



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Dé Máirt, 3 Márta 2015*

*Tuesday, 3 March 2015*

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

*Paidir.*

*Prayer.*

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## Ceisteanna - Questions

### Priority Questions

#### State Examinations Reviews

110. **Deputy Charlie McConalogue** asked the Minister for Education and Skills if she will provide details of the revised set of compromise measures on junior cycle reform submitted to teachers' unions for consideration; the measures being taken to avoid further strike action; and if she will make a statement on the matter. [9019/15]

**Deputy Charlie McConalogue:** Will the Minister provide details of the revised set of compromise measures on junior cycle reform submitted to teachers' unions for their consideration and the measures, if any, she is taking to avoid further strike action?

**Minister for Education and Skills (Deputy Jan O'Sullivan):** The full text of Dr. Travers's proposal document is available on my Department's website. Both sides were asked to confirm whether they accepted or rejected this as a basis for agreement. While the proposal put forward by Dr. Travers requires significant further compromise on my part, I indicated to Dr. Travers that I am prepared to accept it as a basis for agreement. In doing so, I acknowledged his considerable effort at achieving a fair and reasonable compromise since being nominated for the role of independent chair by the two unions. Under the proposal, teachers are no longer asked to assess their own students for the purpose of State certification. This is a very significant measure in addressing a previous core union concern. In not suspending their industrial action, the unions have rejected the proposal by Dr. Travers. I deeply regret that decision. The effect of their ongoing action is to seek to prevent teachers from participating in continuing professional development that is available to give them the knowledge and support they need to

do their jobs. I also regret that the unions have taken this decision without balloting their wider members on what is a substantially new proposal. No one group can be allowed to exercise a veto on educational reform. I intend to proceed with implementation of junior cycle reform, based on the proposal by Dr. Travers and I will be working with the wider education partners in doing so. I remain open to the unions revising their decision.

**Deputy Charlie McConalogue:** It is disappointing that the Minister has not achieved a resolution. It is particularly disappointing to see her indicate in the last few days that it is her intention to push on with the reforms, regardless of whether there is agreement with the teaching partners. I welcome the fact that the teaching unions indicated they were not going to proceed with further strike action. However, they did outline that they continue to have concerns and wish to engage further with the Minister in talks. It is short-sighted and disappointing that the Minister is not engaging further with teachers on the outstanding issues they have. It is important that we recognise the background to the situation, particularly the approach taken by the Government, including the Minister's predecessor. The current Minister indicated that no one partner could have a veto. Unfortunately, it must also be recognised that no one partner, even the employer, can dictate reforms and what should happen without appropriate consultation. That is what has happened in this instance.

**Deputy Robert Dowds:** Can governments not decide policy?

**An Leas-Cheann Comhairle:** A question, please.

**Deputy Charlie McConalogue:** Does the Minister agree that the initial proposals pushed through by her predecessor without consultation were incorrect? That she has taken a different approach indicates as much. Will she try to re-engage with the unions and ensure that agreement is reached on genuine outstanding issues?

**Deputy Jan O'Sullivan:** It is regrettable that I must proceed without the full agreement of the teaching unions but they are not the only partners in education. The other partners want us to proceed with these reforms. Some of those engaged with the media yesterday.

Dr. Travers stated that he intended his proposals to be the basis for agreement, not further negotiation. It is the teaching unions that have questions to answer in terms of the reforms, the importance of other partners in education and concern for students. Although I regret it, I must move forward. My Department has met the other education partners and I intend to invite partners to a seminar on 26 March to outline our proposals on moving forward. My door remains open if the teaching unions want to re-engage on the basis of the Travers proposals, which is what the process was about.

**Deputy Charlie McConalogue:** Unfortunately, we are further behind in the delivery of junior certificate reform than we were when the Government entered office. A large part of that lies at the door of this Government and the Minister's predecessor, Deputy Quinn, in deciding to move away from an agreed working document on how to deliver reform, to introduce his own proposals on doing away with the examination and demanding that all teachers mark the full new junior cycle. Deputy Quinn tried to bulldoze through reform and did not consult.

Thankfully, the current Minister started to take a different approach when she entered office. She engaged and reverted to the point of the original document that was in place when the Government entered office. It is unfortunate that she is now adopting Deputy Quinn's approach of bulldozing through reforms without trying to repair the damage done to relations or address

concerns about resources and training.

In a survey conducted by the ASTI about the continuous professional development, CPD, provided by the Department on the framework for the junior cycle, a total of 40% of respondents stated that the training provided ahead of the implementation of the new English curriculum did not increase their confidence to teach the specifications. This is no surprise, given that the total amount of training offered was one day. These are real issues and must be addressed. It is unfortunate that the Minister has taken up Deputy Quinn's mantle and is trying to drive reform through without agreement or proper respect for the role that teachers play.

**Deputy Jan O'Sullivan:** I wonder what the Fianna Fáil approach to reform is. A former Fianna Fáil Minister has joined the fray and suggested that I completely roll over and accept what the teaching unions are saying. However, they are not the only partners in education.

It is not true to say that further CPD for English teachers has not been offered. It is available and our people are ready to provide it. The teaching unions have prevented teachers from availing of further training. We are putting the CPD on a website, so it will be available online if people wish to access it without having to go somewhere physically. We are doing everything possible to offer full training and support to teachers. We hope that they will take up this training. We have some evidence to the effect that individual teachers are anxious to proceed with the reform.

I am the Minister for Education and Skills and I am responsible for policy. This matter has been debated for long enough. Reform was rightly initiated by my predecessor, Deputy Quinn, and I intend to implement it as soon as possible.

### **Technological Universities**

111. **Deputy Jonathan O'Brien** asked the Minister for Education and Skills if she will provide an update on development of technological universities here, including the proposed merger between Cork Institute of Technology, County Cork and Tralee Institute of Technology, County Kerry. [9095/15]

**Deputy Jonathan O'Brien:** Will the Minister for Education and Skills provide an update on the development of technological universities with a particular focus on Cork Institute of Technology and Tralee Institute of Technology?

**Deputy Jan O'Sullivan:** I thank Deputy O'Brien for the question. In regard to the technological university process, detailed plans were submitted to the Higher Education Authority, HEA, early last year by two consortiums of institutes of technology in Munster and in Dublin. Plans have been assessed by an international expert panel appointed by the HEA to be on a clear trajectory to meet the performance and quality criteria set down for the new status concluding stage 3 of the process. Following merger, stage 4 consists of an application to become a technological university submitted to the HEA which, following another independent assessment, will make a recommendation to the Minister on whether technological university status should be awarded.

In regard to the south east consortium, I have asked for a report on the proposed technological university for the south east, which I expect this quarter.

**Deputy Jonathan O'Brien:** I thank the Minister for her reply. I am sure she is well aware there are growing concerns around the consortium in regard to the Munster technological university, MTU. They are based on a number of issues, including the cost of it, which is €6.7 million. To date, no detailed financial projections or analysis has been put forward by both institutes on how they will meet those targets. All we have heard is that they will be met through efficiencies but we do not know what those efficiencies are. I asked the HEA if it had seen any of the financial projections but it said it would not be part of the stage two process. Therefore, the HEA has not seen them and it envisages they will be part of the stage 4 process.

In regard to the process, there is a difference of opinion about the recommendations put forward by the expert panel, which I have read. A number of them relate to financing and governance issues. The HEA has been very clear in saying that those recommendations, while not binding, will form an integral part of the process of awarding technological university status to the MTU. However, in the minutes of the meetings held between the leadership of both institutes of technology and the unions, the governing bodies stated that those recommendations will not be binding and, in many cases, may not be implemented and that they are pressing ahead with the original proposal. How will that play out in stage 4?

**Deputy Jan O'Sullivan:** In terms of them moving forward, as the Deputy knows, the assessment was carried out by an international independent panel. It said they were on a clear trajectory to meet the very robust performance and quality criteria set down and was of the view at that stage of the process that they were on the trajectory to reach the final step.

In regard to the financing of the proposals, the institutes were asked at the outset to state how the transition from their current status to their final destination would be financed. The Dublin and the Munster institutes said they would commit to meeting those costs within their budgets. That was part of the initial stage of the process. However, the HEA provided some funding in 2014 to give some support to the institutes involved in the mergers, including the Munster consortium. That was understood at the beginning, that is, that there would be financing involved but that would be paid for by the institutes.

**Deputy Jonathan O'Brien:** The level of financing the HEA is providing is a drop in the ocean in the overall cost of €6.7 million. I understand that last year the HEA provided €200,000 to the consortium in the Munster region, which will go nowhere towards meeting the costs. The Minister has clarified that the governing bodies in Munster have said they will meet it from within their own budgets through efficiencies but nobody knows what those efficiencies are. They have not outlined what they are and that is of huge concern to the stakeholders involved.

The expert panel report makes a number of recommendations to the proposers, one of which is around financing. It states they need to be very alert to the possibility that in practice, it may not prove possible to diversify income streams as quickly as current projections imply. They go on to talk about raising student fees and various other sources of income, including income from research.

I have an issue with what the governing bodies have stated. I will finish on this point. The unions asked whether any element of the panel's report would be embedded in the decision of the governing bodies. The governing bodies replied by stating they did not see anything in the panel's report that would cause them to change anything in their stage 2 plan. The HEA has stated these observations or recommendations are creating a significant challenge for the consortium as it aims to achieve the criteria for the merger of the institutes into a technologi-

cal university. According to the HEA, the further development of such a university depends on the implementation of the observations or recommendations made by the consortium. The HEA is stating designation as a technological university depends on the implementation of the recommendations, but the governing bodies are stating they do not see anything in the recommendations that will make them deviate from the original plans. It does not weigh up. We are in a situation where we are so far down the line in terms of a merger that there is a growing possibility that technological university status may not be awarded to the Munster technological university. The cost involved is huge.

**Deputy Jan O’Sullivan:** I repeat that they were considered to be on the trajectory when they were assessed in the earlier stages. The governing bodies of the institutions and the institutions are responsible for driving and moving forward this initiative.

**Deputy Jonathan O’Brien:** It is Government policy.

**Deputy Jan O’Sullivan:** Interested parties in any part of the country could have applied for this status. They knew exactly what was expected of them to reach the final point. They chose to engage in the process. The HEA is the intermediary in assisting them to reach that target. It is engaged in ongoing consultations with all of the consortiums. I would not be pessimistic about it as there is a determination to reach the goals. Obviously, there are issues. Issues of finance are always going to be important in this regard. The process is being managed by the governing authorities and the HEA. Obviously, we are also keeping a close watch on developments. The process is proceeding according to the criteria set down.

### **Early Childhood Care Education**

112. **Deputy Stephen S. Donnelly** asked the Minister for Education and Skills her views on whether an important element of education is involved in the work of preschool child care professionals such as Montessori teachers; her further views on whether this group of workers should be supported in professional development and with terms and conditions comparable to those of primary school teachers; and if she will make a statement on the matter. [9068/15]

**Deputy Stephen S. Donnelly:** My question relates to early childhood care and education professionals. I am sure the Minister is aware that there is growing evidence of the educational impact and importance of the preschool phase of childhood care and education. There has been an historical reluctance on the part of the State to consider the educational aspect of childhood development. Does the Minister accept the importance of the educational aspect of early childhood care and education? If so, what is she willing to do to advance the profession of early childhood care and education in terms of professional development, the funding of professional development and terms and conditions, etc.?

**Deputy Jan O’Sullivan:** Before I start reading my reply, I remind the Deputy that one of the first things I said when I was appointed as Minister was that I considered the area of early childhood care and education to be very important. I have put a number of measures in place in my capacity as the Minister responsible for the educational content of early childhood provision. The Minister for Children and Youth Affairs has overall responsibility for the early years sector.

The care and education of babies and young children are inextricably linked elements in a

child's holistic development. The education provided by preschool child care professionals is an important element but not the only element of their work. To support the diversity of pedagogical approaches in the early years sector, my Department has overseen the development of a curriculum framework for early childhood education which acts as a scaffold for all of the different approaches, including the Montessori approach. As a further support, the National Council for Curriculum and Assessment has developed an online resource which distils the key elements of *Síolta* and *Aistear*. This will be available next week.

Most, if not all, Montessori-trained practitioners are employed in private preschool education services. Their terms and conditions of employment are not set by the State. The question of how the State should invest in early years education is taken very seriously by the Government. My colleague, the Minister for Children and Youth Affairs, recently established an inter-departmental group to identify the optimum means of investing in the sector. I have established an early years advisory group. I have received funding for a small number of educationally based inspectors, the purpose of whom will be to assist with the educational content of early years provision. I have also established an examination of the various qualifications people receive to work under the early years programme.

**Deputy Stephen S. Donnelly:** I welcome the Minister's agreement and interest in the educational component. Research from around the world shows that investment at preschool age, whether at two, three or four years of age, is the most effective investment a state can make in education. The problem is as follows. On the one hand, the Government is stating it takes it very seriously, values child care professionals, accepts and embraces the educational component and is examining the matter but that it is up to child care providers to set the terms and conditions. However, it pays child care workers through the early childhood care and education scheme and pays them such a small amount and provides so few child care supports that most child care workers must exist on the minimum wage during term and receive welfare benefits during school holidays. It is stating this has nothing to do with it. If the Minister accepts the core educational importance of this issue, does she accept that we should treat, train, hold to account and pay early child care professionals in a commensurate way and take them as seriously as do primary school and secondary school teachers?

**Deputy Jan O'Sullivan:** I agree that early years education is vitally important to children, particularly those whose homes may not offer the kind of support other homes do in terms of books, vocabulary and the things that make a difference to a child in being ready to benefit from the education system. That is why I made the area a particular priority when I became the Minister for Education and Skills. The sector needs a focus and to be valued in a way that will bring up wages. The work of my colleague, the Minister of State, Deputy Gerald Nash, on the minimum wage will be of help to the sector. The Minister for Children and Youth Affairs, Deputy James Reilly, established a cross-departmental group, in which my Department is participating. We will generally raise the resources for the area. In the past few years there was no money for any sector, but I agree with the Deputy that this area needs a focus. In some cases, there is a undervaluing of the sector.

