or the Government. This is the people's resource. The Government says it has given cast-iron commitments not to privatise Irish Water in future. There will be referendums next year and there is an opportunity, as one of them, to put this proposal to the people to give them ownership of the water system. Up to 1 January the people owned this, but ownership was taken from them by the Government when the function was removed from local authorities. It should be given back and the opportunity for a referendum provided. There are those on the Government benches who seem disposed towards this and I ask the Government to facilitate a referendum by allowing the Bill to proceed.

An Ceann Comhairle: Is the Bill opposed?

Minister for Communications, Energy and Natural Resources (Deputy Alex White): For clarity, there is no opposition to the Deputy being granted leave to introduce the Bill.

Cuireadh agus aontaíodh an cheist.

Question put and agreed to.

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

Deputy Brian Stanley: Tairgim: "Go dtógfá an Bille in am Comhaltaí Príobháideacha."

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

Cuireadh agus aontaíodh an cheist.

Question put and agreed to.

Terms of the Doha Amendment to the Kyoto Protocol: Referral to Select Committee

Minister for Communications, Energy and Natural Resources (Deputy Alex White): I move:

That the proposal that Dáil Éireann approve the terms of the Doha Amendment to the Kyoto Protocol, done at Doha on 8 December 2012, a copy of which was laid before Dáil Éireann on 23 October 2014, be referred to the Select Sub-Committee on Environment, Community and Local Government in accordance with Standing Order 82A(3)(b) and (6) (a), which, not later than 19 November 2014, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

Estimates for Public Services 2014: Leave to Introduce

Minister for Communications, Energy and Natural Resources (Deputy Alex White): I move:

That leave be given by the Dáil to introduce the following Supplementary Estimate for the service of the year ending on the 31st day of December, 2014:

Vote 33 - Arts, Heritage and the Gaeltacht (*Supplementary Estimate*).

Question put and agreed to.

Estimates for Public Services 2014: Referral to Select Committee

Minister for Communications, Energy and Natural Resources (Deputy Alex White): I move:

That, subject to leave being given to introduce the following Supplementary Estimate for the service of the year ending on 31 December 2014, the Supplementary Estimate be referred to the Select Sub-Committee on Arts, Heritage and the Gaeltacht, pursuant to Standing Orders 82A(3)(c) and (6)(a) and 159(3), which shall report back to the Dáil by no later than 20 November:

Vote 33 - Arts, Heritage and the Gaeltacht (*Supplementary Estimate*).

Question put and agreed to.

Irish Collective Asset-management Vehicles Bill 2014: Financial Resolution

Minister for Communications, Energy and Natural Resources (Deputy Alex White): I move:

THAT provision be made in the Act giving effect to this Resolution for the amendment of section 739B of the Taxes Consolidation Act 1997 (No. 39 of 1997), in the manner and to the extent specified in that Act, to provide for the similar treatment of Irish Collective Asset-management Vehicles for tax purposes as for investment undertakings already within the meaning of section 739B.

Question put and agreed to.

Topical Issue Debate

Neuro-Rehabilitation Services Provision

Deputy Maureen O'Sullivan: Ba mhaith liom buíochas a ghabháil leis an Cheann Comhairle as ucht an deis seo a thabhairt dom an cheist seo a ardú. I know this matter was selected before the recess but I waited so that the Minister could address it in the Chamber.

Like me, I am sure she has had family and friends who have suffered strokes. We know not just about the medical side of stroke, but the psychological and emotional effects it has on the victim and on those who love them. We know also that there are personal, emotional and psychological costs along with the physical ones. Stroke is a life-changing experience.

Every year, the financial cost of strokes comes to over €550 million with €400 million of that going on nursing home care. Up to 75% of stroke victims never go back to work and there are major difficulties for them and their families. When the HSE, Health Service Executive, launched the national stroke programme four years ago, the death rate from strokes fell by 13% while the rate of discharge of patients from hospitals to nursing home care was down 28%. The savings from the reduced requirement for nursing home care are conservatively estimated at €22 million. These are positive results which came about because the HSE invested in a stroke network and took account of reports that stated better acute stroke services would save lives and money on a significant scale.

Better community rehabilitation services can maximise recovery, however. I acknowledge the work of the Irish Heart Foundation and its research in this area. Up to 44% of all stroke sufferers, more than 3,000 people every year, are in the mild to moderate stroke category. They could benefit from early supported discharge programmes. The idea is to get them home earlier. The Government's health policy in many areas is about getting people back to their families and communities. We are very much in favour of that with mental health issues. This would be particularly valuable also in the stroke rehabilitation area. It is estimated that €12 million could be saved by such a move and it would free up 24,000 hospital bed days which are in demand. It is expected that an initial outlay of between €5 million to €10 million would be the annual cost to resource community therapy and services to stroke victims. The cost to implement this would be considerably less than the cost of inpatient stay. With so much going into nursing home care, those in the mild to moderate range are losing out when they leave hospital because they need physiotherapy, occupational and speech and language therapy. It would be better for them to be at home where they would have services and a greater delivery of care in the community.

The 2014 Irish Heart Foundation, the Economic and Research Institute of Ireland, ESRI, and the Royal College of Surgeons in Ireland, RCSI, report stated:

Clinicians engaged in stroke care in 24 out of 28 acute hospitals agree that inadequacies in community services lead to referrals of patients post-discharge for rehabilitation services in hospitals or other inpatient locations such as nursing homes, who could be treated at home by community services if these were more readily available.

Nursing home costs would be reduced if more stroke patients were able to live independently at home. I hope there will be a positive response to a small outlay of funding to bring this about even on a pilot scheme to show it will work.

Minister of State at the Department of Health (Deputy Kathleen Lynch): I thank the Deputy for raising this issue. I am glad to be here as I have a particular interest in this area due to family circumstances. Since the introduction in 2010 of the national cardiovascular health policy, significant improvements have been made with regard to access to acute treatments for coronary heart disease, as well as the development of stroke units. Key elements of stroke care now available include new and existing stroke units provided with additional therapy, nursing and consultant posts. Thrombolysis is now available to acute hospitals admitting stroke patients, 9.5% of whom are being thrombolysed which compares well with the best European figures.

The aims of the national stroke programme are to provide national rapid access to best-quality stroke services including acute care and the implementation of early support discharge, ESD, services. The implementation of ESD services is within the context of the wider range of rehabilitation services required by stroke patients. The stroke programme estimates the number of people with enduring disabilities as a result of stroke has decreased as the percentage of patients with stroke discharged from acute hospitals to nursing homes dropped from 17.3% in 2009 to 14.5% in 2012. It has gone down again since then. The percentage of patients discharged directly home increased from 49.4% in 2009 to 51.1% in 2012. A certain percentage of stroke patients will be suitable for ESD which involves intensive specialised stroke rehabilitation provided in the patient's home for up to eight weeks. I agree with the Deputy that the notion of taking up a hospital bed when one can have treatment in the comfort of one's home makes no sense. This reduces the length of hospital stay, long-term dependency and the risk of further disability after six months, as well as reducing the number of patients requiring long-

term care.

ESD services are funded in several locations. The feasibility of implementing this model in geographically dispersed populations is limited. The national clinical programme for stroke, NCPS, continues to provide funding to these sites. During 2013, a total of 90 patients were discharged home via an ESD service across three ESD service sites - the Mater Misericordiae University Hospital, Galway university hospitals and Tallaght hospital. Patients requiring more intensive rehabilitation are referred to the nearest available rehabilitation service. The establishment of managed clinical rehabilitation networks for neurological and prosthetic rehabilitation services in each of the four HSE regions contributes to rehabilitation services. The National Rehabilitation Hospital provides specialist stroke rehabilitation as a national hub and links in with regional services.

The Department of Health's national policy and strategy for the provision of neuro-rehabilitation services in Ireland, in collaboration with the national clinical programme for rehabilitation medicine, provides for improved access to and quality of services for patients requiring rehabilitation. The rehabilitation medicine clinical programme and the HSE's disability services division are developing an implementation plan for the neuro-rehabilitation strategy.

Primary care also plays an important role in stroke rehabilitation. As of 6 September 2014, some 229.5 of the 264.5 primary care team posts have been filled or start dates agreed. The HSE is striving to have the remainder of the posts filled as soon as possible in 2014.

Taken together, all these developments show we have made significant progress in preventing stroke and its complications. The issue of how best to further develop and support early stroke discharge is under consideration by the HSE stroke programme.

A friend of mine recently had a stroke. A lot depends on how quickly one gets to a unit that has the capacity to deliver the relevant treatment.

Deputy Maureen O'Sullivan: I thank the Minister of State for that reply. We are saying the same. It is opportune because World Stroke Day was on 29 October. The reports, findings and the opinions of people who work with stroke victims all say the same thing: proper consultation, organisation and better community therapy services for stroke survivors will improve their quality of life on a major scale. We would see more cost savings than under the current system; therefore, there is an economic justification for the rapid development of community rehab and care services. We are also talking about international best practice. Above all, however, there is a greater justification on the personal side. It is about making a difference in the lives of those who suffer stroke and those who love them. My own recent experience involved someone who had a stroke. He was quickly admitted to hospital, where the care was excellent. He then went to a nursing home but spent far too long there. The care and therapy there was too intermittent and too short. If that person had been at home receiving community care with his family and friends around him, encouraging him, that informal therapy would have been much more valuable. If we are going to make a difference, we must deal with the matter urgently. The services are not seeking a blank cheque, and while it is not an astronomical amount of money, it can make a big difference.

Deputy Kathleen Lynch: I could not agree more with the Deputy. The joining up of posts we are putting into the community provides that sort of interconnection between primary teams and community intervention teams. I have first-hand experience showing that when strokes are

treated quickly and in the correct location, the outcome can be as though the stroke had never occurred. It is incredible. I credit the last Government and ourselves for identifying that system and making it work.

I was hugely impressed recently by a normal gym that had equipment everyone could use for balance and muscle capacity in terms of stroke. The general population also uses that gym. It was not a matter of having different equipment, but equipment that could be used by both able-bodied people and those who need additional help. We are on the right track but we need to do more.

Home Care Packages

Deputy Seán Ó Feargháil: I thank the Ceann Comhairle for allowing me to raise this matter. To revert briefly to the previous issue, I salute the Minister of State and her predecessors for what has been done in terms of stroke treatment. Real and meaningful progress has been achieved.

On a number of occasions, my colleague, Deputy Billy Kelleher, and I have raised the issue of children with life-limiting conditions both on Leaders' Questions and as Topical Issues. It goes without saying that providing care for a child with a life-limiting condition is highly challenging for families, both physically and emotionally. Some 1,400 children in the country have life-limiting conditions. Unfortunately, about 350 of those die each year due to their conditions. The life expectancy of many of those children is just one year.

All studies have clearly shown that the majority of parents want to care for their children at home. Our party has recently been informed of difficulties arising following the failure of the HSE to take over home care plans for children currently supported by the Jack & Jill Children's Foundation who will soon reach the age of four years. There are three such children in north Dublin. One of them - a little girl who was four last August - has Ohtahara syndrome, a rare infantile epilepsy with seizures, which results in a limited life expectancy. Indeed, David Cameron's son died of the same condition aged six years. This girl cannot walk, talk or feed herself and is totally dependent on others. Up to now she was receiving 40 hours of support monthly from the Jack & Jill Children's Foundation, which made all the difference to her family. The HSE met this girl's family in July after the Jack & Jill Children's Foundation and the public health nurse had done an assessment. The HSE assured the parents that the matter would be sorted out on or just after her fourth birthday. It has not been sorted out.

Another child, a boy who will be four years old on Sunday week, has a diagnosis of West syndrome and chromosome 8 and 9 abnormality. Like the little girl I mentioned, he cannot walk, talk or feed himself and is totally dependent on others. He sleeps for only about four hours a night. His mum and dad are understandably up with him on those occasions. The family use their 44 hours of Jack & Jill Children's Foundation support over four nights, giving them one night a week of guaranteed sleep and a few free hours each day. The public health nurse has told the boy's mother that she will not get a nurse, which she desperately needs. Therefore, the mother will have to continue to meet his needs 24/7.

Another little boy who was four years old last week has a diagnosis of trisomy 7p, which is associated with severe to profound developmental delay. He needs 24 hour care as he is gastrostomy-fed. He also requires suctioning and continuous positive airway pressure, CPAP - a

treatment that uses mild air pressure to keep the airways open at night - due to his sleep apnoea. He also needs numerous medications daily. In June this year, a referral was sent to the HSE for a home care package to replace the nursing hours that the Jack & Jill Children's Foundation has provided over the last four years. An assessment was carried out and the family was told that their hours could I hope be replaced. However, at the end of October the HSE has not made a decision about this home care package. The little boy left hospital this week and his parents are very worried about how they will cope with his needs. I understand the Jack & Jill Children's Foundation has set up a temporary emergency fund to cover these hours over the next month, hoping that the HSE will make a decision about replacing them. The parents' wish in this case is that funding will continue to run through the charity so that the same nurses can continue to care for the little boy at home.

Will the Minister of State examine these three particular cases, which are part of a much bigger scenario? In the interests of human decency, will she direct the HSE to take action on these three specific cases?

Deputy Kathleen Lynch: The Deputy has known me long enough. I am always loath to direct people to do something unless I consider there is belligerence there and do not think there is in these cases. However, I will undertake to examine the matter and make inquiries about what can be done concerning the three children the Deputy has mentioned. We must remember that they are children.

I am pleased to take this opportunity to outline the current position in relation to home care plans for children supported by the Jack & Jill Children's Foundation on reaching their fourth birthday. The Jack & Jill Children's Foundation offers a care package to families in respect of palliative care nursing and home care for children with life-limiting conditions. This funding is provided to families following assessment by a member of their home nursing team.

The Jack & Jill Children's Foundation, along with other contracted service providers, is part of a range of services that receive funding from the Health Service Executive to provide services to families with children who have life-limiting conditions. Many children availing of services provided by the Jack & Jill Children's Foundation also avail of other specialist hospital-based and community-based health supports and disability services. In those circumstances, it is always preferable for the child to be at home as far as possible.

Each HSE area has a home care co-ordinator who has responsibility for the planning and provision of all home care packages in their area, including for those children receiving supports from the Jack & Jill Children's Foundation who are reaching their fourth birthday. Home care packages are delivered based on assessment of the applicants and their families. This assessment takes into account all services being provided by all agencies to ensure the delivery of an integrated package to meet the assessed needs. A care plan is then agreed and delivered by the HSE, voluntary or private providers, or a combination thereof. This process ensures that all children with life-limiting conditions receive services on an equitable basis and through a standardised approach. The HSE's disability services provide annual funding to the Jack & Jill Children's Foundation under section 39 of the Health Act 2004. In 2013, the foundation received funding of just over €630,000. The foundation also raises additional finance through fund-raising activities. It gets that money because it is a good foundation - it is as simple as that.

6 o'clock

The Jack & Jill Children's Foundation also engages with the primary care division of the health service, which was given an additional budget of €1.2 million in the 2014 national service plan to address specific service challenges in areas such as the discharge of special care babies from hospital who have tracheotomies and require packages of care in the community. My Department is following up with the HSE in respect of one family with a child who has just reached four years of age. I assume that is one of the children Deputy Ó Feargháil is talking about and if the Deputy has a particular case in mind I would appreciate the details in order that we can pursue the matter with the HSE.

Deputy Seán Ó Feargháil: I will supply the information requested. I have confidence in the Minister of State in so far as her commitment to intervene is concerned.

Deputy Kathleen Lynch: The Deputy should not say that.

Deputy Seán Ó Feargháil: There is a broad issue. The Minister of State suggests there is a natural follow-on from the care provided by the Jack & Jill Children's Foundation with very little State subvention when one considers the amount of work done by the foundation. The €630,000 it received in 2013 is a small percentage and a far smaller percentage than sums made available to many section 38 organisations. There is not the sort of follow-on from the HSE described by the Minister of State because, time and again, we hear from the Jack & Jill Children's Foundation and at our clinics from parents of children with these life limiting conditions that the expected continuity of care, which we aspire to, does not happen. That I must come onto the floor of the House and instance these examples is proof positive that the system the Minister of State aspires to is not working.

I heard the Minister of State speak eloquently about the problems with senior citizens in hospital while awaiting stepdown facilities. There is a major cost to the Exchequer and the health services in meeting the demands of older people. These children's needs are so complex that for them to remain in hospital involves expenditure far in excess of anything that might be spent meeting the needs of older people. From an economic perspective, we all have a vested interest in ensuring the objective of the parents, which is to care for the children at home, is realised.

Deputy Kathleen Lynch: There is no disagreement. The ideal is a seamless service that is not interrupted just because the child reaches a particular chronological milestone. Circumstances might not permit it but the ideal is that the nurses providing the home care will continue to do so. That is the argument I will make and I am sure I will be told there are 100 reasons that it cannot happen. Others who deliver services are anxious to deliver it but the ideal is that the child and family can continue with the service they are receiving. I will inquire about this. It should not be happening but I will do my very best to ensure a resolution is found to these cases. It is not just about these three children, but about the broader problem.

Nursing Homes Support Scheme Administration

Acting Chairman (Deputy Olivia Mitchell): The next issue will be raised by Deputies Mattie McGrath, John O'Mahony and Denis Naughten.

Deputy Mattie McGrath: The situation is out of control. I watched the Minister of State, Deputy Kathleen Lynch, with Deputy Denis Naughten on television recently and the answers

given were not answers. I watched the Minister of State when she was in opposition and she must know the hardship and anguish caused to families who must make a decision after trying their best to care for their families at home for as long as they can. When people make the decision to go into the fair deal scheme, they must wait up to 16 weeks to get a placement. I want to kill the myth that there is no capacity in nursing homes, as portrayed in the television programme by the Minister of State and the Minister. It is untrue. In south Tipperary, 12 beds are taken up by patients who are not fit to go home. The families are traumatised because they cannot take them home and they are waiting for nursing homes to go to. The patients are in long-stay beds, which is having a major knock-on effect on hospitals throughout the country. There is one hospital in Clonmel and there are stepdown facilities in Carrick-on-Suir, Clogheen and Cashel.

I ask the Minister of State to take her head out of the sand and deal with the issue. Talking about capping in this issue is the cruellest word she can use. People are at the end of their lives, having given service to the State and paid their taxes, as have their families, while the Minister of State talks about capping the funding. It is totally insensitive and it is a different Minister of State from the person I saw in opposition for four years. The Rottweiler was over here but now she reads out speeches prepared by the HSE and the Department of Health. The Minister of State should hang her head in shame because of the crisis, the trauma caused and the waste and occupancy of beds being held up for so long. I beg the Minister of State to do something. We are in the winter months and hospitals will get busy. Families are traumatised, having made the decision to care for the family properly. The system is cruel, ineffective and inept in sorting out the problem. It is another crisis and it is a fine mess the Government has created.

It was a good scheme set up by a previous Government but let us imagine using the term capping in this context. The Minister of State can throw her cap at it or throw her hat at it. She should have some dignity and, if she cannot sort it out, she should resign as Deputy Róin-Shortall did.

Deputy John O'Mahony: I do not know how I will follow that.

Deputy Mattie McGrath: Deputy John O'Mahony knows the truth.

Deputy John O'Mahony: This is an issue for all Deputies in the House. It is a very good scheme, but it is a major issue for families with elderly parents waiting on the list, some of whom have taken out loans to pay €800 or €1,200 in some parts of the country. Last February, the waiting time was four weeks and it has grown rapidly to 16 weeks.

The health service plan is coming out in the next few weeks. The question is how a demand led scheme will be dealt with in that plan. There is a 4% increase annually in the number of people over 80 years and the issue is to try to find a solution. It is causing trauma and people who cannot care for the elderly at home want to try to get into the scheme. Four or five weeks was acceptable but 16 weeks is unacceptable. I want to hear that there is some plan to deal with it. This is clogging up beds in acute hospitals and it costs far more than beds in nursing homes. The argument put by nursing home owners and families is that rolling out the scheme could save money. I hope there is some way of dealing with it in the coming weeks and months. Will the waiting time increase to six months, eight months or 12 months? It can be argued that we are in crisis now but the longer timeframes would be unacceptable. There must be a reduction to reasonable waiting times.

Deputy Denis Naughten: If someone applies for the fair deal nursing home scheme, the first payment will not be received until 13 March 2015. That leaves three categories of people, one of which is those who are in nursing homes. The families of these people must find a minimum of €13,000 to fund the nursing home stay between now and when the payment kicks in. The other group of people involves those who, according to HSE medical staff, can only be cared for in a private or public nursing home and are remaining in their homes because families cannot afford to put them into nursing homes. It is leading to two problems, one of which is the potential risk of neglect to the person, through no fault of the family, by remaining at home when the person needs to be in a nursing home. The second is that many of the people will end up back in hospital with preventable conditions. I know an elderly person in my own constituency who had to be taken from a private nursing home because the family could not afford it. That person was admitted into an acute hospital pending approval of an application to the fair deal scheme.

A third cohort consists of more than 700 people who are fit to be discharged from hospital but must remain there. This is effectively taking 250,000 hospital bed nights out of the system. The only way to effectively tackle the congestion is to ring-fence the €25 million announced in the budget specifically for that purpose. That should be ring-fenced to treat older people before they need to go into hospital, and for those who end up in hospital, it should be used to get them well and out of hospital as soon as possible. The way to do this is threefold. We must increase long-term care capacity in the form of long-stay beds and the community care model by extending the fair deal scheme to include community supports. We need to reduce the number of older people attending our emergency departments by opening medical assessment units and urgent care centres in smaller hospitals, as well as maximising the use of technology for remote consultation. We also need to increase the rate of discharge into long-term care and the provision of short-term beds. This will unlock the capacity problem within our acute hospital system.

Deputy Kathleen Lynch: I have distributed a note which will tell Members everything they need to know. The Government did not cap the fund referred to by Deputy Mattie McGrath. Fianna Fáil did so and he was a member of that party.

Deputy Mattie McGrath: The Government has been happy to keep the cap.

Deputy Kathleen Lynch: No; Fianna Fáil capped the fund and he was a member of the party.

Deputy Mattie McGrath: Why is the cap not raised? If the cap fits, wear it.

Deputy Kathleen Lynch: The Deputy agreed to it.

Deputy Mattie McGrath: Lift the cap.

Deputy Kathleen Lynch: He was warned about it. As people listen to the Deputy, we can answer him.

Deputy Mattie McGrath: It should be the same as mental health funding.

Deputy Kathleen Lynch: Deputy Dennis Naughten must have got hold of the plan, because everything he suggests needs to be done.

Deputy Denis Naughten: Good.

Deputy Kathleen Lynch: The €25 million in question is ring-fenced. I agree with Deputy John O'Mahony's comments; it would be unsatisfactory for the process to run to six months. The only way people would wait until March of next year after having applied now would be if we did nothing. It will happen if we do nothing, but that is not what we will do. We are committed to acting; it is not as if this issue is going away. This is not a problem that can be resolved in a week. It will continue and worsen, which is why we need a plan. We are not at the point of crisis, which can only occur if we do nothing about the issue and allow it to continue. There must be a plan to deal with an issue coming down the road. There are families suffering badly and, equally, there are people in hospital of a later vintage who do not want to be in there. They are conscious that this matter is being discussed in the media and in here, so we should not add to their distress. Deputy Mattie McGrath may not like to hear that fact.

There are just over 2,000 people awaiting approval for the Fair Deal scheme, but these are not the same 2,000 people every month. There are 788 people in acute hospital beds, and these are not the same people every month. Every month we issue 515 allowances to people who are awaiting approval for the fair deal scheme, and these people come off the list. They get a bed in a long-stay care home or a type of step-down respite. We need more of this.

Mount Carmel is part of the process and it will be the first community hospital in Dublin city. There are community hospitals around the country and Deputies Mattie McGrath, Denis Naughten and John O'Mahony all know them. In Cork we have a substantial community hospital that deals with old-age psychiatry and all it entails. Mount Carmel will deal with long- and short-stay cases as well as providing the intensive rehabilitation that people need after hip or knee procedures. There is also scope for intensive physiotherapy.

There is a plan, but it must be put into action. Deputy Denis Naughten spoke of a delay, but this will only happen if we do nothing, which is not an option. It is not as if this will go away. We know the number of people over 65 is increasing every year by 20,000, with the number of people over 80 increasing by 4% every year. Those people will need more services. There is a big difficulty with our acute hospitals and it is not just about people who are inappropriately placed. Accident and emergency departments are clogged because there is nowhere in a hospital for people to go. As there is a knock-on effect throughout the system, we must act. We have a substantial plan, which we have discussed in great detail.

Deputy Mattie McGrath: My goodness, how would one follow that? The Minister of State will certainly have a place in the Cork Opera House after the next election. She will be there, or a place like it, if she acts as she has done. She stood up and said she had a plan. Was it Abraham Lincoln who said he had a plan or a dream? The Minister of State does not have a plan, a dream or a vision for sorting this out. The Government closed our hospital for psychiatric services in Clonmel. The Minister of State knows where I am talking about. She promised all the plans in the world and the rolling out of community services, but that has not happened. The Minister of State may read out figures, but when will the plan be implemented? For example, when will Mount Carmel come on stream?

The Minister of State has listened to us this evening and may hear of this issue every day of the week. If she is honest with herself and looks into her heart, she will realise that although the Government has had five-point and three-point plans in the past, all of them were for naught and they have gone up in smoke. Nobody believes the Government, as it has no plan, vision or idea. I salute the manager of South Tipperary General Hospital, as well as the people of Clogheen and Carrick-on-Suir, for the work being done. They are under pressure trying to do deals with

nursing homes that are offering places. These people want to free up beds while the Minister of State is rubbing her hands and talking about a plan. The opera house will welcome her with open arms after the next election. It is where she will end up with that kind of talk.

Deputy Kathleen Lynch: The Deputy will do anything to get elected.

Deputy Mattie McGrath: I was elected.

Deputy John O'Mahony: I thank the Minister of State for her explanation and I am glad to hear there is a plan. We will all watch it very closely. The key point is that the system is capped but demand is increasing. Will the 2015 allocation, in addition to the measures mentioned by the Minister of State, reflect the increasing demand that is evident each month?

Deputy Denis Naughten: It will not. There are two separate issues. As the Minister of State has admitted, there are 788 people fit to be discharged from hospital tonight and there is a cost to the health service of approximately €700,000 every night. The €25 million must be ring-fenced, and it could be the most radical reform in our health service during the term of the Government if this process is implemented properly. The difficulty is that such action will only deal with approximately one quarter of people on the waiting list for the fair deal nursing home scheme. We need additional money put into the scheme for the 1,500 other people; this should be the €23 million taken from the scheme last year. I can tell the Minister of State where to get the money. If the Government rolls out the national stroke programme and removes the seven telemedicine stroke machines that are currently in a warehouse in the Minister of State's home county of Cork, it would save the health service €55 million per year. Based on the ESRI report, it is estimated that the additional impact of the complete roll-out of the national stroke programme would be to reduce nursing home admissions, saving €23 million per annum. That is the same amount of money taken from the system last year. I urge the Minister of State to implement the stroke programme, save the money and ensure these older people have access to nursing home beds.

Deputy Kathleen Lynch: There was a recent Topical Issue dealing with stroke care. The stroke programme is being rolled out. We reduced the percentage of people moving from acute hospitals to nursing homes from 17.3% in 2009 to 14.5% in 2012. The percentage of patients discharged directly home has increased from 49.4% to 51.5%.

Deputy Denis Naughten: The Minister of State refers to phase one - much more can be done under phase two.

Deputy Kathleen Lynch: The neurological strategy is being rolled out. The one point on which I do not agree with the Deputy concerns the €23 million to which he referred. We must ensure older people have a choice in where they stay. A great number have expressed a preference to stay at home or, failing that, in their own communities. The figure of €23 million relates to this.

I wish to inform Deputy John O'Mahony that the fair deal scheme is not demand-led and this presents a difficulty. He is right to be concerned about this because it places great pressure on families. The sustainability of the scheme also presents difficulties. The report on the review of the scheme will be ready around the end of January next year and will tell us much but not everything. It will say much about the sustainability of the scheme. Families are paying nursing home fees out of their own pockets and the average cost is around €800 per week. In places where demand is highest and beds are relatively scarce such as in Dublin, Galway, Cork

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and Limerick the costs can be even higher. Sustainability will be a difficulty if the contribution from the person in need of care is to be between €280 and €290 and the State is to pick up the rest. This applies to public and private nursing homes. If needs increase, sustainability will present a difficulty. The fair deal scheme is not demand-led, which presents another difficulty.

I do not agree with Deputy Denis Naughten on the figure of €23 million.

Deputy Denis Naughten: Additional money will have to be made available.

Deputy Kathleen Lynch: The fund should be increased, although not necessarily by taking money from the fair deal scheme, as it stands.

Deputy Denis Naughten: I would have no difficulty with that.

Deputy Kathleen Lynch: We should increase the fund for home help and enhanced home care packages.

Deputy Denis Naughten: The Minister of State's predecessor refused an amendment I tabled last July on that very issue.

Deputy Kathleen Lynch: I cannot do anything about that now, but I only approach things in the way I would like them to be dealt with.

Deputy Mattie McGrath: The Minister of State should remove the cap.

Deputy Kathleen Lynch: That is how I judge myself, which is why I am not as abusive to Deputy Mattie McGrath as he is to me.

Acting Chairman (Deputy Olivia Mitchell): I thank the Minister of State. The next Topical Issue is to be raised by Deputy Dan Neville on the need for a bypass at Adare, County Limerick. Is the Minister of State, Deputy Kathleen Lynch, taking this matter?

Deputy Kathleen Lynch: Yes, I am on the rota today.

Deputy Michael McGrath: I thought only senior Ministers were to take Topical Issues.

Deputy Denis Naughten: We had the senior Minister already.

Acting Chairman (Deputy Olivia Mitchell): Deputy Kathleen Lynch is a senior Minister.

Deputy Kathleen Lynch: The other Topical Issues related to my Department.

Road Projects

Deputy Dan Neville: I welcome the opportunity to raise this issue which is important in my locality. The Minister for Transport, Tourism and Sport, Deputy Paschal Donohoe, recognises it is not only a constituency issue but a regional one. I refer to the N20 Limerick to Kerry road.

The road into Adare has been named by AA Roadwatch as one of the worst in the country in terms of traffic tailbacks. It also appears on the AA's list of the country's seven slowest roads. The list was based on the findings of the AA and information from An Garda Síochána and the bus companies. None of this comes as a surprise to the people of Adare or those who use the

road to commute because tailbacks have delayed traffic entering and leaving the town for a number of years. Traffic increased over the summer for several reasons, including the upturn in economic activity and the general attractiveness of the Kerry region, particularly when the weather is fine.

I wish to raise a number of issues related to this matter. Commuters travelling west experience great frustration. Many commuters live in the west of the county but work in Limerick city and county roads can become problematic rat runs. Some 133 people signed a petition on the speed limit on such roads, but the council will not consider the matter as the difficulty only arises at certain times of the day. There are serious concerns about the safety of children and at certain times people cannot walk on these roads owing to vehicles taking short cuts. Many of the byroads in question are very narrow and one is especially dangerous.

This has been a problem for almost 30 years and several bypass routes have been proposed during that period. We were extremely disappointed when An Bord Pleanála rejected the last route proposed by the council as the National Roads Authority, NRA, and the previous Minister agreed with it. The rejection was based on the excuse that the delay in the construction of the motorway from Limerick to Cork was partly due to this project. The NRA has stated it is extremely concerned about the condition of the road from Patrickswell towards Cork because of its dangerous narrowness. Trucks create difficulties on this road and there have been many fatalities. The road from Patrickswell to Charleville should be developed as it is an extremely dangerous stretch of road and this development should include the Adare bypass, which was destined to be the case.

I am making a case for Adare to be bypassed, which has happened in the case of many other towns, including Castleisland. Like any other bypass, the project to bypass Adare must stand on its own. It has cost over €5 million to date all relating to plans - not one sod of earth has been turned. There is much tourist activity in Adare which could be enhanced by removing traffic from the village and facilitating local and tourist traffic. I put the case for a bypass to the Minister of State as there are strong feelings on the issue in Adare. The demand for a bypass has been supported by Limerick County Council, the National Roads Authority and the previous Minister for Transport, Tourism and Sport, Deputy Leo Varadkar. When I raised the issue recently, the current Minister stated it was not just a local issue but one of regional importance. I have raised the matter on several occasions and do not wish to do so indefinitely. The current approach could see the project stall for decades. Traffic chaos is not enhancing one of the prettiest villages in the country - in fact, the opposite applies.

Deputy Kathleen Lynch: I am taking this issue on behalf of the Minister for Transport, Tourism and Sport, Deputy Paschal Donohoe. All Members of the House will be well aware that the Minister has responsibility for overall policy and funding of the national roads programme.

The planning, design and implementation of individual road projects are matters for the National Roads Authority, NRA, under the Roads Acts 1993 to 2007, in conjunction with the local authorities concerned. Within its capital budget, the assessment and prioritisation of individual projects are matters, in the first instance, for the NRA in accordance with section 19 of the Roads Act. Because of the national financial position, public funding for Ireland's roads has fallen radically since reaching a peak of €1.75 billion in 2007. The allocation for the NRA for improvement and maintenance works in 2014 is €371 million, including recent stimulus funding of €23 million, which is comparable to that available for national roads in 1998.

The reality is that the available funds do not match the amount of work required. For this reason, it has not been possible to progress a range of worthwhile projects and the main focus has to be on the maintenance and repair of roads. As the Deputy will appreciate, the Minister will have to continue to prioritise the maintenance and upkeep of existing infrastructure and the scope for progressing new projects will very much depend on the level of future funding available.

The N21 Adare bypass route was intended to run to the south of Adare. The compulsory purchase order and environmental impact statement documentation were submitted to An Bord Pleanála for approval on 4 March 2010. On 18 October 2012 An Bord Pleanála made a decision to refuse the proposed road scheme to bypass Adare. Principally, although not exclusively, the decision was based on the fact that the Adare bypass route would:

...if permitted and constructed, constitute isolated infrastructure, would not represent a coherent approach to the provision of major roads infrastructure and, furthermore, would not have the potential to fulfil the functions envisaged for the scheme. The proposed development would, therefore, be contrary to the proper planning and sustainable development of the area.

While it cannot be argued that traffic is not an issue for residents and businesses in Adare, given the rejection of the preferred route by An Bord Pleanála, the National Roads Authority and the local authority have to assess options on the basis of that decision. The scheme will have to return to route selection stage and the Minister understands Limerick City and County Council has removed planning restrictions on the southern route. The council has initiated a study to examine the various options to better connect Foynes Port to the wider road network. This study is ongoing and the council is likely to be in a position to confirm the preferred route by mid-2015, at which time it will be able to confirm whether Adare will be impacted on by the scheme.