**Deputy Stephen S. Donnelly:** I welcome what sounds like a very useful step in the right direction. Let me reframe the answer given by the Minister. Let us imagine she gives that answer about primary school teachers, saying we value them, that we are putting together an interdepartmental group and examining the minimum wage. Regardless of what we say, what interdepartmental groups are set up and how much we say we respect them, if the State was to pay primary school teachers the minimum wage, it would be a clear signal that we were not in-

vesting in the sector and are not serious about professional development. The Minister is thinking about this issue and working with colleagues on it. Childhood professionals are screaming for support. They are on the minimum wage and then move to social welfare payments. At the same time, we are saying we respect them and that we believe their educational input is at least as important as that of other education professionals. When might the childhood care and education providers see a package from the Government to support both continuous professional development, with commensurate accountability, and a substantial examination of investment in moving from the minimum wage to something more commensurate with that paid to other teachers in society?

**Deputy Jan O’Sullivan:** One of the problems is that many of the providers are private companies and individuals that are paying people working in the sector. In turn, the parents are providing funding. We are coming from a low base in this area and there has been practically no progress for many years compared to that made in other countries. The Minister for Children and Youth Affairs, Deputy James Reilly, told me that the cross-departmental group would work for a short period of time. It will report before the summer. I expect that at that point we will be able to provide definite answers to the questions posed about the timeframe involved.

### **Special Educational Needs Service Provision**

113. **Deputy Charlie McConalogue** asked the Minister for Education and Skills if she will clarify the situation regarding resource teaching hours for children with Down’s syndrome who have a mild general learning disability; if she will urgently put the resources in place to ensure that children with Down’s syndrome who have a mild general learning disability will receive the same resource teaching as pupils with a moderate general learning disability; and if she will make a statement on the matter. [9020/15]

**Deputy Charlie McConalogue:** The purpose of this question is to ask the Minister if she will clarify the situation regarding resource teaching hours for children with Down’s syndrome who have mild learning disabilities and if she will provide an update on whether the necessary resources will be put in place to ensure that these children will have access to dedicated resource teaching hours from September next. The children to whom I refer have not had such access up to now. The delay of one year which the Minister has announced in respect of the introduction of the new model means that they may continue to be without resource teaching hours unless she decides to make specific allocation for them. I hope the Minister will provide an update on all these matters.

**Deputy Jan O’Sullivan:** Under the existing allocation system, all pupils with Down’s syndrome, including those with mild general learning difficulties, are entitled to receive additional teaching support. Support is provided from a school’s general allocation model hours, or from an allocation of additional resource teacher hours allocated to schools by the National Council for Special Education, NCSE. In the current school year, my Department has allocated approximately 4,950 learning support-resource teachers through general allocation, while the NCSE has allocated more than 6,200 resource teachers.

I am aware that some parents, and Down’s syndrome representative organisations, are concerned that the existing system does not provide certainty as to the support their children will receive under the general allocation model because these hours are distributed locally by schools. I recently met representatives from Down Syndrome Ireland and some parents of children with

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Down's syndrome to discuss their concerns in this regard. I will be meeting with more parents this week. I will consider and review the issues which have been raised and will keep the House informed of my developing views on this matter.

**Deputy Charlie McConalogue:** I welcome the Minister's comment to the effect that she is continuing to give consideration to this matter. However, it is disappointing that a decision has not already been made. A great deal of consideration was given to this matter by the Minister's predecessor. Parents of children with Down's syndrome who are designated as having a mild intellectual disability were hopeful that the new model - about which many have serious concerns - would assist their children by facilitating the allocation of additional hours. In view of the fact that the introduction of the new model has been delayed, it is crucial that a decision should be made in the next couple of months in order that those children with Down's syndrome who are designated as having a mild intellectual disability - as opposed to those with a moderate intellectual disability, who are automatically entitled to four and one quarter hours resource teaching per week - might be facilitated. Children with Down's syndrome who have mild intellectual disabilities are treated in the same way as any of their peers who may need additional learning support. Anyone who is the parent of a child with Down's syndrome will indicate that extra supports are required. It is unfair that such parents should be obliged to go another year without such supports being provided.

I urge the Minister to make a decision to facilitate the specific provision of these supports. Will she provide an update on when a decision will need to be made in order that the necessary resources might be put in place? Will she also indicate when she intends to make an announcement in respect of this matter?

**Deputy Jan O'Sullivan:** On the question of children who are diagnosed as having mild intellectual disabilities in the context of the Down's syndrome spectrum, the position in this regard was clearly explained to me by the parents of those children. They also outlined the fact that their children need supports and greater certainty regarding the supports they obtain in school.

On when a decision will be made, I need to examine the overall position quite quickly. This is not a matter which can be allowed to lie for too long, particularly in the context of the need to make provision in respect of allocations for the next school year.

In terms of the Deputy's disappointment regarding the fact that the new model has not been implemented, it became clear to me that we were simply not ready to implement it because we lacked full information to allow us to assess the complex needs of the children involved. In addition, we would not have been able to respond adequately to concerns regarding what would happen in individual schools next September if the new model were introduced. I am conscious of the fact that there are specific issues relating to children with Down's syndrome.

**Deputy Charlie McConalogue:** I agree with the Minister on the concerns which many people harbour in respect of the new model. It is appropriate that the implementation of the latter has been delayed. I am of the view that it should be the subject of a strict examination in the context of how it will work in practice in order to ensure that it will not place certain schools at a disadvantage or lead to a deterioration in the level of support which schools and the children in question currently receive. I am particularly concerned with regard to a specific category of children, namely, those with Down's syndrome who have mild, as opposed more severe, intellectual disabilities. Brendan O'Connor recently wrote eloquently in the *Sunday Independent*

about what parents like him experience when they bring their children for assessments. Despite their best intentions, they know that if their children are diagnosed with a mild intellectual disability they will not get the support they need, whereas if the assessment results in the diagnosis of a moderate disability, they will receive 4.25 hours of assistance per week. That is a cruel situation for parents because they face the prospect that their children will not have the hours they need to reach their full potential. I urge the Minister to give this matter her utmost attention. I welcome that she met representatives from Down's syndrome Ireland recently but it is important that from this September onwards, children with a mild intellectual disability have the hours they need to develop to their full potential.

**Deputy Jan O'Sullivan:** One of the issues that emerged for me from those meetings is that while the general allocation model may have been designed to support children who have a mild disability of any kind, parents feel that it is not addressing the needs of their children. That is why it is under active consideration.

### **Special Educational Needs Service Provision**

114. **Deputy Jonathan O'Brien** asked the Minister for Education and Skills if she will provide an update on the development of a pilot scheme for the new allocation system for special educational needs resources for the National Council for Special Education, including the timeframe, the number of schools that will be involved, and the current consultation that is underway. [9096/15]

**Deputy Jonathan O'Brien:** This is a follow-up question to ask the Minister to update us on the pilot scheme for the new model, the timeframe for its introduction and the number of schools in which it will operate.

**Deputy Jan O'Sullivan:** I recently announced that I am not proposing to change the way teachers are allocated to schools for children with special educational needs for the coming school year. In the consultations, there was a broad welcome for the proposed new model from parents, disability groups, schools and stakeholders. However, there has not been sufficient time to address all of the concerns which have been raised in advance of the 2015 school year.

I have asked my Department to design a pilot of the new model, which schools could opt into on a voluntary basis. In conjunction with the National Council for Special Education and the Educational Research Centre, the Department is currently designing a pilot which could consider the impact of the proposed new model on schools. Following the completion of this work, consultation will take place with education partners. The number of schools involved and the timeframe for the establishment of the pilot will then be established.

**Deputy Jonathan O'Brien:** I welcome that the Minister will not proceed with the pilot for the upcoming academic year in light of the genuine concerns that have been raised by parents and schools. While I agree wholeheartedly with the proposals contained in the new model, these concerns have to be addressed and, given the time and resource constraints on the Department, I support the introduction of a pilot project. However, the issue that arises in respect of the pilot project is that it will be based on voluntary opt-in. I do not think any school will opt into a system which could result in the loss of resources. That needs to be borne in mind when the pilot project is being developed.

There is no doubt that we are dealing with the same number of resources but they will be divided differently. Some schools will gain and others will lose. Perhaps the Department would be willing to carry out a scoping exercise based on the principle of what you have you hold to determine the cost arising to it for a school that gets an increased resource allocation under the new model. Is the Minister willing to commit to some sort of scoping exercise?

**Deputy Jan O’Sullivan:** We have done some initial work in that regard because when we were considering whether to introduce the new model we needed to estimate how much it would cost and how it would impact schools. I do not have specific figures for the Deputy, however. One of the purposes of the pilot is to gather information about how the model would affect schools. I accept the Deputy’s point that if a school thinks it would lose resources, it might not opt for the pilot. That is something we have to consider. We have established a steering committee with NCSE, the Education Research Centre, the inspectorate, the National Education Psychological Service and the special education unit to investigate what kind of pilot could be established, how we might decide which schools to accept for inclusion in the pilot, what kind of support might be needed and how we evaluate the pilot. We are working on all of this.

**Deputy Jonathan O’Brien:** I thank the Minister for clarifying the matter. The Department has done some work on the cost of implementing the new model, under which the Minister will still be dealing with a defined allocation of resources. Under the model some schools will lose resources, while others will gain. There will also be a cost in terms of implementation. What I am asking is whether it is possible to have or whether the Minister is willing to look at a situation where schools will hold what they have. Schools which have to date used their allocated resources would hold resources they might otherwise lose under the new model. Under the new model, as we know, some schools will gain on the basis of a wide number of factors. What would be the additional cost in that regard? I am talking not only about the implementation of the new model but also looking at what we have. If we were to have the new model side by side with a situation where no school lost resources, what would the additional cost be? I am asking the Department to do this.

**Deputy Jan O’Sullivan:** We can look at what that would cost. One of the factors is that there is an increase every year in the numbers of resource teachers and SNAs on foot of demographic changes. If one was to adopt an approach where one would hold what one had, there might be an impact if the pattern were to change and a number of children with particular needs were to enter during the school year. Even if it were to hold what it had, the school might not have the resources required. It is a little more complex than this.

**Deputy Jonathan O’Brien:** Under the new model the school would receive an increased resource allocation.

**Deputy Jan O’Sullivan:** It would be based on assessed needs depending on the type of school it was. The matter becomes quite complex when one starts to look at the effect on individual schools. This illustrates one of the reasons we were not ready to bring it forward this year. We must ensure we are fair to all children. This is obviously a very sensitive issue in terms of each child’s needs, no matter what school he or she is attending.

*Dáil Éireann*  
**Other Questions**

**Industrial Disputes**

115. **Deputy Bernard J. Durkan** asked the Minister for Education and Skills the extent to which she continues to have dialogue with the teaching unions with a view to resolution of any outstanding issue relative to the junior certificate examinations; and if she will make a statement on the matter. [8824/15]

**Deputy Bernard J. Durkan:** My question seeks to ascertain the extent to which the Minister is engaged in ongoing dialogue with the teaching unions with a view to resolution of the dispute on the junior cycle and whether she expects progress to be made.

**Minister for Education and Skills (Deputy Jan O'Sullivan):** The full text of Dr. Travers's proposal document is available on my Department's website. Both sides were asked to confirm whether they accepted or rejected it as a basis for agreement. While the proposal put forward by Dr. Travers requires significant further compromise on my part, I have indicated to him that I am prepared to accept it as a basis for agreement. In doing so I acknowledged his considerable effort to achieve a fair and reasonable compromise since he was nominated for the role of independent chair by the two unions. Under the proposal, teachers are no longer asked to assess their own students for the purposes of State certification. This is a very significant measure in addressing a previous core union concern.

In not suspending their industrial action the unions have rejected the Travers proposal. I deeply regret this decision. The effect of their ongoing action is to seek to prevent teachers from participating in the continuing professional development available to give them the knowledge and support they need to do their jobs. I also regret that the unions have taken this decision without balloting their wider members on what is substantially a new proposal. No one group can be allowed to exercise a veto on educational reform. I intend to proceed with implementation of junior cycle reform based on the Travers proposal and will be working with wider education partners in so doing. I remain open to the unions revising their decision.

**Deputy Bernard J. Durkan:** I congratulate the Minister, the teaching unions and Dr. Travers on the progress and successes achieved thus far. In the Minister's opinion, has sufficient progress been made to ensure the forthcoming examinations will be unaffected by the dispute? Does she expect the educational year to proceed without interruption and does she consider it is likely to be possible to achieve results given the outstanding differences?

**Deputy Jan O'Sullivan:** With regard to this year's exams I welcome the fact that the unions have not set any further dates for strike action but they have not suspended their industrial action and therefore, we cannot be certain. However, it is my strong hope they will not proceed with any further action and that there will be no disruption this year. The unions will recognise that we are very close to the exams and it would be very important not to disrupt the schools.

I refer to the procedures for the new junior cycle proposals. English is the first subject and the new proposal commenced last September. Therefore, it will be more than a year before any school-based assessments are expected to be undertaken. Within that time period we should be able to address the issues around assessment. In the meantime the teachers have commenced implementation of the reforms in the classroom. Continuing professional development is avail-

able for teachers and I hope they will engage in that offer because it is designed to assist them.

**Deputy Bernard J. Durkan:** I thank the Minister for her further extensive reply. Will a deadline be set for achieving targets on the remaining issues? If so, is a deadline helpful or unhelpful? In her view, will such targets will be met?

**Deputy Jan O'Sullivan:** My door is open whenever the teacher unions want to reconsider Dr. Travers's proposals. I will be happy to engage with them but, as of now, I have an obligation to proceed with the reforms.

### **Value for Money Reviews**

116. **Deputy Charlie McConalogue** asked the Minister for Education and Skills her views on the value-for-money report and policy review of small schools, recently published by her Department; her further views on the report's recommendations; and if she will make a statement on the matter. [8834/15]

**Deputy Charlie McConalogue:** My question is to ask the Minister her views on the value-for-money report and policy review of small schools recently published by her Department, her intentions as a result of the publication of that report and mindful of the cuts which this Government has already implemented in small schools over the past four years.

**Deputy Jan O'Sullivan:** I consider that the report of the value-for-money review of small primary schools provides a solid research basis for future discussions regarding small schools. It outlines the number, type and location of small schools and this information is very useful in considering any reorganisation proposals. In many parts of our country, small schools play a central part in local communities, particularly in the case of remote and isolated communities. I do not agree with the report's recommendations because they do not have sufficient regard to the question of a school's role in community sustainability. Indeed, to aid the sustainability of local communities, I recently announced improvements to the staffing schedule for some small schools as well as a voluntary amalgamation protocol for one-teacher schools with reducing enrolments. My approach is to work collaboratively with any local community that wishes to reorganise provision to achieve greater sustainability. Educational quality for pupils must be the central criterion in any proposal.