One concern raised by the Deputy in discussions with the previous Minister, Deputy Leo Varadkar, was related to the need for pre-planning application consultation with An Bord Pleanála on major road projects. There is no provision in either the roads Acts or the planning Acts for the NRA or road authorities to enter into pre-planning application consultation with An Bord Pleanála on proposed route development. However, the planning Acts make provision for preplanning consultation on various other strategic infrastructural developments, including transport related projects, with An Bord Pleanála prior to the submission of a planning application. As indicated to the Deputy in June, the Minister is considering the inclusion of an amendment to the Roads Bill 2014 on Committee Stage relating to the proposed merger of the NRA and the Railway Procurement Agency. This would enable the NRA and road authorities to engage in pre-planning consultations with An Bord Pleanála on proposed road developments. It would provide the NRA or the road authority, as the case may be, with a formal mechanism to obtain the preliminary views of An Bord Pleanála on a proposed road development before submitting an application to An Bord Pleanála for approval under section 51 of the Roads Act 1993, as amended.

I am uncertain whether that answers all of the Deputy's questions, but I imagine the proposed amendment would be helpful.

Deputy Dan Neville: The amendment would be helpful for certain. There has been a pick-up in the economy and there will be capital spending. We must plan for the construction of this

road. The Minister of State has said the money is not available to construct it, but there will be a long lead-in period. We must be ready when the opportunity arises or when capital spending is provided for. If the economy keeps growing as it is, it will only be a short number of years before this happens. At that point, while we may have the funding available, the plan will not be in place. We are, therefore, calling for planning of the bypass to commence immediately.

The Minister of State referred to the road to Foynes. That would be a good project, if it were to place, but I have been listening to talk about that project for 30 years. I joined the council over 30 years ago and it was being discussed then. It will continue to be discussed in the future. We do not have funding for a stand-alone bypass project in Adare, but the Minister of State is suggesting there is funding for a project ten or 15 miles down the road in Foynes.

The statement was critical of stand-alone bypass projects but most bypass projects are stand-alone. Any bypass project of which I know is stand-alone. The most recent bypass constructed in our area at Castleisland was a stand-alone project. Will the Minister of State point to a bypass project that is not stand-alone? They were constructed where they were obviously needed. It is a new spin to suggest that because a bypass would be a stand-alone project, it cannot be constructed. Most bypasses of which I know were constructed to relieve congestion in towns and villages. There are two bypasses in my area, one in my village of Croagh and the other in Rathkeale. They are stand-alone. Now the Minister of State is telling us this cannot be done in the case of Adare because it would be stand-alone. That is not acceptable.

There must be a level of urgency created to commence the planning of a bypass route. Must we wait another 30 years for a new road to Foynes? What will Adare be like in three, five or ten years with the growth in traffic through the town and the development of the tourism industry in Limerick and the Kerry region? Inaction could seriously damage prospects because people will begin to be concerned about the delay in travelling to some tourist resorts in west Limerick and County Kerry.

Deputy Kathleen Lynch: The National Roads Authority is suggesting having isolated and disconnected infrastructure is not a good idea. I imagine the authority is right, but I am equally certain that the Deputy is right. The proposed amendment to the roads Act would have a significant impact. All of the points raised by the Deputy are valid. I am pleased that the Minister for Finance has joined us because Adare is probably in his constituency also. As we all know, funding is a key issue, especially when it comes to road construction. I will ensure all of the points the Deputy has raised will be relayed to the relevant Minister.

Finance Bill 2014: Order for Second Stage

Bill entitled an Act to provide for the imposition, repeal, remission, alteration and regulation of taxation, of stamp duties and of duties relating to excise and otherwise to make further provision in connection with finance including the regulation of customs.

Minister for Finance (Deputy Michael Noonan): I move: “That Second Stage be taken now.”

Question put and agreed to.

Finance Bill 2014: Second Stage

Minister for Finance (Deputy Michael Noonan): I move: “That the Bill be now read a

Second Time.”

The economy is growing at the fastest rate in the European Union; the public finances are under control and our debt is on a downward trajectory. Budget 2015 was designed to sustain this recovery, broaden it throughout the country and continue the prudent and safe management of the public finances that has got us to this point.

The Finance Bill outlines the details of the budget measures. The budget has been designed to reduce our deficit to 2.7% in 2015 as a next step on the road to a balanced budget. The 2.7% deficit is inside our Stability and Growth Pact target of under 3% and highlights the Government’s commitment to stable and prudent economic policies. The 2.7% deficit forms a prudent buffer to allow for possible external shocks to the economy and will reassure the markets of Ireland’s steadfast commitment to restoring stability in the public finances.

A debt stabilising primary balance is forecast for 2014, an important metric in assessing long-term debt sustainability. Our debt is now on a downward trajectory and our debt ratio will drop below 100% of GDP in 2018. The cost of our borrowing continues to fall and this afternoon the National Treasury Management Agency successfully raised €3.75 billion in a new 15 year bond issuance at the rate of 2.487%, an historic low for a 15 year bond issuance by Ireland. This is the first time the State has issued debt of such length since 2009 and there was strong investor demand, with €8.4 billion offered. The yield achieved of 2.487% is a record low and provides a major vote of confidence in Ireland by investors. By comparison, the yield on the 15 year bond issued by the NTMA in October 2009 was 5.472%.

The policies the Government has pursued and the sacrifices of the people have got us to this point. The fiscal policy must aim at maintaining sustainable growth. As I said on budget day, there will be no return to the boom and bust model of the past. The people have made major sacrifices and the Government will not take risks with the recovery. While the majority of people will not see the full benefits of the budget until they open their pay packets in January next year, for the first time in several years they will see an increase in their take-home pay which will provide a further boost for households and the domestic economy. For example, a working family with three children where both parents earn €50,000 each per year will have approximately €100 extra per month in their pockets.

A fair, efficient and competitive income tax system is essential for economic growth and job creation. I have long said the burden of the income tax system in Ireland is too high and acting as a disincentive for work and investment in Ireland. The income tax measures in the Bill are the first stage of a three year plan to reduce progressively the marginal tax rate on low and middle income earners in a manner that maintains the highly progressive nature of the tax system. As I outlined in the budget, my Department estimates a three year reform plan along these lines could boost employment levels by as much as 15,000 jobs when the full impact of the changes has taken effect in the economy.

The Bill provides for a reduction in the top rate of income tax from 41% to 40%. It also extends the standard rate band in which income tax is chargeable at the lower 20% rate by €1,000. Together with the accompanying reductions in the two lower rates of universal social charge, USC, and the extension of the threshold at which USC becomes payable, the budget announcements provided for in the Bill will ensure all those who currently pay income tax and-or USC will see a reduction in their tax bill next year. In addition, as a result of the reduction in the higher rate of income tax from 41% to 40%, the marginal tax rate has been reduced for all

income earners who currently earn under €70,000 per year and pay income tax at the higher rate and remains unchanged for PAYE and self-employed workers earning over €70,000 per year. For example, a self-employed person earning €100,000 per year faced a marginal tax rate of 55% in 2014 and will continue to face a marginal tax rate of 55% in 2015.

Ireland already has one of the most progressive income tax systems in the developed world. To enhance its progressivity, the Bill also contains USC measures which have the effect of limiting the maximum benefit from this package of tax measures. Those on very high incomes will only benefit to the same extent as those with more modest income levels. As a result, in 2015 the top 1% of income earners will pay 21% of all income tax and USC collected. In contrast, the bottom 76% of income earners will pay 20% of the total.

The Bill also provides for the retention of the exemption from the top rates of USC for medical card holders with incomes that do not exceed €60,000 per year. These individuals will now only be liable to pay a USC rate of 3.5%, down from 4%. This reduced rate will also apply to the over 70s with incomes that do not exceed €60,000 per year, again down from 4%. These changes are designed to ensure work pays, help the transition from unemployment and remove potential barriers that may be deterring part-time workers from taking on additional hours of employment. The resulting increases in take home pay will have follow-on benefits for businesses and jobs in the domestic economy.

In the budget I announced a number of corporation tax changes as part of a strategy to “play fair and play to win.” These changes have given certainty to companies and investors and been broadly welcome by companies, representative groups and international organisations such as the Organisation for Economic Co-operation and Development, OECD. I reaffirmed the Government’s commitment to the 12.5% rate of corporation tax and published independent research commissioned by my Department from the Economic and Social Research Institute, ESRI, confirming the importance of the 12.5% rate to the economy. I have also published a “Road Map for Ireland’s Tax Competitiveness” which contains a comprehensive package of competitive tax measures to provide the foundations for Ireland to maintain and expand as a thriving hub for foreign direct investment.

I will now outline the provisions of the Finance Bill. Deputies will appreciate that in the limited time available I cannot describe every section in detail.

Part 1 of the Bill deals with the universal social charge, income tax, corporation tax and capital gains tax. Sections 2 and 3 provide for the income tax and USC changes I have outlined.

To stimulate the supply of affordable rental accommodation, the threshold for exempt income under the rent-a-room scheme is being increased in section 8 from €10,000 to €12,000 per annum for 2015 and subsequent years.

Recognising the success of the home renovation incentive in stimulating activity in the legitimate construction sector and the need to increase and improve the housing stock, section 11 extends the incentive to include rental properties the owners of which are liable to income tax to encourage them to carry out renovations, repairs or improvements to their rental properties. It will apply to works carried out from 15 October 2014 until 31 December 2015. As is the case with principal private residences, the qualifying work must cost a minimum of €5,000, including VAT. While there is no upper limit on the cost of works, the tax credit will only be given in respect of a maximum expenditure of €30,000, excluding VAT.

As part of a range of measures forming the roadmap to secure Ireland's place as the destination for the best and most successful companies in the world, section 13 extends the special assignee relief programme for a further three years, until 31 December 2017. In addition, the upper salary threshold of €500,000 per annum that currently applies is being removed. The residency requirement is being amended to only require Irish tax residency. The exclusion of work carried out abroad is also being removed and the period of time for which an employee is required to be employed abroad by the relevant employer prior to his or her arrival is being reduced from 12 months to six.

To further support small and medium enterprises, SMEs, and other companies to grow their businesses and diversify into new and emerging markets, the foreign earnings deduction is being extended and enhanced for a further three years until 31 December 2017 in section 14. The list of qualifying countries is also being extended.

Section 17 provides for tax relief to be given for certain pension contributions of current and former fixed-term contract employees of National University of Ireland Galway, NUIG, to which they would have been entitled had there been no delay in the implementation of some aspects of the Protection of Employees (Fixed Term Work) Act 2003. The section will also close off a number of tax avoidance schemes which use approved retirement funds, ARFs, and other post-retirement funds. The section reduces from 5% to 4% the imputed distribution rate for ARFs and vested personal retirement savings accounts, PRSAs, beneficially owned by individuals aged between 60 and 70 years, where the value of assets in these products is €2 million or less. The section also introduces an annual draw-down option of a maximum of 4% for approved minimum retirement funds. The section provides for a more equitable sharing of any chargeable excess tax in cases involving pension adjustment orders, where the maximum allowable pension fund at retirement for tax purposes is exceeded.

Section 18 makes a number of amendments to the tax treatment of farmers to give effect to some of the changes announced in the budget following recommendations in the agri-taxation review. It increases the period of income averaging from three to five years for the years of assessment from 2015 onwards; it provides for the averaging of farming profits where a farmer or his or her spouse carries on another trade, provided that the trade relates to on-farm diversification; it provides for a 50% increase in the amounts of income that can be exempted for the purposes of qualifying long-term leases taken out on or after 1 January 2015; it introduces a fourth threshold for lease periods of 15 years or more, with income of up to €40,000 being exempted; it provides for the removal of the lower age threshold of 40 years for eligibility for the long-term leasing tax relief; it provides that a company can be an eligible lessee, provided it is not connected to the lessor; it adds a new third level course to the list of approved courses for eligibility by young trained farmers to claim 100% stock relief. Following the increase in the EU limits for *de minimis* state aid, it provides for an increase in the maximum amount of stock relief allowable for registered farm partnerships to €15,000 over three years. A number of other measures arising from the agri-taxation review are dealt with in later sections of the Bill.

Section 20 provides for refunds of deposit interest retention tax deducted from interest earned by a first-time purchaser of a house or an apartment on deposits of up to 20% of the purchase price of such a house or an apartment in the 48 months prior to the purchase. The provision will apply to purchases made up to the end of 2017.

Section 23 deals with the research and development tax credit and provides that the base year restriction will be removed fully for accounting periods commencing on or after 1 January

2015.

Section 24 makes a number of amendments to the legislation providing for the employment and investment incentive. First, the rate of relief is being aligned with the revised income tax rates from 1 January 2015. Second, the minimum required holding period for shares is being increased from three to four years. Third, the limits on the amount of finance that can be raised by a company annually and in a lifetime are being increased to €5 million and €15 million, respectively. Fourth, the incentive is being amended to include medium-sized enterprises in non-assisted areas, the management and operation of nursing homes and internationally traded financial services where they are certified by Enterprise Ireland.

Section 27 provides for the end of the 80% rate of income tax on windfall profits attributable to certain planning decisions and the equivalent rate of capital gains tax on any gain from disposals of land also attributable to certain planning decisions. Normal rates of income tax, corporation tax and capital gains tax, as appropriate, will apply to such profits or gains from 1 January 2015.

Section 28 makes changes to the living city initiative. It provides for an expenditure cap on the amount that can be claimed under the commercial element of the initiative. The cap will be €1.6 million of expenditure for companies and €400,000 of expenditure for individuals who invest in eligible commercial properties under the initiative. This change means that the initiative comes under EU *de minimis* state aid rules. There will be no expenditure cap on the residential element of the initiative.

Section 33 extends to the end of 2017 a scheme of accelerated capital allowances contained in section 285A of the Taxes Consolidation Act 1997 which has been designed to encourage companies to invest in energy efficient equipment.

Section 34 extends to the end of 2015 a measure that provides relief from corporation tax on trading income and certain capital gains of new start-up companies in the first three years of trading. This will allow for a review of the operation of the measure to take place in 2015, with a view to ensuring it meets its policy objective of encouraging start-up businesses and creating employment.

Section 35 provides for additional enhancements to section 291A of the Taxes Consolidation Act 1997 which provides capital allowances for expenditure incurred on the provision of certain intangible assets for use in an Irish trade. It removes the current cap on the aggregate amount of allowances and related interest expenses that may be claimed and amends the definition of intangible assets which may qualify for the relief to specifically include certain customer lists.

Section 38 will amend Ireland's company tax residence rules to provide that all companies incorporated in Ireland will be automatically tax resident here, unless otherwise determined under a bilateral tax treaty which supersedes domestic law. The change will come into effect for new companies from 1 January 2015, while a transition period will apply until the end of 2020 for existing companies. This change will bring Ireland's rules into line with the rest of the OECD jurisdictions and should address the reputational damage arising from the use of a corporate structure commonly referred to as the "double Irish". I have always been clear that the double Irish is not part of the Irish tax offering. It is just one example of the many international tax planning arrangements which have been designed and developed by tax and legal

advisers to take advantage of mismatches between the tax rules in two or more countries. It is not claimed that this change will bring an end to international tax planning, as this requires co-ordinated action by many countries working together. However, the change will address the reality that Ireland's company tax residence rules have not kept pace with international developments and being associated with the double Irish is damaging Ireland's reputation.

Section 42 deals with the return of value made by Vodafone plc to its Irish shareholders earlier this year. Where the return is for an amount of €1,000 or less, it will be treated as a capital receipt for tax purposes, unless shareholders specifically opt to have the payment treated as income. This will mean that those Vodafone shareholders who are shareholders on foot of an original investment in eircom will have no tax liability on the capital receipt as the amount received is less than the cost of the original investment.

Section 43 extends the period within which the first transaction, that is, a sale, purchase or exchange of farmland in a farm restructuring, is to take place for the purposes of the capital gains tax relief from the end of 2015 to the end of 2016.

Section 44 amends capital gains tax retirement relief for farmers in a number of respects arising from the agri-taxation review. The amendments provide, respectively, for an increase in the total period for which land can be let immediately prior to disposal from 15 years to 25 and, in the case of disposals of farmland outside the family, that land let under conacre arrangements and disposed of on or before 31 December 2016 or which is leased for a minimum period of five years before that date can qualify for capital gains tax retirement relief on disposal, provided the lands were farmed by the farmer for a minimum of ten years prior to letting.

Section 45 gives effect to the commitment I made earlier this year to provide for an exemption from capital gains tax on any chargeable gain arising on foot of the disposal by farmers of payment entitlements under the single farm payment scheme, where these entitlements were fully leased out and the farmers concerned had no choice but to sell their payment entitlements due to changes in Common Agricultural Policy regulations.

Section 46 amends the capital gains tax entrepreneur relief which I introduced in last year's budget and the subsequent Finance Act and allows for the commencement of the relief from the beginning of 2014. The section also includes amendments to allow the relief to operate more effectively on the ground.

Part 2 of the Bill deals with excise. Section 48 provides for a deferral of the collection of excise on mineral oil, bringing it into line with the other excisable products. This amendment is subject to a commencement order.

Section 49 provides for the application of mineral oil tax, including carbon tax, to natural gas and biogas when used as a transport fuel and sets the excise rate at the minimum rate allowable under the EU energy tax directive.

Section 50 provides that to apply for or hold a mineral oil trader's licence the applicant or holder must comply with excise law in respect of all aspects of operating a business in the area of mineral oil trading.

Section 52 provides for the budget day announcement of the increase in the annual excise relief production ceiling for micro-breweries from 20,000 to 30,000 hectolitres.