**Deputy Charlie McConalogue:** The Minister is indicating that she does not agree with many of the proposals in the value-for-money report. However, the actions of her Government over the past four years would indicate a very different view. Over that time there have been systematic cuts to the pupil-teacher thresholds in small schools. One half of the number of small schools have fewer than five teachers. I refer to the very small rowing back on retention numbers which was announced recently. This is a rowing back on a very small proportion of those cuts. Does the Minister acknowledge that those cuts have had a real impact and that they will threaten the future of many schools? Will she go the whole way - as recommended by my party in our pre-budget submission - to ensure that those cuts are reversed?

I refer to the Minister's proposals on voluntary amalgamation of schools. It would seem this Government is attempting to starve schools of funding while saying to them that if they amalgamate the funding will not be a problem. The Minister is trying to starve them into submission and forcing them to amalgamate. This is in line with her policy on small schools thus far. I ask

her to comment on the underlying Government policy in this regard.

**Deputy Jan O’Sullivan:** There is a difference between isolated small schools and small schools in general. This is the reason we have made a particular provision for small schools that are more than 8 km from another school. I note the importance of this provision for the communities in question.

With regard to other small schools, the approach taken in the report is dictatorial, with a requirement that they amalgamate and do other things. I am approaching the matter in a different way, the objective being to have an agreed protocol worked out between the INTO, the management bodies and the Department. It is about having a mechanism by which schools can come together where they consider, because of the size of a school and so on, that doing so would be better for their communities and offer a better service for children. The aim is to have a facility whereby local communities can begin considering, when pupil numbers fall below 25, what their options are and what is best for them. That is a better approach than forcing certain actions on communities.

**Deputy Charlie McConalogue:** The reality is that the Government is seeking the closure and amalgamation of many small schools. That is what the Department’s policy has been designed to achieve. The Minister may talk about a voluntary protocol, but the protocol the Government has followed has involved cuts to pupil-teacher thresholds such that half of primary schools which have four or fewer teachers have seen posts lost and there has been no reinstatement of these posts where student numbers have increased. Alongside this, we have seen a failure to pay essential grants to these schools, grants which are even more important for smaller schools than for larger ones. That is what the Government has delivered.

The Minister talks about a conversation, communication and agreeing voluntary protocols. At the same time, however, she is saying that if the decision is made to close and amalgamate, funding will not be a problem. That is the first time any of these schools has heard this from the Minister or her predecessor. Only if they decide to close or amalgamate will funding not be a problem. In the meantime, it will be a big problem and they will be starved of resources and teachers. That is the reality. The Minister claims she is not implementing the recommendations made in the review, but, in fact, her intention is to do just as it recommends, namely, deliver the closure and amalgamation of small schools. We need a reversal of the approach which has been the hallmark of the Government in education for the past four years.

**Deputy Jan O’Sullivan:** The first point to make is that we will not force any small school to close. Second, one of the reasons for the cutbacks across all Departments in recent years was the damage caused by the Deputy’s party to the economy before we took office. All Departments had to cut expenditure and my Department was no exception. We have since restored some of the grants to which the Deputy referred. The minor works grant, for example, which gives a set amount to all schools, plus some more depending on the number of students, has been restored to schools, as have several other funding streams.

With regard to funding for amalgamations, if there are specific aspects whereby amalgamation requires extra funding, whether it be where there are two principals or any of the number of issues that can arise when two schools come together, it is perfectly feasible that the Department would assist in that regard.

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## Data Protection

117. **Deputy Charlie McConalogue** asked the Minister for Education and Skills the status of ongoing discussions between her Department and the Data Protection Commissioner on data protection issues relating to the primary online database; and her plans to remove funding to schools for pupils whose parents do not wish to include their details in the primary online database. [8835/15]

**Deputy Charlie McConalogue:** This question refers to ongoing discussions between the Department and the Data Protection Commissioner on data protection issues relating to the new primary online database. Will the Minister elaborate on her plans to remove funding from schools for pupils whose parents do not wish to include their children's details in the database? There is much concern about how schools will be treated in terms of funding and teacher numbers where parents decline to provide the information. It behoves the Minister to do her best to clarify this issue today because there are many questions and a great deal of confusion surrounding it.

**(Deputy Jan O'Sullivan):** The Department has received a number of comments on and queries about certain aspects of the primary online database, POD, including the retention period for POD data and other data protection concerns. The Department is taking this feedback very seriously and considering the submissions received from parents and other stakeholders. The Department is consulting the Data Protection Commissioner's office and once this evaluation is complete, we will issue an updated circular on the POD.

From the 2016-17 academic year, it is intended that teacher allocations and capitation grants will be made on the basis of POD data. The previous basis for allocations, the national annual school census, will cease operation from that point. The Department will endeavour to work with schools and parents to help to avoid the loss of funding or resources. However, there is no mechanism for separate payment and allocation to schools for pupils that are not in the primary online database. From a practical point of view, it is difficult to see how such a system could work in practice.

**Deputy Charlie McConalogue:** I thank the Minister for her response. This issue has been poorly handled by the Department of Education and Skills from the outset. It appears as though it went about seeking this information without first clarifying and seeking authority from the Data Protection Commissioner in terms of assurances that what the Department was doing actually complied properly with the Acts. Is it correct that it is now the Department's intention to revise the circular it already has sent to schools in this regard? Yesterday, a solicitor and outspoken critic of the Department's approach, Mr. Simon McGarr, received a refusal to his FOI request on this issue because he was informed it is now the Department's intention to revise the circular it provided to schools as to how this issue could be dealt with. From the Minister's response today, am I to take it that those schools that are concerned their teacher numbers or funding may be cut because they cannot get full information from parents, who are concerned about providing this information, are correct? Am I to take it that the funding and teacher numbers of those schools could be cut if parents continue to have concerns about providing this information? In addition, the Minister should clarify what information is essential and must be provided by parents for a school to be able to get the full funding and teacher numbers it requires.

**Deputy Jan O'Sullivan:** As this information will be used in the 2016-17 academic year, we have a period of time in which to address these issues. I questioned the reason the infor-

mation requested under FOI was not given and I understand it was because it is normal, when deliberations are ongoing, that FOI requests are not granted. In other words, this matter remains under discussion, is not a final and set policy, if one likes, and this, therefore, is the reason the information was not forthcoming.

In general, the gathering of this information is not for any nefarious purpose but is for genuine planning purposes in the education system. We have had a POD in place at post-primary level for years and it provides useful information such as, for example, the retention figures at school. This kind of information comes out of the POD and is very useful in terms of planning and so on. People need to understand this has already been in place at all other levels, apart from further education, and that is the only purpose for which the Department of Education and Skills seeks the information.

**Deputy Charlie McConalogue:** Over time, people are becoming increasingly concerned and protective as to how personal information is provided and regarding the purpose for which it is used. Parents are aware that information gathered under the POD system, to which schools also will have access, will be retained by the Department until the child is 30 years of age. That behoves the Department to ensure the way it goes about establishing this system is done correctly. Unfortunately, what I appear to be hearing from the Minister and what Members appear to be gathering is that the circular provided to schools, on which they were asked to collect this information from parents, is now being revised because the Department of Education and Skills did not get it correct in the first place. If this is the case, it is a matter of concern. Can the Minister clarify whether this is the case? Does the Minister intend to issue another circular revising the terms and conditions for the POD and for which schools have been asked to collect this information from parents? If this is the case, why has the Minister not asked for a pause in respect of the collection of this information? It is important that this point be clarified and that reassurance be given to the many people who have concerns as to the type of information that is being gathered and how it will be kept for a significant number of years.

**Deputy Jan O'Sullivan:** To answer the Deputy directly, the Department is consulting with the Office of the Data Protection Commissioner and once this evaluation is complete, the Department will issue an updated circular on the POD. I already have stated publicly I would reconsider one issue, namely, the length of time the data are held. It is one of the issues under consideration.

### **Schools Inspections**

118. **Deputy Patrick O'Donovan** asked the Minister for Education and Skills in view of her reply on the carrying out of whole-school evaluations, WSE, and specifically on the physical infrastructure and conditions within schools, if she is satisfied the WSE format adequately reflects the ability of teachers to properly deliver the curriculum at primary and secondary level in view of the physical condition of the school or classroom; and if she will make a statement on the matter. [8739/15]

**Deputy Patrick O'Donovan:** This question relates to the carrying out of whole-school evaluations and the inspection of school buildings as part of the evaluation. The inspection is supposed to examine the teaching and learning experience. In many cases the physical conditions of many of our classrooms is a deterrent to teaching and learning.

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**(Deputy Jan O’Sullivan):** I am conscious that the physical environments of the classroom and the school play an important role in ensuring good quality teaching and learning can take place in schools. That is why my Department is investing in building new schools and improving existing buildings.

Almost €2 billion in funding is being invested under our five-year capital plan. Almost 320 major school and over 830 small school projects have been approved to replace inadequate infrastructure and provide much needed additional capacity. Since 2012, new classroom accommodation has been delivered for more than 75,000 pupils across the country. Under the minor works grant scheme, over €28 million was approved in December to enable primary schools to undertake repair and improvement works. In addition, over 770 schools have benefited from the funding of over €70 million invested in the 2014 summer works scheme.

WSE is a robust and fair model of inspection. I am satisfied it accurately reflects the work done in schools to deliver the curriculum at primary and secondary levels. When inspectors identify serious shortcomings in school facilities, these matters are raised directly with the school authorities and brought to the attention of the Department’s planning and building unit.

**Deputy Patrick O’Donovan:** I know from a previous parliamentary question on this matter that three issues were raised with the Department’s building unit in respect of WSE visits which I find remarkable. While the schools building work the Department is doing is welcome, there are cases in some classrooms where five children have to move to allow one to go to the toilet. The delivery of the curriculum has to be paramount but the physical infrastructure of a school is important to do so. Many schools built multi-purpose halls several years ago. However, as their enrolment numbers have increased, they have been told by the Department to convert these rooms into classrooms by partitioning them. This impacts on the delivery of the curriculum.

The one arm of the WSE does not know what the arm of curriculum development is doing. In the course of the past 18 months, three serious issues were detected in this regard. While I accept funding is a problem, in my part of County Limerick, which the Minister knows, I can identify three issues in my parish which need to be addressed.

**Deputy Jan O’Sullivan:** The main issue the Deputy has raised is the physical structure of the school buildings. A new five-year capital programme will be announced in the middle of this year. In advance of that, I will be considering the condition of school buildings around the country. I want to secure the most funding I can for this capital programme. Despite the economic difficulties, the Deputy will acknowledge that over the past five years much progress has been made with school buildings such as the replacement of prefabs, etc. This was largely under my predecessor’s watch, and I have continued.

Inspectors have, albeit only in a small number of cases, referred issues specifically to the building unit in the Department. The inspectorate’s primary purpose is around the education, learning and teaching in schools, however. That has to be its primary focus.

**Deputy Patrick O’Donovan:** I agree with the Minister that the inspectorate’s main role is to evaluate teaching and learning. It still beggars belief, however, that the Department’s inspectors can close their eyes to the physical environment where children are literally wedged into classrooms. If a fire officer went into some of these classrooms in question, he or she would condemn them. In any other aspect of the public sector, I do not believe the unions would have their members working in some of these environments. While I acknowledge the work done by

the Department in this regard, some school buildings are still absolutely appalling.

*3 o'clock*

It behoves us as Members of the Dáil to ensure that the Minister gets the maximum amount of capital money to ensure there is a capital programme in place.

There is no point in us developing a curriculum through the National Council for Curriculum and Assessment if it is only a box-ticking, window-dressing exercise which cannot be delivered. There are schools all over the country that do not and will not have multi-purpose halls, and children are expected to do physical education, social, personal and health education, SPHE, music, drama - you name it. It is not physically possible to deliver this, yet WSEs are being carried out all over the country and for some reason the inspectors seem to think there is no problem. I agree that the teaching and learning aspect is where they are coming from but how could schools be passing WSEs all over the country when the physical infrastructure is wholly inadequate? That is where this is falling down, and if the inspectorate were empowered to do more and had a freer hand it would strengthen the Minister's hand with the Department of Public Expenditure and Reform.

**Deputy Jan O'Sullivan:** They are not stopped from suggesting there might be physical infrastructure problems but it is not a core part of their function to examine the physical infrastructure. A lot of the money that was in the last five-year plan was allocated to address demographic factors and therefore to schools for children in areas of growing population. I understand we will have more funding in the next plan for existing schools where there is overcrowding, etc. I visit schools all time and regularly go into classrooms where I am told and can see that there is not enough space for the children. We want to focus on those areas in our next building programme.

### **Special Educational Needs Service Provision**

119. **Deputy Mick Wallace** asked the Minister for Education and Skills the reason there is no consistent policy regarding individual education plans in operation in schools for children with special needs as per the Education for Persons with Special Educational Needs Act 2004; and if she will make a statement on the matter. [8776/15]

**Deputy Mick Wallace:** There are no consistent policies regarding individual education plans operating in schools as per the Education for Persons with Special Educational Needs Act 2004, EPSEN. Might the Minister indicate when she is going to ensure that individual education plans become standardised and fully operational in schools?

**Deputy Jan O'Sullivan:** At present, all schools are encouraged to use education plans. The departmental inspectorate's advice is that the majority of schools are now using some form of individual education planning for children with special needs. In line with circular 30 of 2014, schools are required to put in place a personal pupil plan including a care plan for all pupils availing of SNA support.

In light of the very difficult economic situation and the significant costs involved in fully implementing the EPSEN Act, the previous Government deferred the full implementation of the Act. A number of sections of the Act have been commenced, including those establishing

the National Council for Special Education and those promoting an inclusive approach to education of children. However, the Act's provisions concerning individual education plans have not yet been commenced. It is intended to bring into effect many of the good ideas contained in the Act, on a non-statutory basis initially, through policy developments across a range of areas, in conjunction with the NCSE policy advice.

**Deputy Mick Wallace:** We have been told in this Chamber on many occasions that the Government has not cut resources in this area but, as the Minister knows well, demand has risen dramatically. The children who are now suffering the most are the new ones coming into schools. They are already starting off on a weak footing, given that there is no SNA support for children in the preschool year. Not only are they at a disadvantage at the ages of three and four, they are falling further behind because the Government is not prepared to put SNA support into the free preschool year. It beggars belief that those who most need the Minister's help are getting the least of it at this stage. We all know what early investment means and how vital it is. It would be a bit like the Government coming up with a housing policy and building some social houses but deciding to put the homeless at the bottom of the list and let them wait the longest.