Section 54 removes the requirement that, in respect of a disabled passenger, the cost of vehicle adaptation must consist of not less than 10% of the value of the vehicle, excluding tax and excise duty.

Section 55 provides for the extension of vehicle registration tax reliefs available for electric and hybrid electric vehicles to 31 December 2016.

Part 3 of the Bill deals with value added tax. Section 60 increases the farmer's flat-rate addition from 5% to 5.2% with effect from 1 January 2015, as announced in the budget.

Section 63 extends the VAT exemption to the management of defined contribution pension funds and green fees charged by member owned golf clubs, both changes resulting from decisions of the European Court of Justice. The section also extends the VAT exemption to all fostering services and the zero rate of VAT on unprepared tea to include herbal and fruit teas.

Part 4 of the Bill deals with stamp duties. Section 66 provides relief from stamp duty on a lease of land for a term not less than five years and not exceeding 35 that is used exclusively for farming carried on by the lessee on a commercial basis and with a view to the realisation of profits. Section 69 provides that, for a period of three years, consanguinity relief will be available in respect of transfers or conveyances of farmland where the person by whom the land is transferred or conveyed is not over 65 years of age and the party to whom the land is transferred or conveyed is a farmer who farms the land on a commercial basis and with a view to the realisation of profits for a period of not less than five years and for not less than 50% of the farmer's normal working time. Sections 66 and 69 arise from recommendations in the agri-taxation review.

Section 70 adds an additional qualification for the purposes of the young trained farmer relief, the BSc (Honours) in sustainable agriculture.

Part 5 of the Bill deals with capital acquisitions tax. Section 73 relates to the exemption from capital acquisitions tax of normal and reasonable payments made for the support, maintenance or education of children by their parents. The section restricts the exemption for payments made by living persons for these purposes to children up to the age of 25 years if in full-time education and also extends the exemption in the case of payments made from a trust set up by deceased persons to orphaned children up to the age of 25 years if in full-time education, where such payments were up to now exempt only if made to minor orphaned children.

Section 74 also arises from the agri-taxation review. It amends the definition of "farmer" for the purposes of the relief from capital acquisitions tax on gifts or inheritances of agricultural property in order to target the relief at individuals who will actively farm agricultural property themselves or who will lease such property on a long-term basis to active farmers.

Section 75 amends the relief from capital acquisitions tax applying to the gift or inheritance of business assets which is intended to encourage the inter-generational transfer of businesses.

Part 6, the final part of the Bill, covers miscellaneous provisions. Section 79 and Schedule 1 amend the general anti-avoidance legislation in the Taxes Consolidation Act 1997. As a transitional measure, it also provides that a person who entered into a tax avoidance transaction on or before 23 October 2014 and who, before 30 June 2015, makes a full disclosure and full payment of all tax due to the Revenue Commissioners, will not be subject to the surcharge provided for in section 811A. Also, any interest payable in cases covered by the transitional measures will

be capped at 80% of the interest otherwise payable.

Section 80 and Schedule 2 introduce a number of changes to the mandatory disclosure regime. Among these is a provision that where the appeal commissioner makes a determination relating to a tax avoidance transaction under section 811C in relation to one of the specific anti-avoidance provisions or in relation to a transaction that was a disclosable transaction under the mandatory disclosure regime, the Revenue Commissioners may issue a payment notice to that taxpayer requiring payment of tax due on foot of the determination of the appeal commissioners.

Section 88 sets out additions to the list of double taxation agreements and protocols to double taxation agreements between Ireland and other jurisdictions.

At this stage, there is still a small number of matters under consideration for inclusion in the Finance Bill that I may bring forward on Committee Stage. I will, of course, also give consideration to the constructive suggestions put forward during our debate this week. I commend the Bill to the House.

7 o'clock

Deputy Michael McGrath: I welcome the opportunity to speak on the Finance Bill 2014, which gives effect to the measures announced in budget 2015. It is just three weeks since the budget was introduced, though it must seem like a lifetime ago for many Ministers given that they have been mired in controversy over water charges since then. Anyone who watched the news on RTE today could not but conclude that the handling of water charges and Irish Water is becoming a bigger shambles day by day. Confidence is ebbing away, not just in the handling of water charges but in the Government, and it has now become a defining issue for the Government in terms of whether it can get to grips with the issue of water competently and comprehensively. What the Tánaiste said today represents a shift from the stated position of the Government.

We were told the Commission for Energy Regulation set the prices and that a family comprising two adults and two grown-up children living at home would receive a bill of €483. The Government said it had no influence over the rates, yet today the Tánaiste told the House the bill would be less than €200. Even deducting the €100 tax relief from the €483 charge still leaves a bill of €383. The Tánaiste is, in effect, signalling that the bill will decrease by more than half. Let us wait and see what happens when an announcement is made in the next week or so. The window of opportunity for the Government to get to grips with this issue is narrowing by the day. It has now become a defining moment for the Government.

The Minister was quite perceptive drawing up his Finance Bill when he decided not to include tax credits in regard to water charges. Given that it has already been suggested that the proposed €100 tax credit would be available to all taxpayers regardless of the size of their bills and the likelihood that further changes are set to be announced, it is distinctly possible that the final package will be considerably different from what was originally proposed. In fact, I count that there have now been eight changes to the water charges regime since the original charging structure was announced on 8 May. We will probably get to double figures before the issue is finally resolved.

When the Minister does get to bring forward his proposals on Committee Stage in respect of this Bill, and assuming water charges have not been abandoned completely by then, I would

suggest that he make provision for the water charges tax credit to be deductible at source, as already happens with mortgage interest relief and private medical insurance. Irish Water is already a bureaucratic nightmare. We do not need to tie up the Revenue Commissioners' time with a massive administrative task in respect of water charges tax credits. I note that the latest suggestion coming from sources within the Labour Party, in particular, seems to be that the Revenue Commissioners should be given complete responsibility for the collection of water charges. I am opposed to that and I cannot see how it can happen, given that Irish Water has been set up as a commercial State company which has no direct relationship with the Revenue Commissioners. It is not open to the Revenue Commissioners to start collecting charges for the ESB, Bord Gáis, Irish Water or any other utility company. That is not its function. When it was first announced that tax relief would be given in respect of water charges I was suspicious that it could become a stepping stone to the Revenue Commissioners' taking over responsibility for the collection of water charges. When one listens to some comments from Government sources in off-the-record briefings, one would have to wonder if that is where this will end up. The Government knows that people respect and fear the Revenue Commissioners in equal measure. I cannot see how an entity such as Irish Water, which is off-balance-sheet, can have its bills collected for it by the Revenue Commissioners. It is not there to collect bills on behalf of third parties.

The Government needs to clarify the issue. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, did not rule out such a move when asked about the matter today. It seems to be incompatible with the current structure of Irish Water. The Government should be absolutely clear regarding its intentions for the future role of the Revenue Commissioners in regard to water charges, because people are becoming increasingly suspicious.

I repeat the view I expressed on budget day - namely, that the Government has been somewhat premature in its decision to swerve from a planned €2 billion adjustment to a €1 billion giveaway in budget 2015. I would, if I had had the opportunity to do so, have introduced an essentially balanced budget. The Government's income tax package is a mishmash. It made significant play in recent months about cutting the marginal rate. We were told that high marginal tax rates were impeding foreign direct investment, but it has increased the rate of USC by 1% on salaries over €70,000 to offset the 1% reduction in the marginal rate. It is speaking out of both sides of its mouth on the issue. What is even more significant is that the income tax package is skewed towards higher earners. A minimum wage worker on €17,500 will pay €174 less tax and USC, while an employee on the average wage of €36,000 will pay €406 less. By contrast, an employee on €70,000 or more gains by €746 per annum. In simple terms, the higher one's income, the more one gains - up to four times more than those on the minimum wage. According to the Minister's figures, only one in every six income earners will get a "triple benefit", the USC changes combined with the rate and band changes focused on the higher rate of income tax.

Lower income workers must make do with the cut to the USC. There was no change to the PAYE or personal tax credits. When the Minister was raising taxes, he decided to introduce flat rate tax increases. The abolition of the PRSI allowance, for example, took €264 from the pocket of every worker, regardless of whether on €20,000 or €200,000 a year. Now that the Government is cutting taxes, with an eye to the next election, it is devoting the lion's share of the benefit to those on above average incomes.

As I mention the abolition of the PRSI allowance, I would like to make reference to the impact of the step change in how PRSI is applied. The Government created an anomaly whereby,

at a certain income level, a person can be worse off than a person with a lower income. While someone earning €18,304 per annum pays an effective tax rate overall, between tax and PRSI, of 5.25%, someone who is paid €1 more will pay an effective tax rate of 9.25% as all that person's income becomes subject to PRSI. This is a disincentive to employers to increase wages or for employees to accept extra hours of work or a promotion. Over 120,000 employees who earn between €17,000 and €20,000 a year are potentially affected by this problem. The way to tackle the situation is to allow a partial PRSI refund for people earning just above the current level at which employee PRSI becomes payable so as to offset the impact of this anomaly. This would remove the current anti-work provision which this Government introduced. The Minister for Finance should address this issue with his colleague, the Tánaiste and Minister for Social Protection.

The Minister seems to have abandoned his previous concerns about the treatment of one income couples. One of the glaring anomalies of the budget is that a couple with one spouse earning €41,000 per annum is better off by just €174 or 0.4% of their income while, as I noted previously, a single person on €70,000 is better off by €746 or 1.7%. Quite a few years ago the Minister told Charlie McCreevy at the time individualisation was introduced, "You are forcing women to go out to work...you are changing the kind of Ireland we have known and changing it for the worse."

In 2007, the current Tánaiste said that while de-individualising tax entirely would be too expensive, other measures could be introduced, such as raising the home carer's credit, which was then €770 per annum, up to the level of the PAYE credit of €1,760. She noted that to do this in one year would cost up to €100 million. She said she believed it would be money well spent and that it would allow couples more space in which to decide what was best for them and their children and that it would allow greater options in lifestyle, particularly for families struggling to care for two or three young children in their early years. I have sympathy with the views the Tánaiste held previously. However, it is disappointing that in deciding how to divvy up the money it was making available for tax cuts, that families with a stay at home mother or father were effectively at the bottom of the Government's list of priorities.

Individualisation was one of the most significant changes ever made to the personal tax code, but we have remarkably little data on its societal impact. I heard John Fitzgerald on the radio at the weekend on the occasion of his retirement from the ESRI. He noted that, as well as its ongoing activities, the ESRI receives funding on a case by case basis to undertake certain studies in the public interest. I suggest that 15 years on from the introduction of individualisation, now would be a good time for the ESRI to be commissioned to examine how individualisation has impacted in practice and how it can be tweaked.

On corporation tax, issues only partially addressed in the Finance Bill are the closing off the "double Irish" regime and instituting a "knowledge development box" in its place. I said on budget day that the Minister had initiated a major change to Ireland's corporation tax regime. What is even more significant is that he is doing it pre-emptively. The BEPS process is still under way and unlikely to be concluded for at least another year. Let me be clear, I would not have made any unilateral changes which could undermine Ireland's corporation tax offering to multinationals. In this Finance Bill, the Minister is abolishing the "double Irish", but is not providing in legislation for the knowledge development box.

There appears to be a mixed message coming from the Government. It has put significant emphasis on preventing reputational damage to Ireland and closing off the "double Irish" to

new entrants was a key part of that strategy. However, we read at the weekend in *The Sunday Business Post* that, essentially, shelf companies can be registered between now and the end of the year under the “double Irish” structure and these can then be purchased by other firms in future years, allowing them to avail of the advantages it conveys. I am interested in hearing the Minister’s views on this and whether he considers it an attempt to circumvent the stated intent of the legislation.

Now that the Minister has decided to end the “double Irish”, any substantial investment that was in the pipeline which was structured along these lines should be allowed to proceed. However, we should absolutely rule out a trade in shelf pre-2015 companies. The Department has experience of catering for projects that were already substantially progressed when introducing new rules. If necessary, this should be specifically provided for in the Bill. On budget day, I expressed some scepticism regarding the nature of the successor regime the Minister was putting in place, not least because announcements of much less consequence, such as the living city initiative, remain in abeyance long after they were originally put forward to the European Commission.

I note that Wolfgang Schäuble, the German finance Minister, has been quoted as saying that he was confident an agreement would be reached at the G20 summit in November on patent box tax incentives and that he was optimistic that G20 leaders would adopt the so called “Nexus approach” which is predicated on there being a link between research and development expenditure and the income arising from the patents developed. However, I understand the introduction of a “gateway” approach, which would be much broader in its application, is favoured by the UK. The outcome of the G20 summit and OECD meeting on harmful tax practices in Paris on 17 to 19 November will be an important stage in how the patent box issue evolves. Our aim should be to have a best in class regime and, importantly, a rate that is competitively below the UK rate of 10%. I await developments in this regard with interest.

I welcomed the announcement of a rebate on DIRT tax for first-time buyers when it was announced on budget day. In the meantime, I have had a chance to study the proposal in greater detail. According to the information I have received from the Department of Finance, it estimates that approximately 9,500 first-time buyers will benefit to the tune of an average €294 in 2015. While any help is welcome, the actual benefit will be a fraction of what first-time buyers previously got from mortgage interest relief and in most cases will be less than the annual property tax bill. This is only a drop in the ocean in terms of the costs of affording one’s first home. As the Minister knows, first-time buyers can no longer avail of mortgage interest relief. The proposal has all the hall marks of a plan cobbled together to counteract the negative reaction to plans to impose new deposit restrictions on first-time buyers.

I welcome the consultation process that is under way and hope the Central Bank has a genuinely open mind on the subject. However, I find the intervention of the Taoiseach in recent days - when speaking about a deposit insurance scheme - to be unhealthy. The consultation process has a few more weeks to run and the Central Bank has outlined the rules it expects to introduce. If the Government disagrees with these, it can make a submission through the Department of Finance and seek to persuade the Central Bank of its view, just as I and others will do. The Taoiseach should not try to circumvent the policy of the Central Bank with an alternative initiative. If the 20% deposit rule is too high, I believe the place to make that case is through the Central Bank consultation. We cannot have conflicting national policies in operation.

It is disappointing that the Minister has not reviewed the thresholds on inheritance tax. The

level at which an individual has to pay capital acquisitions tax on a gift or inheritance from a parent to a child has been reduced by 60% in recent years to €225,000, which reflected the very significant fall in house prices and asset values generally. The Government also increased the capital gains tax rate to 33%. Parents want to be able to pass on the benefit of their hard work to their children and grandchildren. Whether this is in the form of the family home or savings, it is very important to parents that they are able to provide for the future financial security of their family. In my view, there is an urgent need to review the present thresholds so they more accurately reflect current house prices. The reality is that, unless the thresholds are changed, many people who are far from wealthy will end up having to sell a property they inherit in order to meet their capital acquisitions tax bill.

The Minister could also have taken the opportunity to deal with the upcoming property tax bombshell that his backbenchers have been warning him about. The Government included a provision in the local property tax legislation which provided for a revaluation of properties in 2016. The previous valuation date of May 2013 was close to the point at which property tax values hit their lowest level. Since then, property prices have been rising steadily. According to October's CSO data, house prices in Dublin have risen by 29% in the 16 months since the last valuation date, while apartment prices have risen by 32%. Nationally, prices have risen by 15% since May of last year.

Even if there is a slowing in the current rate of growth in property prices, it is likely that the next valuation date will see many homeowners having to revise the valuation basis for their property tax declaration by 20% or more, and, for some Dublin residents in particular, it could be over 50%. For most properties, the effect of rising by one band valuation is an extra €90 per year. Many homeowners could see their home values rise by three or even four valuation bands, adding up to €360 to their annual bill. I will be tabling an amendment on Committee Stage to deal with this issue and I look forward to the support of those vocal Fine Gael backbenchers who have expressed concern on the subject.

One other area in respect of the local property tax where the Minister had promised action is in allowing the local property tax to be a deductible expense for landlords. He has previously signalled his intention to do so but has not brought forward proposals in this regard, including in this Finance Bill. It would be helpful if he could indicate what the cost of allowing this deduction would be and when he intends to proceed with that.

In replies to some parliamentary questions, the Minister had given some hope that he would tackle the problems of people I would call accidental landlords. A combination of falling incomes, rising personal taxes and changed family circumstances mean that tens of thousands of people are living in homes that no longer meet their needs. Negative equity is preventing many of them from being able to sell their homes. In such circumstances, the only option may be to rent their homes and, in turn, rent new properties for themselves to live in. Anyone who takes this course of action faces an array of charges, including income tax, universal social charge, fees to the Private Residential Tenancies Board and PRSI on rental income. They also face losing their mortgage interest relief and their tracker mortgage rate, if they are lucky enough to have one.

In practice, thousands of families are in significant financial difficulty, having to subsidise mortgages on their homes as well as facing significant income tax bills. A family with a €300,000 mortgage on an apartment earning rent of €1,200 a month could face a tax bill of up to €2,000 on an annual basis. What I have put forward is a simple change to the income tax code

which would allow people who bought their houses between 2000 and 2009, and who have now moved out and are themselves renting, to offset this rent payment against rental income for a period of three years. This would substantially reduce or eliminate the income tax bill on their rental income.