**Deputy Jan O'Sullivan:** On the preschool year again, there is a cross-departmental group established by the Minister, Deputy Reilly, who has responsibility for the funding of the free preschool year. My responsibility is for the educational content of the early years and I have a number of measures in that regard, which I outlined in answer to an earlier question. There are no special needs assistants in preschool. Certain supports are provided by the HSE at that level but it is not directly under the Department of Education and Skills. It would not be within our power to establish special needs assistants in preschools.

However, in a recent circular, we indicated clearly that children who have special needs assistants must have individual care plans but it is in the school system and I think the Deputy's question was more about the preschool system.

**Deputy Mick Wallace:** A big problem is that the Minister is leaving much of it to individual schools and this can lead to patchy outcomes and a lack of proper planning and accountability. There is no mandatory obligation on schools to implement the recommendations of the report, as the Education for Persons with Special Educational Needs Act has not been implemented in full and special educational needs organisers do not even attend the individual education plan, IEP, process for that reason. There is no mandatory requirement on schools to provide IEPs and many do not provide them.

A more hands-on approach is needed, as is a more centralised policy. Firmer guidance must be put in place by Government. Some schools will come up trumps, while others will not. Unless the Government is prepared to implement the Education for Persons with Special Educational Needs Act in full, then children will continue to be left short. The Minister knows that if the money was allocated to this, it would make a massive difference to these children because they are the most vulnerable of all. They keep falling behind because the Minister argues she does not have the money to look after them.

**Deputy Jan O'Sullivan:** On the question of money, in the last budget, for example, there was a considerable increase in the number of resource teachers and special needs assistants. That has been the case for a number of years and I am sure it will be the case again next year.

As the Deputy knows, the National Council for Special Education has put forward a pro-

posed new model of allocation of resources. We will not implement that next September because we do not have all the data we require to do it properly. However, we will introduce a pilot scheme and I think that will provide us with an opportunity to evaluate the effect on individual children of the way in which the current system is implemented.

Between the general allocation model and the specific allocations that come through the National Council for Special Education, there has been a considerable yearly increase in the resources available in this area. However, I acknowledge more work needs to be done. When we have a debate on the implementation of the new model, that will allow us to take a more comprehensive approach to children with special educational needs in schools. That is what the Deputy is looking to achieve.

**Deputy Jonathan O'Brien:** I agree completely with Deputy Wallace. The other issue is the number of National Educational Psychological Service, NEPS, psychologists available. I recognise the number has increased under this Government. I think it has gone back up to the 2011 number. However, when NEPS psychologists go on maternity leave or are out sick, they are not replaced. Therefore, we never have a full allocation of NEPS psychologists available and that is having an impact on the number of assessments, which lead to IEPs being put in place, that can be carried out. That area needs to be addressed.

**Deputy Jan O'Sullivan:** I am glad the Deputy acknowledged we brought the numbers back up. When explaining that we would not introduce the new model this year, I announced that we would have a sort of one-stop-shop in regard to these kinds of supports. Therefore, the NEPS, the National Council for Special Education and other supports available will all be in the one area and people will not have to move around different sections of the Department to gain the support and the information they need. One of the things that struck me when consulting parents in regard to special educational needs allocations was that sometimes there is a lack of knowledge because until a parent has a child with special needs, he or she will have no reason to know this information. We need to improve the information we give to parents.

## **Education Standards**

120. **Deputy Ruth Coppinger** asked the Minister for Education and Skills if an analysis has been conducted to assess the impact of the reduction in the number of teachers and special needs assistants on education standards; and if she will make a statement on the matter. [8830/15]

**Deputy Ruth Coppinger:** Has an audit been done on the impact of austerity on education and on the hundreds of teachers and special needs assistants taken out of schools over the past number of years by the previous Government and by this one? Will the Minister make a statement on that?

**Deputy Jan O'Sullivan:** While no specific assessment, as referred to by the Deputy - although she did not use the term "austerity" in her question - has been done we measure education standards through published national and international assessment and monitoring of standards. In this regard, I have welcomed the recently published report on the 2014 national assessments of English reading and mathematics, which shows us that literacy standards have improved across the system, in both DEIS and non-DEIS schools. This is also borne out in recent international benchmarks, notwithstanding the fiscal situation. In the context of measuring

education standards, the Deputy should note that SNAs are allocated to schools to enable them to support pupils with disabilities who also have significant care needs as distinct from educational needs. Any discussion about the impacts of budget measures has to be considered in the context of the over-riding requirement to stabilise the public finances and move the country onto a pathway of growth. This is the most sustainable way of protecting education standards into the future. It is important to note that additional teaching resources have been provided to schools to cater for increased demographics and also to provide for pupils with special needs. Over the last two years, teacher numbers have increased by approximately 2,300 posts. Budget 2015 includes provision for 1,700 additional teachers and SNAs in our schools in the coming school year. This is a very significant investment at a time of scarce resources. The challenge for all our schools is to maximise what is achieved with the resources that are provided to them.

**Deputy Ruth Coppinger:** There have been improvements in reading and mathematics. One principal has sent an e-mail to me asking what the reward for teachers and schools has been. It has been a continuation of cuts that were brought in by Fianna Fáil in the previous Administration, but which were then added to by the current Government, such as a 15% cut in resource teaching hours. The reversal of the cuts has not applied to teaching English as an additional language, which particularly affects areas like my own, where 25% of the population hails from outside Ireland. There has been no reversal of the resource teaching cuts for Travelers, or of cuts to the number of counsellors. While the Minister has said that there has been an increase in the last year, that in no way makes up for the cuts that have taken place since 2009. Is the Minister trying to say we are at pre-crisis levels? The basis for those cuts was that we were in a bailout situation. The Minister is saying we are in a recovery, so when will teaching staff be restored and when will SNAs be restored to pre-recession levels?

**Deputy Jan O'Sullivan:** In the last two years, teacher numbers increased by 2,300 posts and the number of SNAs and resource teachers increased by 1,700. For the first time, we had an increase in the overall education budget last October. That is an indication of progress. We have gone through very difficult times, but we have turned the corner. Perhaps that indicates that some credit should be given to the Government in terms of the policy that has allowed us to recover our economic sovereignty and start putting money back into areas like education. With regard to the area of special needs, a new model has been proposed. That is under consideration. Areas like the kind of supports to be offered to children with special needs will be part of that. We will introduce it at first on a pilot basis. I will be announcing details of that shortly. It was discussed earlier. The new model will not be introduced, apart from as a pilot programme, by next September.

**Deputy Ruth Coppinger:** It is despicable that the previous Government, which brought the troika into this country, particularly targeted children, as the UNICEF report clearly indicated, and gutted the education system with, for example, 100 primary school teachers lost around that time in Dublin West. The present Government has continued to make children and education pay. For example, 98% of second level schools have had to drop subjects. Approximately two teachers have been lost per school. Class sizes are much larger, meaning that there is a mix of levels, and yet the Minister expects teachers to implement a new junior certificate regime. Subjects like accountancy, physics, economics and chemistry, which we keep hearing are essential for foreign direct investment, are the very subjects that are being dropped most in schools when cuts have to be made. Some 30% of schools are losing their guidance counsellors, which seems bizarre in a country with one of the highest levels of youth unemployment. It seems that schools and children are still being made to pay. We heard at the Labour Party conference at

the weekend that austerity ended when the troika left. What an insult.

**Deputy Jan O’Sullivan:** No matter how often the Deputy repeats that mantra, we have had extra teachers and SNAs-----

**Deputy Micheál Martin:** That is the demographic dividend.

**Deputy Jan O’Sullivan:** -----and for the first time, we have seen progress in terms of international measures, in mathematics and English in particular. We have reached targets now that we were not supposed to reach until 2020. We have also been improving in terms of retention figures in schools and the number of young people who stay on until the leaving certificate. It is all very well to keep repeating these slogans, but they do no good for anybody. I am giving figures that show improvements with regard to education.

**Deputy Ruth Coppinger:** Will the Minister restore all those cuts to teachers now?

### **Estimates for Public Services 2015: Message from Select Committee**

**An Leas-Cheann Comhairle:** The select sub-committee on the Department of the Taoiseach has completed its consideration of the following Revised Estimates for public services for the service of the year ending 31 December 2015: Votes Nos. 1, 2, 3, 4, 5 and 6.

### **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 Mattie McGrath -

the discriminatory practice by property insurers of withholding cover to landlords willing to accept tenants in receipt of rent allowance;

(2) Deputy Pádraig Mac Lochlainn - concerns regarding both breast cancer and urology services at Letterkenny General Hospital, County Donegal; (3) Deputy Michael Fitzmaurice -

the funding requirement for fabrication operators to comply with more compliance;

(4) Deputy Pat Rabbitte - the need to allocate responsibility for the national drugs strategy to an existing Minister of State;

(5) Deputy Martin Ferris - structural and design changes in the new forestry programme;

(6) Deputy Anthony Lawlor -

the need to develop a comprehensive service of autistic spectrum disorder classes for children with autism at post primary level to meet demand;

(7) Deputies Terence Flanagan, Thomas P. Broughan, Seán Kenny and Finian McGrath -

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job losses at the Cadbury's factory in Coolock, Dublin;

(8) Deputy Caoimhghín Ó Caoláin - increasing the powers of HIQA to investigate complaints so that it might prevent vulnerable people being put at risk; (9) Deputy Paul J. Connaughton -

the need to accommodate people due to finish on community employment schemes who are nearing retirement age;

(10) Deputy Seán Conlan - the importance of retaining the Department of Social Protection offices in Ballybay;

(11) Deputy Peadar Tóibín - the increasing number of house repossessions in County Meath;

(12) Deputy David Stanton -

the need to develop marine tourism in Youghal, County Cork; (13) Deputy Aengus Ó Snodaigh - Pobal's decision to discontinue the funding of €200,000 for sports centres at St. Michael's, Inchicore and Clogher Road, Crumlin resulting in job losses;

(14) Deputy Mick Wallace -

the need to extend the terms of reference of the Fennelly commission in light of allegations of unauthorised bugging of witnesses;

(15) Deputy Clare Daly -

the need to extend the terms of reference of the Fennelly Commission in light of allegations of unauthorised bugging of witnesses;

(16) Deputy Richard Boyd Barrett -

the proposal to submerge the Dublin fire brigade ambulance service under HSE ambulance service;

(17) Deputy Seán Ó Feargháil -

the proposed takeover of the Dublin fire brigade ambulance service by the HSE;

(18) Deputy Brendan Smith - the assassination of former Russian Deputy Prime Minister, Boris Nemtsov;

(19) Deputy Colm Keaveney - the overcrowding crisis in emergency departments which is compromising patients' dignity;

(20) Deputy Brendan Griffin -

the need to upgrade the N22 Kerry to Cork road;

(21) Deputy Maureen O'Sullivan - the need to ring-fence funding for the school completion programme;

(22) Deputy Dessie Ellis - the need to bring rent certainty to the private residential rental market;

(23) Deputy Niall Collins -

the need to address the dramatic rise in repossession orders before the courts;

(24) Deputy Dan Neville -

the need to address the issue of Lyme disease;

(25) Deputy Robert Troy -

the plans to reform the system of guardian *ad litem*;

(26) Deputy Ruth Coppinger -

the sale of the State's shares in Aer Lingus; (27) Deputy Joe Higgins -

the sale of the State's shares in Aer Lingus;

and (28) Deputy Paul Murphy -

the sale of the State's shares in Aer Lingus.

The matters raised by Deputies Martin Ferris, Dan Neville, Colm Keaveney, and Terence Flanagan, Thomas P. Broughan, Seán Kenny and Finian McGrath have been selected for discussion.

### **Leaders' Questions**

**Deputy Micheál Martin:** I wish to address the issue of mortgage arrears, particularly family homes in danger of imminent repossession and legal actions pertaining to same. The scale of the problem is still enormous. Over 118,000 family homes are in arrears and about 37,400 family homes have been in arrears for more than two years. The latter group of family homes is in imminent danger of repossession because we have witnessed since the beginning of 2015 a wave of repossession applications and court actions across the country. Every Deputy could relate their own court system in their area. In Cork alone this week another 100 cases, between yesterday and tomorrow, are listed. Some 208 cases are listed for Limerick on Friday alone. That is just to name two examples. Up to 8,000 cases were in the courts last year, 2014. It seems that the banks have become emboldened by the property price increases. The value of the houses is going up, so they can now get back all of their exposure. They are prioritising that issue over sustainable solutions for families. We have all met families in which both parents are working, some in State jobs, yet which are being pursued in terms of the house being repossessed, with no real engagement on the part of the banks regarding sustainable options, through split mortgages, debt for equity swaps or other solutions.

My colleague, Deputy Michael McGrath, has put forward the Family Home Mortgage Settlement Arrangement Bill to be debated in Private Members' time tonight and tomorrow night. It would utilise the existing personal insolvency structure and personal insolvency practitioners to deal with the issue in a sustainable way. Last month, the Taoiseach stated he was not happy at the way in which the banks were ignoring personal insolvency practitioners in mortgage cases. I put it to him that, all along, the Government's policy has been to give the banks a veto

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to dictate the pace, shape and nature of arrangements. It is time to call a halt to that policy as it has not worked. The personal insolvency framework has been woefully underutilised in only 199 cases. Of these, we do not know how many were related to family mortgages, yet 118,000 families are in arrears. We are being constructive in utilising the existing structures with a view to diluting the banks' veto and ensuring personal insolvency practitioners can bring sustainable solutions to the court, which could make orders to give them a chance to work. It is time to end the banks' veto. The Government's policies have not worked.

**The Taoiseach:** The first thing is that there is certainly no harm in talking about these issues.

**Deputy Finian McGrath:** We have been talking about them for four years.

**The Taoiseach:** What has been put forward by Deputy Micheál Martin's party is not a solution because it would refer all of these cases to a court of law. The fact of the matter is that the solution about which Fianna Fáil is talking in its Bill would not actually deal with the 37,000 cases in which there has been no engagement with the banks at all. In the vast majority there has not been any engagement. Fianna Fáil's intention is to impose a solution from its perspective that actually would be unconstitutional. It wants all of these cases sent to court-----

**Deputy Mattie McGrath:** How could it be unconstitutional? Every excuse is being made.

**The Taoiseach:** -----and a decision to be made by the Circuit Court.

**Deputy Michael McGrath:** Insolvency judges. The Taoiseach is misleading the House.

**The Taoiseach:** If Deputy Micheál Martin makes an assumption that there will be a free for all in terms of write-downs-----

**Deputy Michael McGrath:** That is nonsense.

**The Taoiseach:** -----it is tantamount to saying to people they should not have to make their repayments at all.

**Deputy Mattie McGrath:** Nonsense.

**Deputy Peter Mathews:** Who said "free for all"?

**The Taoiseach:** I assume that is not what Deputy Micheál Martin is on about. The reason the Government has had to restructure the banks and the Government had to set up the personal insolvency agency was the carry on in previous years. We went through that issue on a number of occasions. It is true to say headway and progress are being made. Since the personal insolvency agency has been set up, it is disappointing I suppose that not as many cases have gone through as one might have expected, but it is also encouraging to see that since this happened, the banks are engaging to a far greater extent.