I would like to mention the taxation treatment of alcohol. It is generally accepted that alcohol consumption in moderation does not pose substantial health risks and is an undoubted part of socialising for many. Ireland is currently seeing an increase in alcohol consumption in the home. One of the reasons often cited for this trend is the significant price differentiation for alcohol products between on-trade and off-trade establishments. Not only has this discrepancy affected social behaviour by discouraging people from consuming at public houses, it has also been cited as a contributing factor in the rise in binge drinking and underage drinking. There is an opportunity to establish a greater degree of fairness within the alcohol sales market and to raise revenue for the State by introducing a levy directed towards the sale of below-cost alcohol in supermarket multiples in particular. These supermarkets are pricing alcohol aggressively and using it as a loss leader to drive footfall into their premises. The introduction of a levy to level the playing field somewhat would also be beneficial to society as a whole, since the regulation of alcohol taxes is one of the most common ways to combat alcohol-related problems, especially within European societies. The Minister has previously stated in replies to parliamentary questions that such a measure would be contrary to EU regulations. I have been provided with legal advice that states it would be permissible. In this context, we made a suggestion prior to the budget that an all-party committee be established to look at this question. There are significant employment issues to be considered as well, given that the on-trade is much more labour-intensive. I would welcome a commitment from the Minister to engage with Opposition parties on the subject, as has been done separately on the subject of alcohol sponsorship in sport.

In regard to the enterprise measures included in the budget, the best description I can give of them is that they are hit and miss. While there are some welcome developments, domestic entrepreneurs and SMEs are still very much the poor relation when it comes to Government attention when compared to their multinational counterparts. I would have liked the Minister to expand the entrepreneurs' capital gains tax relief. As currently envisaged, the incentive works by offering relief to individuals who have recently paid capital gains tax and subsequently invest in a new business, before selling that new interest no earlier than three years after the investment date. The capital gains tax due on this sale is reduced by the lower of either the capital gains tax paid on the original disposal or half of the capital gains tax due on the new sale. This is quite restrictive and the second company must be involved in an activity "not previously carried on" by the entrepreneur or an associate. Our proposal is for a 15% rate of capital gains tax for entrepreneurial investors, regardless of whether they have invested in a new business, up to a limit of €5 million. This would create a clear distinction between passive investment and entrepreneurial activity.

The self-employed will again be disappointed that there has been no improvement in their relative tax treatment. In so far as possible, the tax system should treat people in an equitable manner. Self-employed people lose under the current regime because, while they receive personal tax credits, they cannot claim PAYE tax credits, which are worth €1,650 per annum. This has a particularly stark impact at lower levels of income. For example, a self-employed single person on an income of €15,000 pays almost six times as much income tax and PRSI as an employee on the same level of income. There is a strong case for addressing the unfair treatment of the self-employed, particularly those at a lower level of income.

I would like to have seen greater action to deal with the issue of lack of credit, which is affecting SMEs, particularly through the introduction of tax relief for individuals making loan capital investments to SMEs. We proposed a pilot scheme on crowd financing, similar to that supported by the UK Government, in order to give a new source of finance to smaller start-up companies, and it something that is due to come up again tomorrow during Oral Questions on finance.

I welcome the changes to the research and development tax credits, which, in my view, will enhance the offering we are making to companies. It can be a significant gateway to real investment and real jobs in this economy.

I also welcome the changes to the special assignee relief programme, SARP, which is an attractive regime for mobile talent and clearly improves the attractiveness of this location when a company is deciding where to invest. Similarly, for companies seeking to expand their export business, the foreign earnings deduction improvements will be welcome.

In conclusion, this budget has been a disappointment to the general public. The Minister had a real opportunity to use the scarce resources that have become available in a socially progressive manner, focusing, for example, on improving access to child care, increasing mortgage interest relief, reducing medical costs for families and providing a meaningful increase in the living alone allowance for older people. Instead, they have been frittered away. There has not even been an electoral dividend for the Minister's party, not to mention an economic one. The enterprise measures in the budget lack imagination. The economy has become dangerously lopsided with areas outside Dublin being left behind in the economic recovery. Hopefully, the Minister will heed some of the messages and take the suggestions on boards in the time ahead. I look forward to a more detailed debate on the Bill on Committee Stage.

Debate adjourned.

Mortgage Arrears: Motion [Private Members]

Deputy Joan Collins: I move:

“That Dáil Éireann:

notes the continuing difficulties faced by tens of thousands of homeowners in mortgage arrears due to loss of employment and income as a result of the deep recession in the Irish economy from 2008 onwards;

further notes that:

— the existing Code of Conduct on Mortgage Arrears (CCMA), whilst providing comprehensive instructions for creditors dealing with those in arrears, is not fit for purpose and does not provide necessary and important consumer protections; and

— there is no provision within the Code for lenders and mortgage servers to be mandated to provide necessary solutions for those in arrears which would prioritise safeguarding the family home; in fact lenders have the ability to choose which solutions they like and ignore the ones that they do not; and

calls on the Minister for Finance to amend the CCMA to mandate all creditors and mortgage servers operating in the State, including lenders or mortgage servers not registered

within the State, to offer one of the following solutions to those in mortgage arrears:

- a split mortgage with no interest payable on the warehoused portion;
- participation in a reformed mortgage-to-rent scheme; or
- certainty for any borrower in negative equity selling or surrendering a property as to how the residual debt will be dealt with prior to the sale or surrender of the property.”

The reason behind the motion is very simple. There is a crisis. It may have gone off the radar for the media and the Government but it has not gone away. A total of 95,000 families are struggling to hold on to their homes. This is the number of people with mortgage arrears of over 90 days and excludes buy-to-let properties. I note that the Government amendment makes a point about the reduction in the numbers of those with mortgage arrears of more than 90 days but the long-term arrears figures went up significantly. This category has increased quarter upon quarter every quarter and now contains 37,000 people, each with an average arrears of €49,000. The point the Government is making is just throwing sand in people’s eyes to make them think that the situation is being resolved or is moving along.

According to information given to the Oireachtas Committee on Finance, Public Expenditure and Reform by the banks in April 2014, legal processes have begun or were being considered by the various banks in over 22,000 cases. This could mean that over 20,000 people, most of whom have families, could lose their homes over the next year to 18 months. That is the reality. I do not know if the Minister of State heard the point I was making. This could mean that over 20,000 people, most of whom have families, could lose their homes over the next year to 18 months.

When the code of conduct was introduced, the Minister for Finance stated that:

The Central Bank’s Code of Conduct on Mortgage Arrears (CCMA) places an onus on the banks, in respect of a co-operating borrower, to explore all the options for an alternative repayment arrangement offered by the lender to address a primary dwelling mortgage difficulty before any legal action is considered.

We should note that the statement says it puts an onus on the banks to explore all the options before legal action is considered. It does nothing of the sort. Lenders are choosing which options they may or may not offer and in thousands of cases, are offering nothing except voluntary surrender or repossession. There is no onus on them and there are no sanctions under the CCMA.

I will cite two examples of people with difficulty out of the many cases my office has dealt with over the past three years. The first concerns a family in Drimnagh composed of a couple in their thirties with two young children. The couple had a small business that went under in the economic crash. They are eligible for the mortgage-to-rent scheme in terms of the value of their house and their level of income. Dublin City Council has confirmed that they are eligible for social housing. The lender has refused to put them forward for the mortgage-to-rent scheme and instead has brought them before the courts seeking repossession. With the assistance of the Irish Mortgage Holders Organisation, it was possible to arrange for a barrister to represent the family. Working *pro bono*, the barrister has put it to the judge that a repossession should not be granted when there is a viable alternative which the lender chooses not to operate. There is a series of lenders who refused to operate the mortgage-to-rent scheme.

Only 38 applications to the scheme have reached a successful conclusion. It is not fit for purpose. The scheme needs to be reformed. It is too cumbersome, it takes too long to conclude a deal and it needs far more finance from the Department of the Environment, Community and Local Government but above all, it needs to be made legally enforceable on lenders where it is a suitable solution.

The second case I want to bring to the attention of the Government is that of a woman in Walkinstown. Her relationship has ended and her ex-partner lives outside the State and makes no contribution to the mortgage. She lost her job in the crash and is paying €900 to Bank of Ireland. A total of €600 of that amount is paid by the State through mortgage support. One would think that someone paying €900 per month could get some sort of an offer from the bank. All she has received is a demand for voluntary surrender and the threat of repossession. The bank is bringing her to court shortly. The option of a split mortgage with zero interest on a parked amount would give this person a chance of holding on to her home until her situation improved. Again, such an option should be compulsory where it is suitable.

There should be certainty about how residual debt is dealt with for those who decide that it is simply too much of a struggle to keep their home and opt for voluntary surrender or letting the bank repossess. It should not be up to the bank to offer some people write down or write off but not offer it to others.

The commitment to legislation where mortgages are sold to unregulated entities is meaningless when the Central Bank code has no teeth. We must move to a situation whereby all lenders or mortgage services operating are subject to a code of conduct on arrears which has real teeth. That means legislation to make lenders or mortgage services offer at least the options outlined in this motion before they can move to repossession and bring people to court.

The motion is very specific. It states that while the existing code of conduct on mortgage arrears provides comprehensive instructions for creditors dealing with those in arrears, it is not fit for purpose and does not provide necessary and important consumer protections. There is no provision within the code for lenders and mortgage services to be mandated to provide necessary solutions for those in arrears which would prioritise safeguarding the family home. In fact, lenders have the ability to choose which solutions they like and ignore the ones they do not like. That is a fact and nobody can say anything different. That is the reality for thousands of families who are facing the distressing situation of possibly losing their homes.

I call on the Minister for Finance to amend the CCMA to mandate all creditors and mortgage services operating in the State, including lenders or mortgage services that are not registered within the State, to offer one of the following solutions to those in mortgage arrears: a split mortgage with no interest payable on the warehouse portion, participation in a reformed mortgage-to-rent scheme, or certainty for any borrower in negative equity selling or surrendering a property as to how the residual debt will be dealt with prior to the sale or surrender of the property.

I and many other Deputies have dealt with many families who are facing the threat of losing their homes, who are waiting months and who are hoping that the banks will deal directly with them. We know the Irish Mortgage Holders Organisation has made an agreement with Allied Irish Banks which has worked reasonably successfully. Representatives from the organisation were on the radio today and spoke about 1,300 deals they made with the bank to enable people to remain in their homes. There are a further 170 cases with AIB and the organisation is also

dealing with another 150 cases itself. Due to the fact that a structure has been put in place, that AIB is paying for the Irish Mortgage Holders Organisation to deliver this service and that the organisation is able to make a deal directly with AIB, it has been more successful than what has happened in respect of all the other banks. I am talking about the five major banks and other mortgage lenders that were in the market several years ago and have sold most of their loans to the banks. It is important that the Government grasps this issue. There was a revision in 2013 but it was not robust enough and it failed to force the banks to offer these three options to mortgage holders. I have outlined two cases with which I am involved but I am sure many Deputies can provide similar examples. The intention of the motion is to ensure people are not left in limbo while they attempt to deal with banks. Many people are afraid to admit they are in arrears. By failing to make the banks offer these options, this country and the Government are letting these people down. The banks are being left off the hook and they are able to dictate the pace or tell a family it is going to repossess their home without offering an alternative. In the case of the woman from Walkinstown, it is no accident that her house is no longer in negative equity. The banks have moved quickly to take her home because they can make money on it. The woman is left without a roof over her head even though she could make provisions to keep her home and continue to live with her family and all the amenities to which she has become used.

When it comes to the mortgage arrears resolution process, MARP, the banks are taking the proverbial. MARP was supposed to achieve two key objectives, namely, allow people in arrears to nominate a third party to help them deal with the banks and get the banks to train dedicated staff who could deal with people in huge distress due to mortgage arrears. Instead we have glorified call centres staffed by young people whose training consists of filling out standard financial statements and little else. All of the banks and lenders operate a conscious policy that the people who make decisions on mortgage arrears should under no circumstances come face to face with the people and families who will be affected by these hard nosed decisions. We have observed this in our dealings with the banks. Several years ago we were able to meet the people who made the decisions but it has now become impossible to do more than contact a call centre. The staff of these centres are not properly trained, despite the agreement under MARP that banks would invest in training their staff to deal with mortgage holders face to face. Third party nominees increasingly find themselves dealing with call centres and speaking to a different person every time they call. It is unacceptable that three years into the process the banks have not yet trained their staff or put the right people in place. This is leaving people in a vulnerable position.

I ask the Government to take this motion on board. It has been discussed in the Joint Committee on Finance, Public Expenditure and Reform. The Irish Mortgage Holders Association has also encountered the issues I have outlined and, other than AIB, it is finding it increasingly difficult to deal with banks. People are being forced into the courts unnecessarily. They should not have to go to court when there are viable solutions. This motion has not been tabled for the sake of it or as an airy fairy idea. It is a reality for the many people who have been affected by the mortgage crisis. The crisis has not gone away. Thousands of families are affected by it. We should revisit the issues every couple of months to assess how they have progressed.

Deputy Peter Mathews: Hear, hear.

Deputy Ruth Coppinger: The situation facing people in mortgage arrears and the housing crisis are the two burning issues that should have been addressed by this Government. Instead of this, however, the EU, the troika and the code of conduct on mortgage arrears put pressure

on the banks to resolve mortgage arrears, which effectively means repossessing homes. I am seeing the effects of that policy in my own area in terms of people being made homeless and homes being repossessed.

We need more radical reform than what is called for in the motion, which does not include the vital option of a write-down on all mortgages in negative equity. We should not be outlining only three options for the banks because it is essential for society that we write-down all mortgages in negative equity. There is no other solution to the current crisis and it is something for which the Anti-Austerity Alliance is campaigning. The idea of a mortgage write-down has been dismissed by the Government based on the question of moral hazard and undeserving recipients. However, it is necessary in order to take the albatross of debt from people's necks and to free up millions of euro to spend in the real economy. Many of the people carrying the heaviest burdens also face huge child care costs and other expenses which add to the depression in the economy.

A mortgage write-down would solve the problem of negative equity for those who bought at the height of speculative boom caused by the banks and some of the parties in this Chamber and stoked by the media. How are these people to blame for buying overpriced houses when they had no other means of getting a roof over their heads? They are not to blame, they are the victims of speculation and profiteering in the housing market over a period of 15 years. This motion would split their mortgages without tackling the root cause of the crisis. The people who bought houses at hugely inflated prices were coerced into this situation and it is not their fault. The banks and developers have been bailed out at enormous cost by this Government and the previous regime while ordinary people have been left struggling.

How much would a mortgage write-down cost? Various estimates have been produced by economists and the Department of Finance. One estimate is that it would cost €14 billion but that includes both owner occupied and buy-to-let properties. Given that an argument can be made not to include buy-to-let properties in a write-down, the final cost would be €7 billion over a period of 25 or 30 years. That is not a huge cost. More recently, it was estimated that the cost would be €18 billion, or €9 billion for mortgages on principle homes. That is not a huge cost for the banks but it is a cost that the banks rather than the taxpayer should pay. Apart from helping home owners to reduce their mortgages and repayments, a write-down would create considerable domestic demand.

I obtained figures from the Central Bank on warehousing and restructuring. The banks are restructuring mortgages in many cases but 20% of split or restructured mortgages are continuing to fail. That represents a significant number of people. We are saying we will leave the banks in control, make people continue to pay and make their children pay in future. What will happen when interest rates go back up and people cannot keep to the commitments that have been teased out with the banks? It is a large figure because while the number of people in arrears is declining, the number of people with long-term arrears is increasing. The Central Bank stated in September 2014 that the decline in arrears over 90 days masked a continuing increase in very long-term arrears. It added that accounts in arrears over 720 days had increased by 5% during the second quarter and now accounted for almost 5% of all mortgage accounts. It is a very significant proportion and indicates that the restructuring deals are simply not working.

The only way a write-down can be implemented is to nationalise the banks and take them into public ownership to run them in the interests of ordinary people - of working class people - and not in the interests of the establishment. It is the only way to plan for society's needs and to

take this yoke from people's necks. A write-down is the most basic measure to call for by anyone on the left, not split mortgages and deals which are, in essence, liberal capitalist demands.

Deputy Finian McGrath: I am grateful for the opportunity to speak to this important motion on the issue of the difficulties faced by thousands of family home owners in mortgage arrears due to the loss of employment and income as a result of the recession in the economy. I welcome the debate and commend my colleague, Deputy Joan Collins, for bringing forward the motion to highlight the issue and put forward sensible solutions to this urgent matter. I urge the Minister to take heed of some of the comments being put forward by my colleagues.

I challenge the Government and other political parties which seemed to spend a great deal of time in the last week attacking Independent Deputies. Some people seem to be suffering from independentitis. In particular, I refer to the former Minister, Deputy Pat Rabbitte, who is proved wrong by tonight's motion. Here we are putting forward positive and constructive proposals to deal with the very important matter of mortgage arrears. If the Government is really serious about reform, change and a democratic revolution, it will support the motion which puts forward sensible and constructive policies. It will be time tomorrow night at 9 p.m. to put up or shut up. We have had enough talk and incompetent leadership but above all we have had enough of delays for families in mortgage distress. It is important to make that point.

Let us deal with the real issues and proposals in tonight's motion. The existing code of conduct on mortgage arrears, or CCMA, whilst providing comprehensive instructions for creditors dealing with those in arrears, is not fit for purpose and does not provide necessary and important consumer protections. There is no provision within the code for lenders and mortgage servers to be mandated to provide necessary solutions for those in arrears which would prioritise safeguarding the family home. In fact, lenders have the ability to choose which solutions they like and ignore the ones that they do not. I agree therefore with the motion's call on the Minister for Finance to amend the CCMA to mandate all creditors and mortgage servers operating in the State, including lenders or mortgage servers not registered within the State, to offer one of the following solutions to those in mortgage arrears - a split mortgage with no interest payable on the warehoused portion; participation in a reformed mortgage-to-rent scheme; or certainty for any borrower in negative equity selling or surrendering a property as to how the residual debt will be dealt with prior to the sale or surrender of the property. These are the proposals we put forward tonight and they are also solutions. It is up to the Minister to look at them.

It is important to remind ourselves in discussing these issues that last week we had a great deal of talk about how we had just had the last of the austerity budgets. If one says that to the unemployed, disabled, lower-paid or those in mortgage arrears, they will say it must be a joke. The sad reality for them is horrific. Let us look at how these families were treated in the budget. We talk about equality and a progressive taxation system and we have had that debate in recent days over the water charges. Budget 2015 widened the rich-poor gap by €499 a year. It gave a 99 cent increase per week to an unemployed single person while providing €14.30 per week to a single person earning €75,000. This is what we are dealing with. In the case of couples, the unemployed got €1.50 per week, which is €78.52 per year extra, while a couple with two earners on €125,000 will receive an extra €23.57 per week, or €1,225 per year. That is what these families have to deal with and it is a disgrace. The budget does not reverse the situation and it does not prioritise people. It is a fourth regressive budget. Couples like those who are the subject of the motion with one income who are on €25,000 per year will be €3.34 per week better off while those on €50,000 per year will be €8.74 per week better off. Couples on two incomes coming to €25,000 per year will be €5.31 per week better off while those on €50,000

per year will be better off by €6.63 per week. I am pointing out the gaps.

I welcome the debate and the motion but it is important to dig deeper into the homes of the people we are discussing. We have seen 729 children in almost 400 families in Dublin alone lose the roofs over their heads this year. We also have the sad situation of 28.6% children living in poverty in the State, which is an increase from 18% in 2008. I emphasise that figure of 28.6%. I commend Deputy Joan Collins on an excellent motion and urge the Minister to listen. I urge all Deputies to support the proposals tomorrow night.

Acting Chairman (Deputy John Lyons): Deputy Michael Fitzmaurice proposes to share his time with Deputy Peter Mathews. Is that agreed? Agreed.

Deputy Michael Fitzmaurice: I welcome the motion and the debate. There is a major problem nationally of people having difficulties with mortgages and banks failing to address the situation. We see it right around the country even when people make an effort to go to the bank to resolve things. Even if there is a middle person, there is real pressure on the homeowner trying to resolve the issue, but the banks go in with two sides to their story. The banks can listen or walk away. This situation cannot continue. I have seen instances including one close to my home where a family was put out of their home by a bank. The Department of Social Protection had to provide funding to the family to rent a house week by week. Some two to three months later when the house from which they were evicted was sold, I calculated that it could have been paid for with what the Department would provide in payments over four to five years. This is the tragedy that is happening nationally. I have seen houses sold by banks for €20,000 and €30,000 which is the equivalent of social welfare payments of €100 or €120 per week over four or five years.

8 o'clock

One has to look at what the people have done for the banks. They bailed out the banking system to the tune of €64 billion. When it comes to dealing with those in difficulties - those who saved them - the banks now walk all over them. The 20% deposit requirement for home buyers who want to take out a mortgage will be difficult to meet in many parts of the country. This figure needs to be brought down to at least 10% to allow young people back into the property market. We need to ensure that in Dublin and other places where house prices are crawling up again a property bubble does not recur and that we will not be back at square one where we were several years ago.

Once the banks had been bailed out, they decided to desert smaller towns, leaving people having to travel up to 20 miles to conduct their banking. The only financial institutions that took up the slack were credit unions, the small people's bank. They have a lot of money in different parts of the country which they cannot lend for the simple reason that when they lodge moneys in the main banks, they are charged a rate of 0.1%, which is a total disgrace. The Central Bank has introduced a massive amount of regulations for them, some of which needs to be relaxed. While I accept that there was under-regulation in the banking sector during the years, sadly we have moved to the other extreme, as is always the case in this country, with no in-between.

I hope the Government will take the motion on board to make the banks realise that they must face up to matters, sooner or later, and that a debt should not follow a person. They will not tell those who are trying to sell houses if they will come after them. I hope this matter will be addressed, too.

Deputy Peter Mathews: I thank Deputy Michael Fitzmaurice for sharing his time with me.

This is a timely Private Members' motion because it addresses problems that are not going away. The mortgage and housing crises are embedded in society and need to be addressed. The boards of the two main banks, AIB and Bank of Ireland, and the third bank, Ulster Bank, are actually remote from the realities of life for the households for which they extended a credit-pyramid bubble for over seven years. It was disgraceful the way in which their boards adopted a policy of balance sheet expansion that brought the size of the domestic banking sector from three to over five times the level of national income. The size of banking system in the United States is only a little over GDP, gross domestic product. What was allowed to happen here as matter of policy was appalling.

Households continue to suffer. As Deputy Joan Collins pointed out, bank call centres are, pathetically, manned by people who are not experienced in looking at the recoverable and realisable amounts of mortgage lending which was part of the credit-pyramid bubble. There should be a bespoke, professional writing-down of balances to recoverable amounts, but this is not happening. I have first-hand experience of professionally advising people in this regard on a *pro bono* basis. The resistance by the banks is disgraceful. It was an illusion that someone like Wilbur Ross was coming to support and strengthen half of the banking system in the form of his investment in Bank of Ireland. It was pathetic to allow him to invest €290 million in the bank as he took €500 million in profit out of it. He was not interested in the economy or mortgage loans in the bank.

Acting Chairman (Deputy John Lyons): I am afraid I must ask the Deputy to conclude.

Deputy Peter Mathews: That is only a sample of what I wanted to say.

Acting Chairman (Deputy John Lyons): I know.

Deputy Mattie McGrath: I compliment Deputy Joan Collins on proposing this excellent and timely Private Members' motion. I thank her and Deputy Finian McGrath for giving me some time to address it.

While I agree with most speakers, I do not agree with Deputy Ruth Coppinger. We have to be responsible in this matter. The motion is measured and responsible and I hope the Minister of State, Deputy Simon Harris, will listen as so far the Government has not done so. I voted in favour of the infamous bank guarantee - my biggest political mistake with which I have to live. We were fooled and lied to by the banks. The Minister for Finance at the time passed the message on to us that there would be no money in bank machines - no money to pay for anything - if it was not introduced. Where were all of the senior officials in the Department of Finance, the advisers and all those supposed to know then? We have been paying the price ever since.

We bailed out the banks, but they are now giving the two fingers every hour of every day to every person, be they in business or mortgage arrears. The Government is, however, unable and unwilling to deal with the banks. I have raised the matter of the carry-on of the banks with the Taoiseach and the Minister for Finance on the Order of Business and other occasions dozens of times, as well as the fact that the heads of a Central Bank consolidation Bill have not been prepared to bring the outlandish behaviour of the banks and the National Asset Management Agency, NAMA, under control. According to the Central Bank's figures, in the second quarter of 2014, 90,343 mortgages on primary family dwellings - homes, not buy-to-lets - were seriously in arrears. Up to 31,749 mortgages on buy-to-let properties were in arrears for 90 days or

more. These two figures account for almost 33% of all mortgages. There is a tsunami coming down the line, while all the banks want are tidy books to show that they are up and running and doing business for the European stress tests. They are not, however, doing business with farmers or those involved in small businesses.

One has to deal with different personnel in the banks, but they are often unreasonable. I dealt with the case of a family in my office last week who were refused a mortgage by AIB because the husband had missed a €7 payment on a credit card bill. Today, €7 would not even buy 20 fags. Thankfully, in the end Bank of Ireland gave him a mortgage. The banks are looking for excuses to kill the bit of spirit and initiative in people and families who want to take out a mortgage to buy a home, settle down, rear a family and provide for themselves. They are being crucified by the Government and the Central Bank because of the lack of legislation. I compliment the Land League and other groups which represent families in mortgage distress and are trying to prevent homes from being repossessed. As Deputy Michael Fitzmaurice said, the mess of repossession has to be cleaned up by the Department of Social Protection and others. Many couples took out starter mortgages several years ago and now, after having children, wish to move to family-sized accommodation, but they are being prevented from doing so because of the lack of mobility in the employment market. Have we looked at the social consequences of this and the indelible mark it will leave on people for generations?

Some of the banks are returning to profitability and paying their way. However, we bailed out the banks and it is time there was a *quid pro quo*. It is time they had some understanding and respect for taxpayers who have suffered so much. That is why we saw so many out marching on Saturday and it is not just about Irish Water. Many people I know will pay for water if the issue is handled properly but not by a quango. So much has been taken from the people; they have been kicked in the teeth too many times. The spirit of the people has been resilient to withstand all of this. Will the Government listen and introduce some legislation to deal with rogue banks and bankers? We have a sham of a banking inquiry several years after the introduction of the bank guarantee.

The Government is more interested in dealing with the consequences for the next general election than it is in dealing with people's misery. Such people want to do a deal with the bank. They are not running away or expecting the State to pick up their mortgage, but they do expect to be dealt with fairly. They should not be subject to a penal rate of interest or threatening and intimidatory phone calls night and day. They then face the daunting prospect of going to court.

I was shocked to note recently that in courts around the country the Garda Síochána was mobilised to stop lay-people attending court cases as helpers or advisers for these organisations. They were not causing trouble or disrupting the court, but were there because such people could not afford legal representation. They had lay-people willing to help them but security staff were not allowing them into court. We cannot do this to our people. It is time the Government recognised that. It is time it woke up and smelled the coffee.

Acting Chairman (Deputy John Lyons): I call the Minister of State, Deputy Simon Harris, who is sharing time with Deputy Tom Barry. Is that agreed? Agreed.

Minister of State at the Department of Finance (Deputy Simon Harris): I move amendment No. 1:

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

“acknowledges that the Government inherited a severe mortgage arrears crisis from the previous Government;

accepts that the mortgage problem is a significant economic and social challenge for the State and that the Government is aware of the difficulties some homeowners are facing in meeting their mortgage commitments;

notes that the Government published the Report of the Inter-Departmental Mortgage Arrears Working Group in October 2011 and that the key recommendations of that Report have been adopted by Government as the most appropriate framework to address this major problem;

recognises that the Central Bank of Ireland’s interaction with mortgage lenders is key to addressing mortgage arrears and in particular to ensure that, where appropriate, lenders put more long-term and sustainable solutions in place for their customers in mortgage difficulty;

notes that:

— the Central Bank of Ireland has set performance targets for the six main lenders requiring them to ‘propose’ sustainable solutions to 85 per cent of their mortgages in arrears of greater than 90 days by the end of the year and to ‘conclude’ solutions with 45 per cent;

— the Central Bank of Ireland’s Code of Conduct on Mortgage Arrears sets out requirements for mortgage lenders when dealing with borrowers facing or in mortgage arrears;

— the Central Bank of Ireland published a revised Code of Conduct on Mortgage Arrears effective from 1st July, 2013 following approval by the Central Bank Commission and consultation with the Minister for Finance;

— the Central Bank of Ireland will commence a review of Code of Conduct on Mortgage Arrears compliance later this year; and

— the latest Central Bank of Ireland mortgage statistics show that the number of mortgage accounts for principal dwelling houses in arrears fell for the fourth consecutive quarter at the end of June 2014;

welcomes the Minister for Justice and Equality’s decision to waive all fees previously payable to either the Insolvency Service of Ireland or the Courts by a debtor who applies for any of the debt solutions available under the Personal Insolvency Act 2012;

notes:

— that a comprehensive mortgage advisory service and mortgage-to-rent scheme have been put in place; and

— the recent reductions in mortgage interest rates by certain financial institutions which will have a positive impact on the affordability for their customers;

accepts that the vast majority of mortgage holders are meeting their repayment commitments;

further notes that:

— the Government is committed to bringing forward legislation that protects consumers whose mortgages are sold to unregulated entities and that the Department of Finance has recently published the submissions it received in response to a public consultation process seeking views on this legislation; and

— it is anticipated that this legislation will be published by the end of this year; and calls on the Government to continue and intensify its work across the relevant Departments and Agencies to deal with the mortgage arrears problem.”

I wish to reassure Deputy Collins and other speakers that I also welcome this debate. I certainly do not view it as trivial and I accept the *bona fides* of those who have tabled the motion for an important and genuine discussion that we need to have in our national parliament. A lot of good work has been done on a cross-party basis at Oireachtas committees and in this Chamber on the issue of mortgage arrears in recent years.

Before being appointed as a Minister of State, I remember the bi-partisan way in which members of the Committee on Finance, Public Expenditure and Reform worked in questioning the chief executive officers of banks and in putting together reports and recommendations. I know there was an exchange on some of those recommendations with my colleague, the Minister for Finance, Deputy Noonan, during finance oral questions on the last occasion in this House.

I wish to convey the Minister, Deputy Noonan’s regrets that he cannot be here for the opening statements this evening. I hope Members will understand that is because he is attending the Joint Committee on Finance, Public Expenditure and Reform.

I welcome the opportunity to speak on this important issue and to set out recent developments in the area of mortgage arrears. I look forward to the debate tonight and tomorrow. I think everybody in the House will agree that the Government inherited a severe mortgage crisis from the previous Fianna Fáil-led Government. Like the economic, fiscal and jobs crisis that we inherited, this Government resolved to tackle the issue head on and significant progress has been made. We have prioritised actions to deliver real and sustainable solutions to borrowers. That is not to say that the work is in any way complete so far.

There is no doubt that some families across the country are experiencing genuine difficulties in meeting their monthly mortgage repayments. This Government is fully aware of the impact that this is having on these families and their lives. The Minister for Finance has said previously that we cannot have a situation where some families are living under the stress of mortgage arrears, are unable to enjoy even a modest standard of living, and are excluded from participating in the economy - effectively from living their lives because of their debt situation.

The Government has developed a comprehensive cross-departmental strategy to support households in arrears in line with the main recommendations of the 2011 Keane report. The primary focus of this strategy is to support those home-owners in difficulty with their mortgage repayments rather than those who, while they may be experiencing negative equity on their homes, can still meet their mortgage repayments.

The implementation of this strategy is overseen at Government level by the Construction 2020, Housing, Planning and Mortgage Arrears sub-committee, which is chaired by the Tao-

iseach, and at official level by a mortgage arrears steering group which is chaired by the Department of Finance. The Government's strategy is built around the four pillars for action as recommended by the Keane report. These are: engagement with the banks to develop appropriate measures for their customers in mortgage arrears; personal insolvency law reform and implementation; mortgage to rent; and mortgage advisory function. A number of measures have been advanced in this regard.

The key indicator of success in dealing with mortgage arrears is the development and application, where appropriate, of long-term solutions. Short-term forbearance can be a worthwhile response to people experiencing temporary mortgage difficulty. The Keane report, however, made clear that this would not be a sufficient response to mortgage difficulty and that it would be necessary to develop sustainable restructuring responses to more long-term mortgage difficulty.

Lenders were encouraged to develop practical solutions tailored to individual circumstances for people in the most serious difficulty with their mortgage. In that regard, in March 2013, the Central Bank published the Mortgage Arrears Resolution Targets - or what is commonly known as the MART framework - which set out the performance targets for mortgage arrears resolution at six mortgage lenders. The six lenders are AIB, Bank of Ireland, Permanent TSB, Ulster Bank, KBC Bank Ireland and ACC.

Under this rolling process, quarterly performance targets have been set to require the banks to propose and put in place durable long-term solutions to address individual cases of mortgages in difficulty where the mortgage is more than 90 days in arrears. In that context, Deputies will be aware that the Central Bank set progressive targets in 2013 and throughout 2014 and has indicated that it expects that proposed solutions be made in respect of 85% of principal dwelling houses and buy-to-let arrears cases, and that concluded solutions be made with 45% of cases of greater than 90 days in arrears by the end of 2014.

The most recently published information from the Central Bank audit is in respect of the end December 2013, targets and proposed solutions. In that regard, the Central Bank has indicated that the December 2013 MART targets were achieved by all lenders. That is: at end December proposed solutions were issued to greater than the 50% target of mortgage accounts in arrears greater than 90 days; and concluded solutions were issued to greater than 15% of accounts in arrears greater than 90 days.

This MART initiative has resulted in significant numbers of long-term restructured arrangements being put in place. At the end of March 2013 when the MART targets were set, Central Bank statistics showed that 79,600 restructures were in place for principal dwelling houses. At the end of June 2014, this number had increased to 102,000 restructures.

Deputies will be aware that a monthly reporting regime on mortgage restructures and arrears for the six main lenders covered by the Central Bank's MART process has been put in place by the Department of Finance. The Department's latest publication, with data for the end of August 2014, shows that the number of principal dwelling home or PDH mortgage accounts in arrears of greater than 90 days has fallen by over 9,500 accounts when compared to the start of the year.

When the Department's series began in August 2013, the six lenders had 2,500 split mortgages in place. At the end of August 2014 there were over 16,000 split mortgages in place.

Mortgage-to-rent has already been referenced in the Private Members' motion. It is important to note that this scheme is being reviewed by the Housing Finance Agency with two aims: first, to reduce the time it takes to process an application; and, second, to agree valuations of homes which are acceptable both to banks and borrowers.

During the same period, permanent restructures for family homes increased from around 41,000 to almost 80,000. Similarly, the Central Bank's latest mortgage arrears and restructures publication for the end of the second quarter of 2014 shows that the number of mortgage accounts for principal dwelling houses in arrears fell for the fourth consecutive quarter. Out of the 102,000 principal dwelling mortgage accounts classified as restructures, 81% were deemed to be meeting the terms of their current restructuring arrangement, which I think we can all agree is a significant achievement.