**Deputy Peter Mathews:** Says who?

**Deputy Mattie McGrath:** They pretend to.

**The Taoiseach:** The number of cases in arrears for in excess of 90 days has fallen by over 17,500 accounts when compared with the figure for 2014. In each of these cases it means that a borrower and a lender were able to sit down with the personal insolvency agency and what-

ever other practitioners were operating to work out a solution that would give them a sense of security and certainty in their situation. In August 2013 there were 2,500 split mortgages put in place. There are now 20,500.

**Deputy Peter Mathews:** That is a joke.

**The Taoiseach:** That shows the extent of the solutions reached when there is engagement between the borrower and whoever is the lender. During the same period, for Deputy Micheál Martin's information, the number of permanent restructures for family homes by the six main banks increased from 41,000 to 91,000. That is 50,000 family homes in respect of which agreement was reached on a sustainable solution for the future to give them a degree of certainty, but I admit we are not seeing the same progress being made in the most difficult cases - those in arrears for more than two years. The Bill being put forward by Deputy Michael McGrath does not deal with these people. I admit, of course, that it is right and proper to talk about these issues-----

**Deputy Mattie McGrath:** Who gave the banks a veto?

**The Taoiseach:** -----but the Minister for Justice and Equality is in the process of finalising an engagement following a meeting we had with the personnel involved which she will bring forward shortly. The review of insolvency legislation covers bankruptcy where the banks have no veto, as well as insolvency. It has included discussions and engagement with the official assignee, the PIPs, FLAC, MABS and the Irish Mortgage Holders Organisation. The Minister is going to bring it forward very shortly-----

**Deputy Róisín Shortall:** Another review.

**The Taoiseach:** -----because we need to be in a situation where, at the end of the day, only the very smallest number of cases - I want to see no house lost - cannot have solutions worked out for them.

**Deputy Micheál Martin:** Those in mortgage arrears should not have to go bankrupt. We do not want to go there, but that is what the Taoiseach is suggesting.

**Deputy Peter Mathews:** Correct.

**Deputy Micheál Martin:** The Taoiseach has a wonderful use of language. He stated, "it is disappointing I suppose..."

**Deputy Mattie McGrath:** "Is mise an múinteoir."

**Deputy Micheál Martin:** I remember when the personal insolvency Bill was produced. The then Minister, Deputy Alan Shatter, and the Taoiseach claimed that it was historic and would do wonderful things. There have been 199 settlements. Of these, we do not know how many relate to family mortgages. There are more than 118,000 people in arrears. The Taoiseach says there is no harm in talking about the issue. In the name of God, of course, there is not. What kind of ridiculous assertion is that? The issue is very serious and I invite the Taoiseach to visit some of the courts to see the length of the lists.

**Deputy Bernard J. Durkan:** The Deputy forgets the state Fianna Fáil left the country.

**Deputy Micheál Martin:** Last week a couple approached me. They were both working in

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State jobs, with the potential for reasonable longevity.

**Deputy Derek Keating:** Did the Deputy tell them about how Fianna Fáil had let them down?

**Deputy Micheál Martin:** I admit they were at the lower end of the income scale-----

**An Ceann Comhairle:** A question, please.

**Deputy Micheál Martin:** -----but they were at the end of their tether because of their engagement with the bank, not the other way around. I hated the Taoiseach's assertion last week and the implication - I hope he is not doing it again today - that somehow it was all the fault of the person who held the mortgage.

**Deputy Mattie McGrath:** He is.

**Deputy Arthur Spring:** That is ridiculous. It is Fianna Fáil's fault.

*(Interruptions).*

**Deputy Micheál Martin:** I hear time and again that people with mortgages are anxious to have sustainable solutions, but there is no engagement from the other side. The fundamental problem is that, as many people know, the banks hold all of the cards. They have a veto.

**Deputy Mattie McGrath:** The full deck, including the joker.

**Deputy Micheál Martin:** That is the fundamental problem and why, in some instances, they may not be engaging.

**An Ceann Comhairle:** I am sorry, but will the Deputy put his question?

**Deputy Micheál Martin:** It is time to end the veto in a reasonable and balanced way. We are conscious of issues that flow from this, but the Bill that will be debated this evening is balanced. The Taoiseach should show good grace. The former Minister, Deputy Alan Shatter - I read his speeches on Second and Committee Stages before I came to Leinster House today - said the Government would not be slow in refining the legislation if the banks proved to be lacking in terms of constructive engagement and so on. It is time to act on the commitments given when the original legislation was debated in the House. The Government should give our legislation a fair hearing, take it on board on Second Stage and allow it to be worked through on Committee Stage if Dáil reform is to mean anything and the Government has a genuine commitment to engaging on issues.

**An Ceann Comhairle:** We have gone way over time.

**Deputy Micheál Martin:** I am not talking about there being no harm in talking about this matter. I want real engagement on the substance of the points raised in the legislation that will be before the House this evening if this Parliament is to mean anything and be relevant to the hundreds of cases going through courts across the country weekly.

**The Taoiseach:** Of course, the Deputy does.

**Deputy Timmy Dooley:** But the Taoiseach does not.

**The Taoiseach:** The reason we have had to do all of this is the mess Fianna Fáil left behind.

**Deputy Mattie McGrath:** Change the record.

**Deputy Bernard J. Durkan:** Loss of memory.

**Deputy Derek Keating:** The truth hurts.

**Deputy Mattie McGrath:** The Government keeps going back to it. The electorate will love it for it.

**The Taoiseach:** Fianna Fáil's solution, in fairness to it, is to put forward a proposition that is unconstitutional.

**Deputy Timmy Dooley:** Explain that statement.

**The Taoiseach:** Fianna Fáil wants all of these cases to be transferred into the Circuit Court to deal with the issue of debt. That is what it wants to do.

**Deputy Micheál Martin:** We want to find solutions.

**The Taoiseach:** What I am saying to the Deputy is that Fianna Fáil's Private Members' Bill does not deal with the most difficult cases in which there has been no engagement between banks and borrowers. That is where the solution needs to be found.

**Deputy Peter Mathews:** The banks refuse to talk; that is why.

**The Taoiseach:** I have pointed to the 50,000 cases that have been restructured to the satisfaction of both the borrower and the lender. This gives certainty and clarity in the time ahead.

**Deputy Mattie McGrath:** One-way traffic.

**The Taoiseach:** I say to Deputy Micheál Martin also that in 2014 there were 448 bankruptcy adjudications, of which 95% were sought by the debtors. Nobody wants to see a family home being lost, which is why it is important that the banks which know who the 37,000 are should inform them of the availability of the personal insolvency agency. The former Minister, Deputy Alan Shatter, worked exceptionally hard to put it in place. The people involved need that solution.

**Deputy Micheál Martin:** It is not being utilised.

**The Taoiseach:** Let us hope it will be used more in the time ahead.

**An Ceann Comhairle:** I am sorry, but we are over time.

**Deputy Micheál Martin:** The Taoiseach stated he was not happy. He brought them in for a chat, the time for which has come to an end.

**An Ceann Comhairle:** Will Deputies, please, recognise the Chair?

**The Taoiseach:** The Minister is completing the review. She will bring it here after having all of the discussions.

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

**The Taoiseach:** It will be constitutional, unlike what Fianna Fáil is proposing.

**An Ceann Comhairle:** It is unfair to others, including the Technical Group which comes last, when Deputies go over the time consistently. I am told that it is cut off on television, which is unfair to the Technical Group, in particular, Deputy Gerry Adams and others who are trying to stick to their time limits. Will Deputies, please, stick to their time limits? They are well known at this stage after four years.

**Deputy Gerry Adams:** Last week, following threats to republican families in south Armagh who have been forthright in their support for the PSNI and their opposition to criminality, a booby trap bomb was left close to the home of a local Sinn Féin leader, Frank McCabe. Francis McCabe Jnr, whose only offence is that he is from a republican family, and who is a good, decent, hard working man and a good neighbour, was seriously injured. As the Taoiseach will be aware, issues in the North, especially in the Border area, are generally seized upon by some politicians here to attack Sinn Féin. In this instance, bhí siad go han-chiúin but this was a serious attack and an attempt to kill and it was an attack on the peace process. As far as I can gather, the Government has been silent. Those involved are a small number of criminals who are responsible over the years for the killing of volunteer, Keith Rogers, the beating to death of Paul Quinn, the murder of Garda Adrian Donohoe and the wounding of Michael Bellew recently. They have also threatened the lives of Conor Murphy MP and another republican family, the Carraghers.

Will the Taoiseach condemn the attempt to murder Francis McCabe Jnr? Will he ensure adequate resources are given to An Garda Síochána to investigate properly the activities of these criminals? Will he ensure that there is full co-operation with the PSNI and that the PSNI does what it is paid to do? Will he use this occasion to send a clear message of support and solidarity from this Government to the people of north Louth and south Armagh that it stands with them in their opposition to criminality and in support of their right to a policing service that protects them and their neighbours?

**The Taoiseach:** I condemn unreservedly the attempt to murder Francis McCabe. I condemned those who murdered Paul Quinn and Garda Adrian Donohoe unreservedly. I pledge that the Government will see to it that resources are made available to the Garda and that it continues to have full co-operation, as it does, with the PSNI in the pursuit of criminal activities of any description but most particularly in pursuit of those involved in the most serious crime, which is the murder or attempted murder of any individual. Obviously, the Deputy may have some more information about the particular individuals involved and I am sure he will have given that to both the Garda and the PSNI. The short answer to his question is that the Government is concerned about this, condemns it unreservedly and will continue to liaise with the Garda Commissioner in managing co-operation between the Garda and the PSNI. The resources required to deal with these individuals and this serious criminality will be made available to them.

**Deputy Gerry Adams:** Go raibh míle agat. I thank the Taoiseach for his reply but the silence from the Government on this issue was noted in south Armagh. I was there on Sunday at the commemoration for the two Brendans. It turned into a huge gathering in defence of neighbours and against these criminal attacks. The ongoing effort to demonise north Louth and south Armagh and the good people there needs to stop. I know that some of those who are engaged in these attacks have masqueraded as republicans but they are not republicans. There is a strong suspicion that some are agents working-----

**Deputy Timmy Dooley:** That is the legacy the Deputy has left behind.

**Deputy Gerry Adams:** Could the Ceann Comhairle ask the Deputy to stop detracting from what is a serious issue? This is nonsense from Fianna Fáil on these issues.

**Deputy Timmy Dooley:** It is about time Deputy Adams addressed them.

**An Ceann Comhairle:** Would the Deputy please stay quiet?

**Deputy Gerry Adams:** The Deputy should not talk to me about legacy issues.

There is a strong suspicion that some of these are agents working to a different agenda from the rest of us and they are opposed to Sinn Féin because the party stands against their activities. The vast majority of people in south Armagh support Sinn Féin but even more people support the peace process. I was there last Sunday. Children and elderly people, including one lady in her 90s, are representative of that rural republican heartland and they showed they had no support for these activities and support those who stand with the PSNI.

I have appealed time out of number, as I did again on Sunday, to anyone with any information on the killings of Paul Quinn, Garda Donohoe and Keith Rogers or the attacks on Michael Bellew and Francis McCabe Jnr to give it to the PSNI or An Garda Síochána or to give it to me and I will give it to them. We need action and we need to ensure that if An Garda Síochána requires more resources to tackle this problem, they will be made available to it. Will the Taoiseach join my call for greater co-operation between the PSNI and An Garda Síochána to deal with these issues?

**The Taoiseach:** Let me assure the Deputy that the Government does not demonise anybody.

**Deputy Mattie McGrath:** Only the poor.

**The Taoiseach:** I again unreservedly condemn any attempts from any criminal element to inflict damage on people or to make serious attempts to murder somebody or have somebody murdered. That is an attack on the State, it is an attack on democracy and it is an attack on humanity. There is the very highest level of co-operation between the PSNI and the Garda. I had a briefing some time ago with the Minister for Justice and Equality and the Tánaiste from the Garda Commissioner in respect of a number of these matters. Gardaí have done exhaustive work with the PSNI in respect of these terrible atrocities. Members will recall the particular savagery of the murders of Paul Quinn, Adrian Donohoe, Keith Rogers and the others mentioned by the Deputy. I deplore these attempts to murder somebody by these particular individuals.

In so far as the function of the Garda is concerned, that is entirely a matter for the Commissioner working with the PSNI and they have their own close relationship. I assume the level of co-operation at the highest level between the PSNI and the Garda is the way it should be and the resources needed to follow through exhaustively on these crimes and, hopefully, to bring these people before the courts is at its highest level.

I agree with the Deputy on this matter.

**Deputy Maureen O'Sullivan:** The issue I raise is both sensitive and disturbing. Young people have been denied many of their abilities and talents because of the way in which they were abused as children and the scars and the horrors of this are still being felt by them today. They were abused, sexually assaulted and raped by men who were their swimming coaches.

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These men robbed the young people of their dignity, sense of self, self-esteem and confidence and they deprived them of realising their potential as great swimming champions for their country. Recovery will begin when they can tell their stories, when they are believed, when they have received appropriate counselling for as long as is necessary but most particularly, when the perpetrators are brought to justice. This has happened in a number of cases, the most recent in 2010 when a man was sentenced for sex offences committed between 1981 and the mid-1990s.

However, one notorious abuser has never been brought to justice. His name is known but I will not say it because I do not want to prejudice any case against him. His victims and their loved ones suffer horrifically still. One of them died tragically last Christmas. The man in question fled Ireland and lived in a number of other countries before being facilitated and helped into the US. It is known that he worked with young people in those other countries. I ask in the name of those who were abused, one of whom I knew personally and I have met others, and in the name of those who have supported and believed these young people throughout the years that the Taoiseach in his compassion and humanity has a conversation with the Minister for Justice and Equality with a view to reopening this case and to extraditing this man back to Ireland because that would encourage those who were unable to come forward years ago to tell their story. They might today because we know more about child abuse and paedophilia. This would also affirm and support those who told their stories without this man being brought to justice.