The data published by the Department of Finance, as well as the mortgage arrears and restructures data published by the Central Bank on a quarterly basis, demonstrate some success by lenders in addressing accounts in mortgage arrears, as well as measures to prevent borrowers from going into arrears.

It is important to publish these figures which are put on the website. In that way they are transparent so that the public can scrutinise them and hold people to account. I am conscious that we are all throwing around figures and I know Deputy Mathews sometimes gets concerned about percentages, but these restructures concern real individuals living behind the hall-doors of real family homes. With that in mind, it is worth looking at the Department of Finance's August 2014 figures that have been published, including what some of the permanent solutions consist of.

With the indulgence of the House I will cite the figures. To the end of August 2014, 15,048 mortgage accounts were offered a term extension. Some 1,833 were offered interest only, while 22,782 were offered arrears capitalisation. A further 11,047 were offered fixed repayments greater than interest only or interest modifications. Some 16,198 were offered a split mortgage, which I think people will accept is a significant increase.

Deputy Peter Mathews: The split mortgage is a joke.

Deputy Simon Harris: Some 12,497 were offered hybrid - a combination of treatments. That totals to the figure to which I referred earlier, which was 79,405. It is important to put this in context because these are solutions on offer to real people. They are not just numbers, they do represent families. As much as I am willing to acknowledge that there are still families with genuine difficulties, so we all need to put our heads together, work harder, better and accept that the job is not yet done, one must also acknowledge that the 79,405 mortgage accounts represent progress. It is progress for 79,405 people.

Deputy Peter Mathews: It is illusory.

Deputy Simon Harris: From engaging with me, Deputy Mathews knows that I tend not to interrupt and I would appreciate if he would do the same.

Deputy Peter Mathews: The Minister of State is trying to convince us that something is true when it is illusory.

Deputy Simon Harris: It is important to mention the positive news announced today about

the initiative between AIB and the Irish Mortgage Holders Organisation, IMHO. Deputy Joan Collins referred to this. The partnership initiative has resulted in more than 1,300 sustainable restructures being put in place over the past 12 months. That is also welcome news. The initiative demonstrates that where there is real engagement between borrowers and lenders, sustainable restructures can be agreed to the benefit of the lenders and borrowers. Any practical initiative that can help people in genuine mortgage arrears difficulties and facilitate and improve the quality of engagement between the bank and the borrower is to be welcomed. In that regard, I commend the IMHO on its role.

With regard to repossessions, the Government has made it clear that repossession of a family home should be the last resort. The Central Bank code of conduct on mortgage arrears, CCMA, places an onus on the banks in respect of co-operating borrowers to explore all the options for an alternative repayment arrangement offered by the lender to address a primary dwelling mortgage difficulty before any legal action is considered. The CCMA provides that lenders may only commence legal proceedings for repossession where they have already made every reasonable effort to agree an alternative arrangement with a co-operating borrower. Any bank proceeding to legal recourse with co-operating borrowers in circumstances where an alternative sustainable arrangement is feasible and can be agreed is not acting in a manner consistent with the mortgage arrears resolution process or with the CCMA. These efforts can only achieve positive results in circumstances where there is real engagement between borrowers and lenders. This is an example of how the engagement between AIB and the IMHO has worked well. Perhaps lessons can be learned from it. Where this does not happen, the lender may have no other option but to go down the legal route to deal with an arrears case. If that course of action leads the borrower to commence a constructive engagement, this can lead to a more favourable conclusion for both parties and may allow the borrowers to remain in the family home. It should also be noted, however, that even if the mortgage arrears resolution process has concluded and where legal proceedings have commenced, the Central Bank's code requires that a lender must continue to maintain periodic contact with the borrower and-or his or her nominated representative to see if an alternative repayment arrangement can be agreed even at that late stage.

The CCMA is an important consumer protection mechanism. Monitoring compliance with CCMA continues to be a core part of the Central Bank's work programme and is also an enforcement priority for the bank. The code was reviewed, revisited and revised to strengthen consumer protection and force lenders to engage systemically with borrowers before proceeding with legal cases. The Central Bank will be commencing on-site inspections of a number of mortgage lenders in the coming months. This is an important development.

Even if a repossession case has commenced in the legal system, the Land and Conveyancing Law Reform Act 2013 provides a power to the court to adjourn a repossession proceeding on a principal private residence to enable the borrower to consult a personal insolvency practitioner, PIP, and, where appropriate, to instruct the PIP to make a personal insolvency arrangement proposal. In formulating a personal insolvency arrangement proposal, the Personal Insolvency Act 2012 places an onus on a PIP to do so on terms that shall not, in so far as is reasonably practicable, require the borrower to dispose of an interest or cease to occupy the house.

The strong view of the Government is that, in respect of co-operating borrowers under the mortgage arrears resolution process, repossession of a person's primary home should only be considered as a last resort. Every effort should be made to agree an acceptable arrangement as an alternative to repossession. The CCMA and mortgage arrears resolution process outlined provide a strong framework to ensure this happens.

Personal insolvency reform was a key recommendation of the Keane report. The Personal Insolvency Act 2012 was complex legislation that significantly modernised Ireland's insolvency regime. As with any such major reform, the Department of Justice and Equality is keeping the effectiveness of the legislation under review to ensure it achieves the objective of providing an efficient way of resolving unsustainable personal debt positions in a way that is as fair as possible for debtors and creditors. There have already been some amendments to the legislation during 2013, which were of a minor nature and primarily operationally focused. I welcome the decision by my colleague, the Minister for Justice and Equality, to waive all fees previously payable to either the Insolvency Service of Ireland or the courts by a debtor who applies for any of the debt solutions available under the Personal Insolvency Act. The waiver was announced last month by the Insolvency Service of Ireland and takes effect until the end of 2015, when it will be reviewed. The ISI has also announced that, for the same period, it will provide a contribution of €750 to defray the cost of a PIP if a reasonable insolvency proposal agreed with a debtor is refused by creditors. This was emerging as an issue in many Members' offices. There is now the ability to defray some of the costs. The debtor should not be faced with a bill arising from the creditor's refusal in this situation.

The recent ISI quarterly statistics were published in July. In summary, during the second quarter, 67 debt relief notices, 30 debt settlement arrangements, and 27 personal insolvency arrangements were approved. In addition, 98 bankruptcy adjudications were made in the second quarter of 2014 following the reduction in the duration of bankruptcy to three years. In the first half of this year, there were 164 bankruptcy adjudications compared with 58 in 2013. It is hoped the welcome initiatives announced by the ISI on fees and PIP costs will increase the take-up of the ISI services and that more negotiated debt settlement arrangements will occur as a result.

The fact the ISI is in place has acted as a catalyst and can encourage debtors and creditors to reach bilateral deals to address their insolvency. In the absence of bilateral deals, the new statutory frameworks are a mechanism requiring all relevant creditors to engage with and respond to an insolvency arrangement proposed by a debtor. The spirit of engagement and bringing people together to look bilaterally at addressing debt is a welcome step and one that must be under constant review to ensure it is working as intended by the House.

On foot of the recommendations of the Keane report on mortgage arrears, the Government launched the mortgage-to-rent scheme nationally in June 2012, targeting low-income families whose mortgage situation is unsustainable and where there is little or no prospect of a significant change in circumstances in the foreseeable future. The scheme ensures the family remains in the home while ownership is transferred to an approved housing body that, in turn, rents it to the original owners. Eligibility requirements are in line with other forms of social housing support.

The Government accepts that the number of completed mortgage-to-rent cases remains low despite the increase I announced. More than 2,500 cases have been submitted to date by the lenders, however, and of these around 1,000 were ineligible or terminated during the process, of which 263 cases were not progressed because the household in question was deemed to be over or under-accommodated. A significant number of cases are currently with the lenders, who are seeking the consent of borrowers to share information and for the carrying out of an independent valuation. Some cases are being actively progressed. To date, some 50 cases have been completed, which means these 50 families have not had to move out of their homes. A review of the scheme was carried out recently by the Housing Agency on behalf of the Department

of Environment, Community and Local Government. The review resulted in comprehensive changes to the process that have been agreed with all parties, with the Housing Agency taking more of a management role in the scheme. I hope this will see an increase in the roll-out of the scheme. A new protocol has also been introduced that will define how the process will work in the future. The protocol outlines the roles and responsibilities of all the stakeholders to the process, which should encourage greater numbers to participate in the scheme.

The Government has provided an enhanced range of information and guidance services for mortgage holders, including a dedicated information website, a mortgage arrears information and advice helpline, and the provision of independent financial advice to mortgage holders being presented with long-term mortgage resolution proposals by their lenders. This advice is provided by qualified accountants drawn from members of the main accountancy institutes in Ireland who have agreed to participate and support this independent service. When a lender is proposing longer-term mortgage resolution, the lender will advise the borrower to obtain independent financial advice on the proposed arrangement and, if the borrower wishes to avail of this option, the lender will pay €250 to an accountant of the borrower's choosing for the provision of this advice. The independent financial advice is available to all mortgage holders who have been offered long-term forbearance options by their lenders in respect of a mortgage secured on a primary residence. These are important supports introduced by this Government with the intention of ensuring the borrower is fully informed and understands the terms of the agreement being offered to him or her.

The Government is aware of the concerns of some mortgage holders whose mortgages have been sold to third parties. The Minister for Finance has informed the House previously that he is committed to bringing forward legislation that protects consumers whose mortgages are sold to unregulated entities. The Government has reiterated this commitment on several occasions. The Department of Finance undertook a public consultation process in July and August of this year seeking views on its proposed legislation to protect consumers whose loans are sold to unregulated entities. The Department of Finance recently published submissions received from a range of respondents from the financial services industry, consumer groups, public representatives and individuals and other stakeholders. Officials in the Department are carefully considering the submissions and it is anticipated that legislation will be published by the end of this year.

This Government has put in place a wide range of initiatives to assist homeowners in mortgage arrears. The main banks have been set targets to propose and conclude sustainable solutions to mortgage holders in arrears, and they are meeting those targets. A new, innovative personal insolvency regime is in place, the mortgage-to-rent scheme has been rolled out nationwide, and the Government's mortgage advice and information service has been established. This Government is dealing with the mortgage crisis it inherited. It has now developed and provided a suite of measures designed to address the problem of over-indebtedness. This strategy will continue to deal with unsustainable debt positions and do so in a way that is as fair as possible to borrowers and lenders, but also in a way that seeks to minimise the costs involved for wider society. The statistics issued by the Department of Finance and the Central Bank demonstrate that the numbers in arrears are falling, the number of restructures is rising and much of the groundwork laid by the Government is having the desired effect in relieving families of the burden of debt and anxiety associated with being in arrears and putting them on a sustainable footing for the future. I look forward to the rest of the debate.

Deputy Tom Barry: I welcome the opportunity to speak on this very important motion, and I am glad it has been introduced. I remember writing a document in 2010 called Parked

Percentage Mortgage Plan, which was eventually fed into the Keane report, which called it a split mortgage. This was a start, as at the time there was hardly anybody in the country who did not have some iron in the fire, having bought an expensive property or become over-leveraged. In the financial meltdown we experienced, people were wondering how to survive. However upsetting it is for businesses to go to the wall or for a person to experience the possibility of losing a job, the idea that one could lose one's home was terrifying. At that stage, the basis of a process for dealing with this was put in place. We should have no doubt that the banks were not in a position or they lacked the skill set to deal with the issue. They made many mistakes, but, like everybody else, I can only give most of the banks credit for the way they are starting to deal with the problem now. As most Members are aware from people attending their clinics, we have had discussions with banks about people in genuine long-term distress. The matter has to be dealt with on a one-to-one basis. One cannot advertise such cases, but they are very important to those involved. The formulation of solutions is for people in serious financial difficulty. A case of arrears by itself is not enough; the arrears must be of such a scale that they cannot be tackled.

Deputy Peter Mathews: There is the case of Tony O'Reilly, for example.

Deputy Tom Barry: We must remember that the country is recovering. I am not smiling when I say that. In such a recovery, people have the opportunity to repay more than they thought they could some time ago. It is important that we have a solution for every person involved. Ironically, the solutions fitting mortgages may also help a sector with which I am involved, that of small businesses. Most of these businesses have some non-core debt, which can be as grave as mortgage debt in that it can pull down the core business. Solutions involving the stretching of non-core debt and resolutions affecting non-core debt are important, because this relates to people's jobs. These businesses are starting to grow, thanks be to God.

I do not like the inclusion of the word "mandate" with regard to creditors and mortgage servers. A deal must be done in a spirit of agreement between both parties, taking into account the full aspects of the code of conduct on mortgage arrears. Both parties must be genuine in their approach. Mandating somebody to do something would mean one party would leave unhappy. Both parties must hope a resolution can be achieved fairly.

There is some merit in the idea of a split mortgage with no interest on the warehoused portion. If a person with a €200,000 asset can only afford to pay interest and principal of €100,000, the balance of €100,000 would be parked. If that person passes on the house to a son or a daughter with €100,000 left to be paid, but the value has risen to €300,000, there is surely a case to be made that some portion of the interest should be paid in a fair way. These moneys must be returned to the State. I would gladly take on an asset if I knew I could take it on at 50% of current value. We must be practical, and we cannot have the State bear all the burdens where mistakes have been made. We must ensure the process can be fair to the State also. Many people in the House have given out about how we all were burdened with debts from the banks and nobody will appreciate us adding more unnecessary burdens on the taxpayer. The people would certainly reward us if genuine compassion were shown towards people with family homes.

There are people with second homes or buy-to-let properties. If a party cannot afford the payments on a buy-to-let property, the issue is not as serious as if it is a primary dwelling. If the problem cannot be dealt with, the properties should be recycled into the system and the noose should be removed. I agree that we need to know what will happen when properties are surrendered. When banks do deals with people, they are working as best they can.

It is important that both parties participate honestly and with genuine interest in ensuring it can be a fair deal. It should not be a sweet deal for one party and it should apply equally to both. It is very popular to give out about banks, but I have dealt with them for many years. I have been in business for 20 years and I have dealt with banks from when there was no money available in 1991. There is now a realisation that the people who have come through this recession have been toughened and will survive. They will thrive, in time, but they must be given some breathing space. In my experience, and particularly in the past two years, some banks have acted very responsibly. We have brought constituents to meet their representatives on a regular basis and although this may have been a difficult experience a couple of years ago, there is now a real willingness to engage. That is fantastic. Only two weeks ago I brought in a couple who were in dire straits and were almost afraid to discuss the issue. Although they were paralysed with fear initially, they realised the people from the bank were not that frightening. It is very easy to blame banks, but we have a responsibility to deal with this issue.

The code of conduct on mortgage arrears and the Keane report have been very helpful. Many people do not realise how helpful they are. When debt is burdensome, some people may fail to interact as they would if they were in the best of health. Mortgages were given out to people who should not have got them. For example, mortgages were given to people over 50, who were expected to be healthy and wealthy for the next 20 years. That was a lot to ask. Others got mortgages for houses they could never afford. We need to achieve a sense of realism, and the country cannot offer interest-only deals on mortgages where the house value bears no relation to the means of the people living in it.

This is a very important discussion, and things are changing. It was a much graver debate three years ago, as nobody could see the light at the end of the tunnel or foresee a recovery. A growth rate of 4.6% or 4.7% is colossal. It means there are many more people at work and people are able to contribute more. They may not be able to contribute the full amount of an initial mortgage, but the solution is evolving more quickly every day. Property prices are increasing and negative equity is becoming less of an issue, though it still exists. Negative equity does not determine the ability to pay off a debt. Many of us own properties that are in negative equity and we pay for them fully if we can. If a working person can afford to pay an agreed mortgage, negative equity resolves itself in time. We must be careful on this issue because we cannot land taxpayers in greater debt while allowing anyone in arrears avail of these measures, rather than genuine cases. If this is opened too broadly people will try to exploit it and that would be wrong. As always, we must first protect people in family homes and thereafter apply a system of priorities. We must examine whether extra houses are required and see what to do about rental properties as they have presented problems. Some people with buy-to-let properties have taken rent and paid nothing back.

Things are changing and this discussion is important. People who are genuinely in debt should talk to their mortgage providers in the spirit of agreement. Banks have the ability to deal with the problems that exist.

Deputy Michael McGrath: I welcome the opportunity to contribute to this debate and thank Deputy Joan Collins and the other members of the Technical Group for tabling this motion. I apologise that I was not here to listen to some of the contributions so far as I had to attend a meeting of the Oireachtas Committee on Finance, Public Expenditure and Reform - the Minister, Deputy Noonan, is addressing pre-ECOFIN business.

Tonight's debate is vital as there may be a sense of complacency when it comes to the issue

of mortgage arrears. The issue has not yet been dealt with and, while action is being taken by the banks, it is a scattergun approach. In some cases they get it right and in others they do not. The approach of banks to mortgage arrears shows a distinct lack of consistency and transparency and this is evidenced in the approach of the two pillar banks. Today the Irish Mortgage Holders Organisation announced that in the past year over 1,300 of its clients restructured their mortgages with AIB. Up to 100 of these cases involved writing off mortgage debt, part of the principal balance. Bank of Ireland, the other pillar bank that was saved by the State, is in a healthier position and a majority of its shares are in private ownership. In contrast to AIB it has an entirely different policy and will not give mortgage write-offs under any circumstances. Borrowers in similar circumstances are being treated entirely differently by the two pillar banks and this is fundamentally unfair. We should not stand over this approach.

Deputy Peter Mathews: It is wrong.

Deputy Michael McGrath: The code of conduct on mortgage arrears is at the heart of this motion. It was introduced in 2010 and has served borrowers well, in general, by providing a rule book lenders must abide by when dealing with people in mortgage arrears. The rule book was diluted by the current Government in 2013 when it allowed banks to move legally within 30 days against people who are deemed not to be co-operative. In other words, the banks had the power to deem people as not co-operative and issue legal proceedings within 30 days. The restriction on the amount of contact a bank can have with a person in arrears was lifted. Previously banks were limited in how much contact they could have with a person in arrears but the changes mean they contact such people regularly. The 12 month moratorium was replaced by an eight month moratorium. Borrower protection was significantly diluted in the revised code of conduct that was published in 2013.

I mentioned that different banks are taking different approaches but this can also happen within institutions depending on the person a borrower must deal with. This happens because banks are not working to a common set of rules on mortgage arrears cases. Does anyone in this House know the criteria for how a borrower in arrears can qualify to have mortgage debt written off? The criteria are not published so I do not know how such decisions are made. Some banks have taken a hard line approach and this has led to the development of deeply unfair situations. It is not good enough because an essential element of fairness is consistency - people must be treated consistently and this is not happening at the moment.

Deputy Barry is correct that there is movement and some deals are being done. Some cases are being handled sympathetically - I have been involved in some and the outcomes were fair - but in other cases it is like banging one's head against a wall. We are not making the progress that we should and I cannot point to a document that requires banks to deal with cases in a certain way. Ultimately, the bank makes the final call. The mortgage arrears targets programme has resulted in much activity but the bank still decides what constitutes a sustainable solution.

Deputy Peter Mathews: That is correct.

Deputy Michael McGrath: The definition of a sustainable solution to a mortgage arrears problem is set out towards the back of the mortgage arrears targets programme document and it simply states that a bank must satisfy itself that the solution it offers the individual in arrears is sustainable. The bank acts as judge and jury despite the fact that it is party to the transaction and has a vested interest in securing a certain outcome. I stand by my assertion that the banks hijacked the mortgage arrears targets programme by issuing thousands of threatening

legal letters to borrowers who were already suffering stress and anxiety. The number of repossessions has increased dramatically. Some figures I received in Cork recently are frightening. An ejectment civil bill is a step in the process that can lead to repossession of a family home and in the first six months of 2013 there were 44 such bills in Cork Circuit Court. In the second half of 2013 there were 246 ejectment civil bills and this figure grew to 335 for the first six months of 2014. Additional court sittings are being scheduled in Cork to deal with the backlog of ejectment civil bill cases. The rhetoric says repossession of the family home is a last resort and should only happen in a very small number of cases but this is not borne out in reality - the truth could not be further from that assertion.

I want to highlight the interest rates Irish banks are charging because this is directly relevant to the debate on mortgage arrears, as the Minister of State knows. The average interest rate in the eurozone for a person taking a new mortgage on a home is 2.56%. The National Consumer Agency website, *itsyourmoney.ie*, allows one to type in criteria for a mortgage and compare the rates on offer by the various banks - those rates are all close to 4.5%. An Irish borrower with a mortgage of €200,000 will pay around €4,000 more in interest every year than a typical borrower in the eurozone. I believe suggestions that the Irish banking system is repaired and meeting the needs of the economy are incorrect because these rates are extortionate compared to the eurozone average. The cost of funds for Irish banks today is around 1% so how can they justify charging 4.5% on a variable rate mortgage?

Tomorrow the Oireachtas Committee on Finance, Public Expenditure and Reform begins its series of hearings with banks and Bank of Ireland will be first in. I will challenge the banks on these issues because they are linked directly to mortgage arrears. AIB made a pre-emptive move last week to reduce its interest rate by 0.25% and I welcome this. I hope the other banks follow suit and reduce variable rates. What we are really lacking in this country is a competitive banking sector. In the United Kingdom and the rest of Europe a normal switcher mortgage market is available. If a person is paying over the odds for a mortgage, he can apply to another bank and simply move his mortgage, but that is not happening here. Fewer than 200 switcher mortgages were transacted in the first six months of this year. The banks are not open for that business and they have no wish to hear of it. The real test of the Allied Irish Banks move to reduce the rate will be when a customer of Ulster Bank or Bank of Ireland who is paying a higher rate knocks on the door of AIB, explains that he is in a healthy financial position, has never missed a repayment, has a loan-to-value ratio of 60% or 70% and asks whether the bank will consider a mortgage application from him to enable him to avail of the lower interest rate. That will be the litmus test of whether the banks are genuinely open for business and creating a far more competitive environment. This is something the Government needs to deal with.

There is an issue with the code of conduct on mortgage arrears. I imagine the Minister of State is aware that the Central Bank has not imposed even one sanction on any bank in this country for failing to honour the mortgage arrears rule book despite evidence of breaches of the CCMA. These breaches have been confirmed by none other than the Governor of the Central Bank, Mr. Patrick Honohan. He confirmed at an Oireachtas committee hearing on 30 April this year that the Central Bank had found breaches of the code of conduct on mortgage arrears, yet not one sanction has been imposed on the banks. I welcome that the Central Bank is getting around to doing a proper test on the compliance of the banks in Ireland in respect of the CCMA. There have been breaches, they are continuing and the issue needs to be dealt with.

There is a commitment in the Government amendment to deal with the issue of regulating third parties not regulated currently by the Central Bank but which are holding mortgages. This

needs to be dealt with urgently. The legislation has been promised before the end of the year. This needs to happen because people are in a very exposed and vulnerable situation. If an issue arises in respect of non-compliance with the code of conduct on mortgage arrears, they have nowhere to turn. They cannot go to the Department of Finance or the Central Bank. No one will listen to their case because these foreign-owned funds are not accountable to anyone in that sense of the word.

The Insolvency Service of Ireland has been an abject failure in respect of its role as a vehicle to deal with mortgage arrears cases and this must be dealt with. No more than a few dozen individual mortgage cases have been dealt with by the Insolvency Service of Ireland. The Government was forewarned about this. The banks were given a veto and several bank representatives stated publicly when before the Joint Committee on Finance Public Expenditure and Reform that they will exercise that veto if any insolvency arrangement is proposed that involves a haircut or write-off in the mortgage balance. They have said this publicly and they are honouring it because that is what is happening. Deals are not being done. Several issues need to be dealt with in terms of access to a personal insolvency practitioner and allowing people who have no net disposable income, after taking into account the cost of living guidelines, to make a contribution to an insolvency deal. These people are locked out of the system and this needs to be dealt with as well. A total of 27 cases have been concluded in which there has been a change to the mortgage arrangement through the insolvency service. The figure is pathetic. It is time to go back to the drawing board. Merely dropping the fees charged by the insolvency service will not adequately address that issue.

The mortgage-to-rent scheme needs to be revamped. It is not working. Again, only a few dozen cases have been completed. Deputies are trying to help people to work their way through the mortgage-to-rent process but it is a bureaucratic nightmare. It is simply not working and must be completely revamped.

The Central Bank has proposed new mortgage deposit rules. The bank is advocating a 20% deposit, which I believe is excessive and will result in social engineering. It will ensure home ownership is beyond many people, especially people from certain socioeconomic backgrounds. That is not fair. People who have parents with the financial means to provide a deposit will be able to get around this rule. I believe a deposit of 10% or 12% is more reasonable and achievable. I accept there is a requirement for a minimum deposit but I believe 20% is excessive.

The mortgage arrears statistics are coming down and that is to be welcomed, but we need to examine the numbers with a degree of caution and scepticism. The overall numbers are coming down but, as far as I can see, the most popular solution is arrears capitalisation. We have seen 25,700 arrears capitalisation cases. Once the arrears have been capitalised and the new repayment method is honoured, the person is taken out of the arrears statistics. It is difficult to know, therefore, whether the underlying trend is a significant reduction. I hope this is the case but arrears capitalisation has accounted for 25.2% of the solutions. We know from the statistics published by the Central Bank that this is one of the least successful solutions with only 66.8% of cases honoured in the sense of terms being met. That issue needs to be dealt with. Let us consider the underlying statistics and the issue of long-term arrears. Those in arrears of more than 720 days have increased from 31,000 to 33,000 to 35,000 and to 37,000 in the previous quarter. The solution for these people is to end up in the Circuit Court, as I outlined earlier. This is happening in Cork and elsewhere. There is a need to be far more imaginative and to bear in mind how New Beginning has proposed to deal with the issue while, in so far as possible, keeping the family home for the majority of the people concerned.

Deputy Pearse Doherty: I welcome the motion atá curtha chun tosaigh ag an nGrúpa Teicniúil i dtaobh an cheist rí-thábhachtach seo. Earlier this year members of the Joint Committee on Finance, Public Expenditure and Reform, of which I am a member, helped to draft a report on what should be done to tackle our mortgage crisis. The report received all-party support and the support of the Independent Members on the committee. It was based on the engagement we had with all the players in the mortgage crisis, including the banks and those on the front line as well as submissions we received from people who have borne the brunt of the banks' attitudes. Regrettably, the Government has shown absolutely no desire to engage with the report or to implement its recommendations. It is clear from the Government amendment that it considers that this issue requires nothing more to be done. The motion put forward by the Technical Group includes some of the suggestions contained within that report.

The Government's attitude is an insult to the 90,000 families who were in mortgage arrears at the end of the second quarter of this year. The Government needs to wake up to the reality that the problem has not gone away. It may be decreasing but it has not gone away. The fact the Government is in its fourth year of office and there are so many people in mortgage arrears is an indictment of Government policy. The Government huffs and puffs at the banks for including evictions and so-called voluntary sales as solutions under the targets scheme, but the fact is those in Government have sat on their hands and allowed the banks to do this.

The Minister for Finance, Deputy Noonan, has taken cheap shots across the floor of the finance committee. He said I have been scrambling around for four years to find case studies of people who have been evicted, but that is not the case. I explained to him I received a telephone call only two weeks ago from someone who had lost his home in County Roscommon. The person is homeless and had been living in emergency accommodation provided by the local authority for 14 days at that point. This was bed and breakfast and hotel accommodation. The person told me the council cannot afford to provide the service any longer and that the policy is only for provision for three days. The person did not know where to turn to, what to do and what not. That is the harsh reality for some people who find themselves in this situation.

The finance committee report requested that the Minister intervene to ensure the Central Bank does not accept kicking someone out of the home as a sustainable solution. The Government is sitting back and letting the mortgage crisis unwind itself regardless of how many families are left homeless. That is the only conclusion we can draw from the amendment tabled by the Government.

9 o'clock

It is an indictment of the Government that it is leaving the heavy lifting to groups such as the Irish Mortgage Holders Organisation. I commend that organisation for its work and success, particularly with regard to the new figures it released yesterday for its engagement with AIB and also its engagement with other banks on behalf of people who find themselves in difficult situations.

The Technical Group's motion is correct that the code of conduct on mortgage arrears is not fit for purpose. Sinn Féin is aware of this, which is why we made a submission on the review of the code of conduct. I am glad that it has been acknowledged by the Technical Group. It is also the case that the legal status of the code of conduct is untested. It must be put on a statutory footing.

The motion calls on the banks to be required to offer one of a number of named solutions. I would go further and provide that before taking any legal action a bank should be required to offer each of the options available under the code of conduct, as requested in the committee's report. The committee's report also calls for clarity on the residual debt following a repossession or voluntary sale, something that is echoed in the motion before the House. For my party, that clarity should be a clean break from debt in the event of loss of a family home. Sinn Féin has written the legislation to allow this to happen. We brought it to the floor of the Dáil last year, but, again, the Government would not accept our proposal. This is the position every member of the finance committee has adopted, including Fine Gael and Labour Party Members, but it is clear that the Government and its Ministers are completely out of touch with their party members who understand what is happening on the ground and have spoken with one voice to have the issue addressed.

This week I have been contacted by a new batch of homeowners who are extremely worried that they have been left high and dry because their mortgages have been sold to vulture funds. These homeowners who had mortgages with Bank of Scotland are the latest group of people who are worried about their futures because their loans are now owned by vultures. I note that the heads of the long-promised Bill to regulate these funds have been put forward, but they are not with the finance committee. It is welcome that they have been brought forward, but why has there been such a delay in dealing with the issue? The delay in dealing with this urgent legislation is inexplicable. I again urge the Minister to prioritise it and bring it before the House as soon as possible.

This issue is being left on the long finger while people are worried and literally cannot sleep. I have pointed out time and again that this is not just a financial crisis for these individuals but a personal health crisis. People are simply at the end of their tether as a result of not knowing whether their homes, in which they have invested and reared their children, will be theirs tomorrow, the day after or the following day. They are pleading with the Government to do something, but, unfortunately, its proposed amendment to the motion is just an insult to them.

Debate adjourned.

Health (Miscellaneous Provisions) Bill 2014: Order for Report Stage

Minister of State at the Department of Health (Deputy Kathleen Lynch): I move: "That Report Stage be taken now."

Question put and agreed to.

Health (Miscellaneous Provisions) Bill 2014: Report Stage

An Leas-Cheann Comhairle: Amendments Nos. 1 to 3, inclusive, are out of order.

Amendments Nos. 1 to 3, inclusive, not moved.

An Leas-Cheann Comhairle: Amendments Nos. 4 to 8, inclusive, are related. Amendments Nos. 4, 7 and 8 are consequential on amendment No. 5, while amendment No. 6 is a logical alternative to amendment No. 5. Therefore, amendments Nos. 4 to 8, inclusive, will be discussed together.

Minister of State at the Department of Health (Deputy Kathleen Lynch): I move amend-

ment No. 4:

In page 22, line 18, to delete “A person shall not,” and substitute “Subject to subsection (2), a person shall not,”.

This is a technical Bill, with a total of 44 sections. It passed Committee Stage on 7 October without amendment. It has three main objectives: to provide for the subsuming of the Opticians Board into the Health and Social Care Professionals Council; to make certain amendments to the Health and Social Care Professionals Act 2005 in the interests of efficiency and to ensure consistency with the legislation governing other health regulators; and to correct an identified lacuna in the Health Act 1970 to ensure statutory contributions are also payable by recipients of residential support services who, while maintained, are not directly accommodated by or on behalf of the Health Service Executive.

I thank Deputies for their valuable and thoughtful contributions on Second and Committee Stages. On Committee Stage the Minister for Health, Deputy Leo Varadkar, undertook to examine before Report Stage the provisions in the Bill relating to the sale of spectacles. The amendments tabled by Deputies Billy Kelleher and Caoimhghín Ó Caoláin were withdrawn or not moved on that basis. The concerns raised by the Deputies were, in essence, that dispensing opticians and ophthalmologists might not be permitted under the Bill to continue to be assisted by non-registrants in the selling of spectacles and that the Optical Registration Board might not be able to regulate such sales under its by-laws. The Bill proposes to restate in law the provisions of the Opticians Act 1956, under which current sales practices operate. Nevertheless, the concerns raised were real and having sought legal advice from the Attorney General and to clarify and put the matter beyond doubt, my proposed amendments to the Bill will effectively update the provisions of the 1956 Act.

The purpose of this amendment and amendments Nos. 5, 7 and 8 is to clarify and put beyond doubt that the new Optical Registration Board will have powers to regulate in its by-laws the sale of spectacles by registered ophthalmologists and dispensing opticians, including such sales assisted by non-registrants. The amendments will explicitly allow for the continuation of current sales practices and explicitly permit the new Optical Registration Board to make by-laws for the regulation and control of the sale of spectacles, including sales assisted by non-registrants. The amendments have been prepared in the Office of the Parliamentary Counsel following the concerns raised by Deputies on Second and Committee Stages. They address the intended objectives of the amendments proposed by Deputies Billy Kelleher and Caoimhghín Ó Caoláin on Committee Stage and the amendment tabled by Deputy Caoimhghín Ó Caoláin on Report Stage.

Amendment agreed to.

Deputy Kathleen Lynch: I move amendment No. 5:

In page 22, between lines 27 and 28, to insert the following:

“(2) A person, other than a registered medical practitioner or a registrant of the designated profession of optometrist or dispensing optician, may assist in a sale or in the conduct of a sale of spectacles where such assistance is provided in relation to the sale by a registered medical practitioner or a registrant of the designated profession of optometrist or dispensing optician of spectacles in accordance with subsection (1).”.

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As this is a more substantive amendment than amendment No. 4, I will read out my note on it to be on the safe side.

An Leas-Cheann Comhairle: The Minister of State may not speak on the amendment, as it was discussed with amendment No. 4.

Amendment agreed to.

Amendment No. 6 not moved.

Deputy Kathleen Lynch: I move amendment No. 7:

In page 22, line 28, to delete “(2) A” and substitute “(3) A”.

Amendment agreed to.

Deputy Kathleen Lynch: I move amendment No. 8:

In page 23, line 2, after “optician” to insert “, including sales assisted by persons referred to in section 81B(2)”.

Amendment agreed to.

An Leas-Cheann Comhairle: Amendments Nos. 9 to 12, inclusive, in the name of Deputy Ó Caoláin, are out of order.

Amendments Nos. 9 to 12, inclusive, not moved.

Bill, as amended, received for final consideration.

Health (Miscellaneous Provisions) Bill 2014: Fifth Stage

Question proposed: “That the Bill do now pass.”

Minister of State at the Department of Health (Deputy Kathleen Lynch): I thank the Deputies who contributed to the debate on the Bill. While it is a small Bill, its passage has been lengthy. Deputies’ contributions reflected their interest in the legislation and representations they received from opticians who had justifiable concerns about the way in which spectacles were being sold. We have taken these concerns into consideration. I thank Deputies for their contributions.

Question put and agreed to.

The Dáil adjourned at 9.15 p.m. until 9.30 a.m. on Wednesday, 5 November 2014.