This is urgent because an investigative journalist in the US with the assistance of prominent American politicians is seeking information under freedom of information legislation there on how this man was facilitated to get into the country. This could leave the State and the Government vulnerable when this information comes to light.

**The Taoiseach:** The Deputy would not raise this matter unless it was serious and sensitive. I do not know the details of the case she speaks of but I would be happy to speak to her and I will ask the Minister for Justice and Equality for a report on this matter. If what the Deputy says is true, this particularly appalling crime was repeated many times. Obviously, there are legal connections between Ireland and many countries in the pursuit of people whom it is alleged have committed crimes of particular seriousness. I will advise the Deputy discreetly following her raising it in the House.

**Deputy Maureen O'Sullivan:** I thank the Taoiseach for his response which will be very encouraging for those who have suffered during the years. One of the staunchest supporters has pointed out that this country was able to extradite a celebrity chef to face charges related to theft of paintings, but it has not managed to extradite this man. The Taoiseach was one of many in the House who was very sympathetic and showed such empathy to Máiría Cahill. We were horrified that sex abusers in the North could move freely to another jurisdiction. That has also happened in the case of the man to whom I refer. A litany of mistakes were made in the way this issue was dealt with in the past and in some of the excuses made. I welcome the opportunity to discuss the issue further with the Taoiseach. I know somebody who was abused by this man and I have met some of the others. It is a horror story. Their lives have been marked by suicide attempts, the breakdown of relationships and marriages, self-harm and eating disorders. Some of them committed suicide. The people concerned are still paying the price because this individual was not brought to justice. I hope the day will come when they will see justice.

**The Taoiseach:** Many adults and teenagers had the courage to speak out where these ap-

palling crimes happened. They have named the perpetrators. Clearly, there are legal complexities involved in the case mentioned by the Deputy. As I said, I will get the Minister for Justice and Equality to advise her of the situation. I thank her for raising the matter.

## **Ceisteanna - Questions (Resumed)**

### **Programme for Government Implementation**

1. **Deputy Micheál Martin** asked the Taoiseach the position on the commitment in the programme for Government in regard to the Irish Water networks; and if he will make a statement on the matter. [43800/14]

2. **Deputy Gerry Adams** asked the Taoiseach when the Cabinet sub-committee on economic infrastructure and climate change last met. [2155/15]

3. **Deputy Joe Higgins** asked the Taoiseach when the Cabinet sub-committee on economic infrastructure and climate change last met. [3368/15]

**The Taoiseach:** I propose to take Questions Nos. 1 to 3, inclusive, together.

The last meeting of the Cabinet sub-committee on economic infrastructure and climate change took place on 23 February. As the Deputy is aware, my colleague, the Minister for the Environment, Community and Local Government, has responsibility for the programme for Government commitment with regard to water reform. He is advancing the project in line with that commitment. I understand he is due to answer a similar question on Government commitments with regard to Irish Water tomorrow. In my role as Taoiseach, I chair various Cabinet sub-committees to facilitate the development and co-ordination of public policy across programme for Government commitments and in areas such as water infrastructure where the objectives require the contribution of a variety of Departments and agencies. Water policy is discussed at a sub-committee of the Cabinet sub-committee on economic infrastructure and climate change. This work is ancillary to the work of the Government as a collective authority, but is nevertheless governed by the same Cabinet confidentially rules.

**Deputy Micheál Martin:** That is a very curious reply. The Taoiseach seems to be avoiding the meat and substance of the question.

**The Taoiseach:** I answered the question.

**Deputy Micheál Martin:** The Taoiseach is more or less saying it is an issue for the Minister for the Environment, Community and Local Government. It is a very convoluted reply designed to obfuscate.

**The Taoiseach:** I made a statement on the programme for Government, about which the Deputy asked in the context of Irish Water.

**Deputy Micheál Martin:** In regard to Irish Water, the Taoiseach is remarkably reticent on the substance of the issue. I put it to him that, as chairman of the all-powerful Cabinet sub-committee on the economy - the Economic Management Committee - he was centrally involved in

this unmitigated mess and debacle as it unfolded in the past two years. The Government was advised by PwC not to proceed in the way it proceeded. PwC stated it would cost a fortune to set it up as a subsidiary of Bord Gáis. It became a multilayered bureaucratic monster. The Government railroaded the original legislation through the House over a year and a half ago.

We know that 693 staff will work for Irish Water when it reaches its full complement in 2016. That is in addition to the approximately 4,000 local authority personnel who are currently working on the system and will continue to do so. The ESRI has estimated that approximately €2 billion in extra costs will be incurred as a result of the use of unnecessary extra staff. The Government has spent approximately €180 million on the establishment of the tier that involves Irish Water, of which some €90 million was spent on consultants. At the end of the day, when account is taken of the conservation grant - a terrible term because it is a misuse of language - we will be looking at a net revenue scenario of approximately €25 million. The Government will hand out a bill with one hand before handing out a cheque with the other. It hopes the cheque will mitigate the bill to be sent out one month previously. It is absolutely farcical that any Government would get involved in such a trade-off for electoral and political reasons, having made such a mess of this matter from day one.

The Taoiseach was centrally involved when the economic sub-committee of the Cabinet decided to earmark approximately €540 million from the National Pensions Reserve Fund to pay for the metering of 1.1 million homes. That was done in such a way that there was no accountability to the House for the spending of that money. No information has been forthcoming on the nature of the contracts or anything like it. We have been told they are commercially too sensitive for full disclosure in that regard. Deputy Barry Cowen spent two years trying to get answers from the Minister who kept on saying it had nothing to do with the Government. It will cost Irish Water approximately €25 million per annum to repay the loans from the National Pensions Reserve Fund.

I would like to ask the Taoiseach about the European market test which will decide whether the Government's plan fulfils the requirement to be off-balance-sheet. We were told all along that we would know the outcome by the end of March. That is when we should know whether it actually meets the test. In recent days the Taoiseach wrote a letter to Deputy Sean Fleming saying the work of the CSO would be completed in two to three weeks. I take it that this means that it will be done by the end of March. The letter suggests the assessment will then be provided for EUROSTAT. The letter written by the Taoiseach to Deputy Sean Fleming also mentions that the CSO has been advised that a final response from EUROSTAT is likely to take at least two months from the date of receipt. Does that mean that we will not receive the EUROSTAT decision until the end of May or early June? Will the Taoiseach confirm this? Will he confirm whether the CSO's assessment in two or three weeks time will actually be published at the time of its assessment?

**The Taoiseach:** The Deputy in his question asked me to set out "the position on the commitment in the programme for Government in regard to the Irish Water networks" and to "make a statement on the matter". I forget the phrase he used when he complained about the answer I had given. According to the programme for Government:

The new Government will create Irish Water, a new State company that will take over the water investment maintenance programmes of the 34 existing local authorities. It will supervise and accelerate the planned investments needed to upgrade the State's inefficient and leaking water network that has proved so unreliable during the recent harsh water con-

ditions.

That is the reference to Irish Water in the programme for Government, on which I made a statement. I am not sure whether the Deputy said he found it strange or convoluted. It seemed to be clear enough. Perhaps the waters are a little muddied.

The Deputy referred to the market corporation test. This is one of a number of tests used to determine whether an entity should be classified within the general Government sector. The market corporation test includes, but is not limited to, the following tests. First, total sales to customers, including sales to the Government must be greater than 50% of production costs, including consumption of fixed capital and interest. This is known as the quantitative test. Second, the Government subvention is less than the total billed revenue, domestic and non-domestic. This is known as the qualitative test. There are two tests: the quantitative and qualitative. The benefit arising from Irish Water being considered off-balance-sheet is that it can borrow for investment from commercial lenders in a manner similar to the ESB, Bord Gáis or other commercial State bodies such that the borrowing and the related expenditure does not impact upon the general Government deficit. Deputy Martin is aware of that. That flexibility is expected to lead to an overall increase in available funding for the water capital programme without impacting on the public finances.

In respect of the estimates and calculations regarding the qualitative aspect of the market corporation test, the domestic billed income will be €271 million for 2015 and €274 million for 2016, non-domestic billed income will be €229 million in 2015 and €240 million in 2016 and customer will be billing €505 million in 2015 and €514 million in 2016. The customer subvention, excluding the working capital loan to Irish Water, will be €399 million and €479 million. The water conservation grant is not considered to be part of a Government subvention to Irish Water in respect of these figures. The grant is made available to all eligible households, not just customers of Irish Water. Therefore, it is not just subvention to Irish Water. Households with a water supply from a group water scheme, with a private well or with a septic tank can also qualify for the grant.

This is a function of EUROSTAT, which operates completely independently. The Government listened carefully to the genuine anxieties and concerns of substantial numbers of people. As a consequence, it reduced the charge to €1.15 and €3 per week for single people and households where there are more than two adults. The Government is happy that Irish Water will pass the market corporation test but I cannot give Deputy Martin a date when it will be decided by EUROSTAT. It is a EUROSTAT function, which is independent.

I noted the comment from the European Commission post-programme surveillance report, which was done for autumn of last year. It made a comment that the €100 water conservation grant could be construed as a subvention to Irish Water. We disagree completely. The new pricing structure has created certainty for customers up to 2019 and that remains, and will remain, the position. The Government is confident the underlying funding model for Irish Water supports increased investment in the sector through an off-balance-sheet treatment of the utility while providing for water charges that are affordable, clear and certain. The Government remains confident that Irish Water will pass the market corporation test. There was nothing new in the European Commission report recently published. The European Commission briefed journalists on its position late last year also. Changes to the water tariffs do not impact on Irish Water's investment plan, which has been approved by the Commission for Energy Regulation for the regulatory period from 2014 to 2016. Key decisions and efficiency targets remain in

place and the changes made by the Government relate to the general policy framework and use of public subvention, not the underlying regulation independent view on allowable cost and investment. This is all about water conservation remaining at the heart of water sector reforms. Households can still beat the capped charges when they are metered and rebates will apply when meters are installed. Meters detect leaks and the water conservation grant, which is universal, will support households in taking measures to reduce their consumption.

The analysis suggests 35% of households can beat the cap and that this could rise to 50% of households if they reduce water usage by between 10% and 15%. The grant is universal and is paid to Irish Water customers and households with private wells, septic tanks and group water schemes. It is not connected to the Irish Water revenue or expenditure levels and is not part of the funding model for the utility. It will offer operate similarly to the fuel allowance already paid by the Department of Social Protection, which does not form part of the revenue of energy companies. That answers the questions.

**Deputy Gerry Adams:** The programme for Government, which I read, states the Government's goal in respect of our water service: "To achieve better quality water and environment we will introduce a fair funding model to deliver clean and reliable water." By this standard, the Government has failed and has not put forward a fair funding model. Looking at the water services strategic plan published two weeks ago, it states the target date of 2021 has been set to eliminate boil water notices. There are currently 23,000 citizens living under such notices and up to 1 million other people are being served by 126 water treatment plants that have been classified as unsafe by the Environmental Protection Agency. This is an indictment of the previous Government. Irish Water confirms it will take 25 years to reduce leakage to acceptable levels, a decade to remove dangerous lead piping, and a quarter of a century to develop a water service that meets our short-term needs. At the height of the Celtic tiger, I was one of those arguing that the wealth, or an element of the surplus, should be set aside to provide infrastructure, including water services. That would have been a better use of the opportunity created by the working people of the State. When bringing forward the initial proposal to establish Irish Water, we argued that instead of giving a huge amount of money to the new entity, installing water meters and paying consultants, the money should have been spent, as part of a catalyst for the economy and a stimulus to the construction industry, addressing the problems of leaks and pipes. Whatever way we look at this, the Government has made a hames of the matter and public anger forced the Government to do a U-turn. The Government should have done the gracious thing and scrapped water charges as opposed to the economic scamology it was involved in.

Nobody should be in prison as a result of this issue.

**An Ceann Comhairle:** We cannot stray into this area. The problem with the question is that I am refusing questions every day of the week to ordinary Deputies where they concern operational matters of Irish Water. I cannot be seen to allow a debate into operational matters when I have already disallowed it for ordinary Deputies. The Deputy will appreciate my position.

**Deputy Gerry Adams:** That is fair enough. The point I am trying to make in terms of the programme for Government commitment to create a fair funding model to deliver clean and reliable water is that the Taoiseach would be better off abandoning the remnants of the old model and going for a proper focus on providing that and taking the burden off citizens.

On the issue of climate change, what the Government brought forward in its Climate Action

and Low Carbon Development Bill is disappointing.

*4 o'clock*

It also ignores the recommendations made by the all-party Joint Committee on Environment, Culture and the Gaeltacht. My colleague, Deputy Stanley, put forward a climate change Bill which included targets for the reduction of emissions. As we have stated in the past, what is important is the introduction of practical measures which can be realised as opposed to making vague commitments on key issues, as is the case regarding the Government's proposed legislation.

We can all see the evidence of the changes that are affecting our climate, including the flooding of businesses and family homes and the devastation of certain coastal areas. The Marine Institute has indicated that 230,000 farmed salmon were lost off the west Cork coast during just one of the nine storms which battered that part of the country last winter. A particular report, *Climate Change 2013: The Physical Science Basis*, indicates that the previous decade was the warmest on record and attributed this to the increase in the burning of fossil fuels. It is generally recognised that humans are creating the difficulties relating to the climate. I appeal to the Taoiseach to strengthen the Government's legislative proposals in respect of this matter and to do what the scientists are telling us to do, namely, set targets which will allow us to minimise the impact of the damage which has already been done and, hopefully, ensure that there is no further damage. The Taoiseach hails from a very beautiful part of this island and the landscape there is not just that of our ancestors, it also belongs to this and future generations. We have a duty to pass it on to the latter in a better state than that in which we found it. I ask the Taoiseach to do the right thing by ensuring that the Cabinet sub-committee on climate change includes in its recommendations targets, timeframes and achievable goals.

**The Taoiseach:** I will refer to the programme for Government in respect of Irish Water. People tend to forget the very good story that is to be told in the context of why it was necessary to establish Irish Water. Every public representative and community knows full well just how inferior the system has been for so many years. I refer to leaking lead pipes and the wasting of water. If Deputy Adams discovered that the water tanks at his homes in counties Donegal and Louth were leaking on a Wednesday, he would state that they needed to be fixed. If they were found to be leaking the following week, he would say the same thing. For the past 50 years, some 40% to 50% of treated water has been leaking into the ground before people had the chance to use it. Citizens paid for that water to be treated. No one wants 20,000 people in County Roscommon to be obliged to continue to boil water for the next number of years. I am glad that this burden will be removed from those people in the next short period.

In the context of the programme of work Irish Water has put in train, the Cooley regional water supply scheme at Omeath was completed late last year.

**Deputy Micheál Martin:** The work was done by the local council. That is the point.

**The Taoiseach:** The emergency works project relating to the Drogheda-Staleen water treatment plant is at construction phase at present. In addition, phase 1 of the water main rehabilitation works in County Louth is expected to be completed later this month. These are projects that were left lying idle for a very long period. The programme set out by Irish Water in respect of both water and sewage projects is extremely strong. As time progresses, people will see the value of the company being able to borrow in order to invest properly and fix the various prob-

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lems that exist. On the west coast, there was a major difficulty regarding some major industries not having access to sufficient supplies of water. The contract in respect of that matter - worth €11 million to €15 million - was signed last year and when the work relating to it is completed, major industries will have access to high volumes of pristine water. The programme set out by Irish Water in respect of both water supplies and sewage schemes for the period ahead is real and will be very beneficial to the country.

What is being done at present in the context of the provision of broadband and communications services, water and sewage services and roads will go a long way towards ensuring that people in rural areas and at provincial level will have access to employment opportunities in the future. That work, allied to the rural development programme for the period from now until 2020, which was approved by the European Commission and which is worth €4 billion, and the programmes set out by IDA Ireland, Enterprise Ireland and local employment offices, will allow communities that experienced very difficult times in recent years to fight back.

On climate change, the Joint Oireachtas Committee on the Environment, Culture and the Gaeltacht did first-class work in facilitating the public on the outline heads of the Climate Action and Low Carbon Development Bill and submitted its report in November 2013. While it did not make any specific recommendations, the committee set out possible courses of action which might be considered. The then Minister for the Environment, Community and Local Government gave the joint committee's report full and careful consideration in the development of the general scheme of Bill to which I refer, which was approved by the Government in April of last year. A number of the suggestions made by the committee were contemplated in that general scheme, including reducing the interval between national low-carbon roadmaps from seven years to five and allowing the expert advisory body to publish its annual and periodic review reports directly rather than being obliged to obtain prior consent from the Government.

The current Minister for the Environment, Community and Local Government will shortly bring proposals to the Government in respect of the establishment of a national expert advisory council on climate change. Those proposals will also contain suggestions regarding the membership of the latter. I understand that the membership will include an independent chairperson and *ex-officio* representatives from the Environmental Protection Agency, Teagasc, the Sustainable Energy Authority of Ireland and the Economic and Social Research Institute, ESRI, along with a number of other independent appointees with relevant experience. I expect the Minister to bring forward his proposals in this regard fairly soon.

The national low-carbon roadmap to 2050, which will incorporate sectoral mitigation proponents, is being worked upon. In that context, Departments with responsibility for the four key sectors are preparing those proponents for incorporation into the roadmap. The key sectors to which I refer are those relating to electricity generation, the built environment, transport and agriculture. It is intended that a draft national low-carbon roadmap contemplating those four sectoral elements will be made available for public consultation. In that context, it will be important to consider the outcome of the negotiations of the EU's 2030 policy framework for climate and energy and also relevant advices available to the Government and the key sectors in question.

Deputy Adams will be aware that detailed discussions took place with regard to Ireland's inability to meet its 2020 targets. As I indicated previously, those targets were based on insufficient scientific information in the first instance. If the targets for 2030 were to be set on the basis of those relating to 2020, then this country would be facing an enormous problem and

would be fined exceptionally heavily for both failing to meet the latter and having no chance at all of meeting the former. This is why the European Council accepts that Ireland is unique in terms of its agricultural output. As we have carbon footprinted most of the dairy farms in the country, we are pioneering and leading in a world sense in this sphere. When quotas go in the next few weeks, this country will become the most productive unit on the planet in terms of produce. That means a significant increase in the national cow herd. It is not for me to restrain the good dairy cows of Ireland from natural functions but if one increases productivity, one cannot reduce emissions from that perspective. That is why the European Council accepted the arguments put forward by Ireland in terms of our afforestation programme and sequestration reducing the extent of emissions. That is a very important element of the negotiating strategy.

All the issues Deputy Adams raised have to be taken into account. They include energy efficiency in the public sector, residential energy efficiency programmes, the energy efficiency funds and obligations schemes. I have been involved in some of these discussions at European level. They are utterly technical and exceptionally complicated. At the end of the day, we have to work backwards and ask whether this country can meet targets that are reasonable, achievable and will not result in the next generation being swamped by exceptionally heavy fines. In fairness to the Departments, their technical officials are working exceptionally hard to prepare a roadmap that is clear, achievable and will meet targets that are appropriate for Ireland. I do not in any way want to diminish the importance of these issues. These efforts will allow us to make real progress while continuing to produce high-quality food with low carbon emissions. These goals can be contradictory in some senses but we want to be able to assure everybody we can meet targets that allow us to play our part in addressing many challenges, one of which is that the population of the world will reach 10 billion by 2050. We have significant potential to provide many thousands of jobs in this country by producing high-quality food in a grass-based agri sector but we need an understanding from a European perspective of what is involved in doing that.

**An Ceann Comhairle:** I call Deputy Higgins on Question No. 3.

**Deputy Joe Higgins:** I also wish to follow up on Question No. 1, which asked the Taoiseach to report on the commitment in the programme for Government on the Irish Water network. He read out what the programme for Government says on the matter but he did not answer the question. I would like him to answer the question. The programme for Government states that Irish Water “will supervise and accelerate the planned investments needed to upgrade the State’s inefficient and leaking water network”. Will the Taoiseach acknowledge that he dismally failed in that regard in 2014? Will he comment on the response to RTE’s freedom of information requests, which indicated that the investment in water infrastructure in 2013 and 2014 was the lowest in this State since 1998? Between 2004 and 2012, €430 million was invested annually but in the first 11 months of 2014 only €300 had been provided.

**An Ceann Comhairle:** The Deputy is straying from the question on the Order Paper. I have to be careful and fair to all Deputies whose questions seeking that type of information were disallowed. This is purely about a commitment made in the programme for Government.

**Deputy Joe Higgins:** That is the point.

**An Ceann Comhairle:** It is not about how much money was spent.

**Deputy Joe Higgins:** I ask the Taoiseach if he agrees that all he has achieved is the massive

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rejection of water charges by a huge section of the population and a massive alienation among significant sections of the population-----

**An Ceann Comhairle:** We will not go there.

**Deputy Joe Higgins:** -----through the use of the forces of the State against their peaceful protests.

**An Ceann Comhairle:** I ask the Deputy's help in adhering to the Chair's direction, like the other two Deputies have. The question was clear, and it has been answered.

**Deputy Joe Higgins:** The question asked the Taoiseach "the position regarding the commitment in the programme for Government, in regard to the Irish Water networks; and if he will make a statement on the matter".

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

**Deputy Joe Higgins:** I was summarising a number of the issues that have arisen in response to this aspect of the programme for Government.

**An Ceann Comhairle:** That is a matter for Irish Water, with which the Deputy will have to deal.

**Deputy Joe Higgins:** Come on, a Cheann Comhairle, that is absolutely ridiculous.

**An Ceann Comhairle:** I have to be fair to everybody. The Deputy is a master at this. I have been in this House with him for a long time. With the greatest of respect, he has to adhere to the ruling of the Chair on this issue. The question is quite simple, and it was answered. We cannot stray into other areas.

**Deputy Joe Higgins:** It is extraordinary.

**An Ceann Comhairle:** The Deputy should put a question to the appropriate Minister or write to Irish Water.

**Deputy Joe Higgins:** We have the very chief of the operation before us.

**An Ceann Comhairle:** I am afraid he is not chief of Irish Water.

**Deputy Joe Higgins:** The Taoiseach has to politically answer for the disaster that Irish Water has become.

**An Ceann Comhairle:** He is politically responsible for the establishment of Irish Water, which he has done. That is it.

**Deputy Joe Higgins:** We cannot call the Taoiseach to account for commitments in the programme for Government-----

**An Ceann Comhairle:** He has fulfilled his commitment.

**Deputy Joe Higgins:** -----which turn into an unmitigated disaster.

**An Ceann Comhairle:** That is a different issue.

**Deputy Joe Higgins:** I think it is extremely relevant. Will the Ceann Comhairle allow me to ask, at least-----

**An Ceann Comhairle:** I will allow the Deputy to ask the question he has put on the Order Paper, which is in respect of climate change.

**Deputy Joe Higgins:** In that regard, the Taoiseach referred to the €100 grant as a conservation grant. Does he agree that marks a new degradation of the English language? An attempted political bribe becomes a conservation grant. Real conservation would be investment in people retrofitting their homes to save billions of litres of water or changing the planning laws to ensure that water-saving devices are included in every home, which scandalously was not done for the 500,000 homes built during the bubble. Does the Taoiseach recognise reality? In April and May he will be facing a mass boycott of water by ordinary people, the decent tax-paying backbone of the system. If he does not listen, this will decide the outcome of the next general election, to the detriment of his party and the Labour Party.

**An Ceann Comhairle:** Does the Deputy want to ask about his question?

**Deputy Joe Higgins:** I thought we would have the opportunity of a second round.

**An Ceann Comhairle:** There are other Deputies.

**Deputy Joe Higgins:** I am under pressure because the Joint Committee of Inquiry into the Banking Crisis is due to meet shortly.

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

**The Taoiseach:** I have answered the question on the position regarding the commitment in the programme for Government.

**Deputy Joe Higgins:** You did not.

**The Taoiseach:** I referred to what is in the programme for Government and the programme that Irish Water has prepared for both water and sewerage. It is true that the Government listened carefully to the many people who marched last year because of concerns and uncertainty about Irish Water. The Government listened carefully and has provided that certainty and assurance. We reduced charges to €1.15 per week, or €3 per week where more than one adult applies, and have given certainty out to 2019.

**Deputy Joe Higgins:** They are not fooled.

**The Taoiseach:** All that people have to do is register with Irish Water and they qualify for the €100 contribution in respect of that. The Deputy said there was a massive rejection. When I was in Swords the other day, I counted 17 people protesting. They are entitled to protest but they should bear in mind the company I was visiting had been in Ireland for 50 years. It intends to invest €900 million later this year in a major expansion programme which will involve 1,000 construction workers for the period of construction and up to 500 global calibre chemists and researchers subsequently. I was in Dundalk after that where there were approximately 24 people protesting. They are welcome to protest, of course.

**Deputy Joe Higgins:** Who counted them for the Taoiseach? Was it himself or the driver?

**The Taoiseach:** Protest is a normal part of any democracy. The programme laid out here

is one that will bring our country back from the dark ages in terms of water infrastructure and waste water infrastructure. It is about the capacity of Irish Water to borrow and invest not just to keep a situation band-aided, where fundamental problems are never addressed, but to clean it up, fix it and invest for the future so that all the people of the country can have clarity and assurance about having high quality water. It is a system that has to be paid for while ensuring it does not have 40% of treated water leaking away into the ground before it ever reaches the houses and businesses of those for whom it is intended.

**Deputy Micheál Martin:** The Taoiseach did not answer Question No. 1 in my name. He appeared to be in a position to answer it according to the letter to Deputy Fleming, but does not appear to be in a position to answer it today.

**The Taoiseach:** What is the question?

**Deputy Micheál Martin:** I will read out the answer provided in the Taoiseach's letter. It states, "The CSO are working to finalise the report in the next two to three weeks". This is the report about the market corporation test. The preceding paragraphs tell us how expert the CSO staff are. The Taoiseach's letter states that the assessment will then be provided to EUROSTAT before going on to note that, "[The] CSO have been advised that a final response from EUROSTAT is likely to take at least two months from the date of receipt". All along, the Government has been saying that we would know the outcome of the EUROSTAT deliberations in March. In reply to Deputy Fleming and others by way of a letter dated February 2015 following the select committee's questioning of the Taoiseach on his Department's Estimates, he is now saying the final response from EUROSTAT is likely to take at least two months from the date of receipt of the information from the CSO. That is a significant change from what the Government has been saying all along. It is now looking like June.

There have been extraordinary efforts by the Government to cook the books in the direction of trying to pass this test, including, for example, the €60 million in commercial rates that Irish Water was to pay now being taken on board by the Department of the Environment, Community and Local Government. There have been a whole lot of activities to make the balance sheet right; taking costs back onto the State and *vice versa*. Is the Taoiseach playing for time? Can he confirm this? On the net point, I ask whether the CSO's assessment will be published in its own right when it is completed in two to three weeks' time prior to being submitted to EUROSTAT.

Approximately €5.5 billion was spent between 2000 and 2010 on capital water infrastructure and many improvements emanated from that across the country. In the three years following the establishment of Irish Water, however, the amount of capital expenditure will be less than in the three years prior to its establishment. Most of the projects to which the Taoiseach referred were prepared by local authorities. I recently visited Cork Corporation and, as I said to the Taoiseach, nothing has changed there. The entire staff of the corporation is doing the work they were doing before. The only difference is that they are paid €11 million by Irish Water to do the work. The Taoiseach has created a superstructure above it that has cost a small fortune. The Cabinet sub-committee the Taoiseach chairs decided to spend up to €500 million on water meters that will never be read, or certainly not read in the next three to four years. The conservation element has gone out the window and the Taoiseach needs to be honest with people in that regard. The Taoiseach is saying that people can beat the tariff that is in place at the moment but they can only do that if they use no water at all according to the calculations people close to us have made. Can the Taoiseach clarify those two points?

**The Taoiseach:** There is a question down tomorrow for the Minister for the Environment, Community and Local Government who is dealing with the detail of this. The Minister can and will reply at length on particular details. The Central Statistics Office has an involvement in this matter. As I understand it, the CSO has engaged with EUROSTAT as it has a responsibility to do and the Department of the Environment, Community and Local Government has met with the CSO to provide the necessary information and detail to facilitate its work. Ultimately, the decision on the classification of Irish Water and associated Government expenditure is a matter for EUROSTAT, which is completely independent. I do not speak for either the CSO or EUROSTAT but I assume the information collated in working with EUROSTAT is public. Why would it be any other way? EUROSTAT itself will publish its classification when it wants to do so. The Government is happy that Irish Water will pass the market corporation test. I cannot give the Deputy an exact date as to when EUROSTAT will make its decision, but perhaps the Minister for the Environment, Community and Local Government will have more up to date information on that aspect.

**Deputy Gerry Adams:** I seek clarity on the water issue. According to Irish Water's own projections, water services will only have been marginally improved by 2021, but the taxpayer will end up paying more. By that point, Irish Water will have spent approximately €8 billion. There is still time to consider setting all of this aside to establish a proper water service funded from general taxation and under public control. The Taoiseach cited in his response Omeath in the Cooley Mountains area in my constituency. I remember long before I was a Deputy helping neighbours in Glenmore to run Wavin pipes up the slopes of Slieve Foy to the springs and streams and doing the same in the rocky ground below the Long Woman's Grave. The fact is that whatever has been developed there was developed by the people themselves sinking their own wells, via group schemes running water down from the mountain, or by the local authority. We need to be real about all of this. The Government has made a hames of the issue and keeps digging a hole for itself on it.

Returning to the issue of climate change, the Taoiseach said in a humorous aside that he could not be expected to restrain the good cows from fulfilling their natural functions. It is fair to say that is outside the Taoiseach's power. Of all the things I would like the Taoiseach to do, that is not one. Nappies for our bovine herd are beyond the Taoiseach's ability. However, if I remember correctly, and the Taoiseach may correct me if I am wrong whereupon I will withdraw the remark, the Taoiseach made a wonderful speech about climate change at the UN. He then returned to Europe and sought all sorts of exemptions. The Taoiseach knows that the atmosphere and the oceans have warmed, the amount of snow and ice has diminished, sea levels have risen and the concentration of greenhouse gases has increased. That is going to become more common and more severe in the time ahead. What I am looking for is a sense of whether the climate change committee has discussed the impact of climate change here, the impact of the dramatic changes in weather patterns, their implications for the future and what measures have been brought forward to minimise greenhouse gases and develop a green economy.

**The Taoiseach:** With regard to the water situation, we have only been able to invest about €300 million a year for the past number of years and the investment needs to be double that figure at least. In Deputy Adams' opinion it is time to abolish these arrangements and fund a proper water system from general taxation. I assume this involves either increases in commercial rates or land taxes or income tax increases if it is to be raised from general taxation-----

**Deputy Gerry Adams:** Not necessarily.

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**The Taoiseach:** -----because it will not be raised from a wealth tax, as mentioned by the Deputy previously but which I believe has now been jettisoned by Sinn Féin. In any event, the Government is very clear that Irish Water will pass the market corporation test and will allow for all these things to be dealt with in the time ahead.

I will give the Deputy an example. There are small group water schemes, bits and pieces of council schemes and major schemes all over the country. I was looking recently at three small schemes in rural Ireland, comprising 1,200 houses, with bad water sources, inferior pumps, badly laid schemes serving farms and houses, with discoloured water and so on. Under the council regime at the time they were bundled together with departmental assistance and the sources of water were fenced off, proper pumps were installed, leaks were repaired and a trough was put in every field where that was appropriate. Metering was also installed in the houses. In the first year, those 1,200 houses saved half a billion litres of water. The people in the houses and on the farms were very happy to see the meters measuring the consumption of water because they were able to tell if any leakages were occurring from the source outwards. These systems have the capacity to transform the way service is delivered at a cheaper cost and more effectively for everyone in the longer term.

I am glad that Deputy Adams referred to my speech on climate change at the UN. He asked me whether the Cabinet sub-committee has discussed this and the answer is “Yes”. Its decision was that we should play our part.

**Deputy Gerry Adams:** How will the Government play its part?

**The Taoiseach:** By reaching targets that are achievable for Ireland and not be set a task that is completely outside the country’s capacity to reach. I am serious when I say that our capacity to produce food is extraordinary and we can do so much more. However, in order to do so, we must increase the national herd numbers and there is a limitation in respect of emissions.

The Ceann Comhairle is a former Minister and he has a great interest in the marine business, as have we all. I recently visited the Marine Institute in Galway, as has Deputy Martin, I am sure.

**Deputy Micheál Martin:** It is one of Fianna Fáil’s legacies.

**The Taoiseach:** In this regard I refer to the country’s location in terms of the ocean’s tides and currents. I noted that Deputy Martin visited the institute last weekend because I saw him in the distance or at least I thought I saw him but I am not sure-----

**Deputy Micheál Martin:** I was in Mayo last week; the Taoiseach would want to do something in Castlebar.

**The Taoiseach:** The Marine Institute reports that the mortality rate for salmon is too high, that if the temperature of the Atlantic rises by half a degree then the entire salmon stock which has been here for millions of years will move one thousand miles north. There is already evidence of species of warm water fish being caught in Irish waters to an unprecedented extent. These are issues that need to be considered. This is the reason that during the Irish Presidency we commenced a long-term analysis which will continue long after we are all gone. This analysis of various elements of the Atlantic Ocean involves Canada, America, Portugal, Spain, France, Great Britain and Ireland. The sub-committee considered the implications. The best action Ireland can take is to measure up to its responsibilities and this is what we are doing.

However, we want to be able to measure up to those responsibilities in a way that is actually achievable and not be set targets that are exceptionally beyond our reach. In my view, the original targets were based on insufficient scientific information but that has all changed.

I am very glad that the European Commission and the European Union recognise that Ireland is now in a different space and that we want to make a real contribution but a contribution that is achievable and with a target that is relevant to Ireland. We do not want the generation after 2020 to be put in a position where exceptionally large fines will be levied on the country because of our inability to meet targets. The 2020 targets were beyond our reach but if they followed on the same logic, the 2030 targets would be completely outside our capacity to measure up. It is still technically complicated and it will not be easy. However, the answer to the Deputy's question is that we will play our part and I am happy that the expertise in the different Departments as they negotiate with their counterparts in Europe, following the European Council decision, will put us in a better place although it will not be easy. It was decided in Europe that with regard to all these matters the European Council would be consulted before a final signing-off. That will aid the Irish negotiators on the issues of forestry capacity, afforestation and sequestration. However, it will not be an easy task for us to achieve our targets at the same time.

**Deputy Micheál Martin:** May I ask a brief supplementary question?

**An Ceann Comhairle:** It must be very brief because we want to move on. We have only six and a half minutes left.

**Deputy Micheál Martin:** I did not have an opportunity to discuss the climate change agenda because I was focused on the Irish Water issue. I sought an acknowledgement from the Taoiseach that €5.5 billion was spent on water infrastructure during the period 2000 to 2010, including a large number of waste water treatment plants. My own city of Cork needed one and while there was political opposition the work immeasurably improved the situation.

All the groups involved in the climate change issue and those who have been monitoring the various global summits for some time, met with parliamentarians here in recent weeks. They articulated their huge disappointment at the Government's climate change strategy, the lack of targets and what in their view is a rowing back from a position adopted by the Fianna Fáil-Green Party Government in its climate change Bill. These groups are independent of political parties, they are experts in climate change issues and they are deeply disappointed at what they perceive to be the lack of substance with regard to targets.

In the recent negotiations the Taoiseach indicated that the issue of afforestation would be factored into the calculation of Ireland's contribution. That is vital. Afforestation and trees help the climate and they also help the atmosphere. It is hoped that if we can achieve significant afforestation then this will be taken into account in the calculations. However, inexplicably, in the past this has been excluded by the European Commission and the European authorities and they have not taken sufficient account of afforestation, despite lobbying by various Governments, including our own, over the years. It makes no sense. One could argue that it would incentivise afforestation if the European Commission were to relent on that point. Has the Taoiseach any information on the up-to-date position and the likely European response to the issue of afforestation?

Deputy Adams referenced the situation with regard to agriculture. Agriculture is our oil in

many respects and we need to be very careful when offering up anything in that regard, other than being fully committed to the most efficient husbandry and management of our farms so that they can achieve a reduced carbon footprint and can be effective and efficient with regard to the carbon issue. However, we have been falling behind in the case of the transport sector, which contributes very significantly to our carbon footprint. Within Government and across the various State agencies, Departments and local authorities, there is terrible inertia in the utilisation of fossil fuels and a failure to look radically at alternative mechanisms. In the case of airports, train stations and local authorities, all vehicles should either be electric or, at least, not using fossil fuels. I do not see why a national programme to that end cannot be developed. As a member of a Cabinet sub-committee on this issue at a time when the economy was going very well, I recall that the transport issue was the Achilles heel of the State's capacity to meet any realistic or reasonable target. Will the Taoiseach comment on the transport sector, the afforestation issue and the absence of targets in the context of the climate change Bill and strategy?

**The Taoiseach:** The difficulties in this regard arise from the unrealistic non-ETS emissions reduction target set for 2020, which is minus 20% compared with 2005 levels. That is unattainable and unaffordable in the current fiscal environment. We have, in effect, lost ten years of investment capacity and, on current projections, are likely only to reach a reduction of minus 5% to minus 8% below 2005 levels by 2020. The mismatch between our assessment of Ireland's cost-efficient emissions reduction capacity, a maximum of minus 14% by 2030, and the possible upper target of minus 37% that might be set for us, based on the figures given to other countries and under a GDP *per capita* distribution, would result in cumulative non-compliance costs of approximately €5.3 billion by 2030. That is the equivalent of 0.3% of GDP. We need to have a very detailed discussion about setting out realistic and achievable targets for the country. If that is not done, the projected scale of fines or charges would be way beyond our remit.

We have an active Government-funded afforestation programme, with an estimated cumulative spend of some €3.5 billion between now and 2030, which will deliver potential to achieve carbon neutrality among many other benefits. It is important that Ireland's land-based emissions are seen in the light of this and the associated credits that come from it are counted towards our target.

I take the Deputy's point on fossil fuels. The increase in the number of electric vehicles will be very significant in the time ahead. The programme for the conversion and use of heavy transport vehicles, including lorries, buses and trains, is being accelerated. Of course, it would be wonderful to see all of these vehicles converted overnight to emissions-free capacity, but that is not how it is done. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, is in discussions with the Minister for Transport, Tourism and Sport, Deputy Paschal Donohoe, and a detailed analysis of these matters is being undertaken.

*Written Answers follow Adjournment.*

*Dáil Éireann*  
**Order of Business**

**The Taoiseach:** It is proposed to take No. 9, Social Welfare (Miscellaneous Provisions) Bill 2015 - Order for Second Stage and Second Stage. It is proposed, notwithstanding anything in Standing Orders, that the Dáil shall sit later than 9 p.m. tonight and adjourn on the adjournment of Private Members' business which shall be No. 73, Family Home Mortgage Settlement Arrangement Bill 2014 – Second Stage, which shall take place at 7.30 p.m. or at the conclusion of the opening speeches on No. 9, whichever is the later, shall adjourn after 90 minutes and shall, if not previously concluded, be brought to a conclusion after 90 minutes on Wednesday, 4 March.

Tomorrow's business after Oral Questions shall be No. 1, Regulation of Lobbying Bill 2014 - amendments from the Seanad, and No. 9, Social Welfare (Miscellaneous Provisions) Bill 2015 - Second Stage (resumed).

**An Ceann Comhairle:** There is one proposal to put to the House. Is the proposal for the late sitting agreed to? Agreed.

**Deputy Micheál Martin:** I draw the Taoiseach's attention to comments made by the Minister for Health, Deputy Leo Varadkar, in the Dáil last Wednesday in response to a parliamentary question on Health Service Executive funding for 2015. In the course of his reply, he stated:

We need additional resources for the fair deal scheme, home care packages and home help provision.

As the Minister of State, Deputy Kathleen Lynch, and Mr. Tony O'Brien have outlined, there are three options for achieving these objectives. We could opt to reprioritise spending within the health Vote or we could bring forward a spending plan later in the year. The third option, pretending the problem will somehow go away in the summer, is not really an option. That is a total nonsense and fewer and fewer people believe it. When it comes to a decision on the three options, it is not one I can make on my own; it must be done in conjunction with the Cabinet committee on health and the Economic Management Council. All members of the Cabinet committee and the EMC are fully apprised of the situation and have been since November.

The Minister made these comments last week, despite the fact that he had said last October that he had secured an adequate budget for the health service. I am surprised that he has scurried out of the Chamber just now. In the context of the appalling situation in hospital emergency departments and in regard to the fair deal scheme, home care packages and home help provision, he is now saying, in February, that the budget cannot hold, despite his claim two or three months ago that it could. When can we expect a new spending plan for the health service? In other words, when can we expect a supplementary health budget? Will it be larger than last year's allocation? We need a straight answer to these questions. The Minister stated clearly that he was considering bringing forward a spending plan. We need absolute clarity as to when the Supplementary Estimate will be brought before the House.

**The Taoiseach:** The budget for every Department has been set and signed off on by the Government. The HSE submitted its service plan which has been accepted by the Government. There are always complications and challenges within the health system. The challenge is to continue to provide the very best level of medical attention for those who need it and manage the system effectively. The Government made an additional allocation of €500 million for the

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health system to fill a deficit last year, with an extra €150 million or so on top of it. It is not proposed to have a supplementary budget.

The budgetary propositions for 2016 have not yet begun. The Exchequer figures will be out this afternoon and, as the year moves on, we hope the position will improve. The Government will make its decisions on the budget for 2016 in due course.

**Deputy Micheál Martin:** Does that mean that there will be a reprioritisation of spending?

**The Taoiseach:** The Minister will continue to keep the Government and the Cabinet sub-committee apprised on a regular basis. These are, obviously, serious matters.

**Deputy Aengus Ó Snodaigh:** Ba mhaith liom ceist thábhachtach a ardú leis an Taoiseach. Last week I attended a preplanning consultation meeting on the new children's hospital. I welcome the initiative by the chairman of the children's hospital group board, Ms Eilish Hardiman, to involve stakeholders, local people and elected representatives. However, two pieces of legislation are required which have been in the legislative programme since 2011 and perhaps even before then. They are the national paediatric hospital development board (amendment) Bill and the new children's hospital establishment Bill. Both Bills are tied to the work of the children's hospital group. In the past I have asked when they are likely to be introduced, as the legislative programme suggests it is not possible to indicate at this stage when publication is expected. The work is going ahead and the development board of the children's hospital group intends to put in a planning application later this year. Would it not be reasonable to expect the national paediatric hospital development board (amendment) Bill to be introduced prior to that planning application being put in place? I understand the second Bill, the new children's hospital establishment Bill, will deal with the functions of the children's hospital both in the near future and when the hospital is completed by 2020, 2030, 2040 or whenever it happens. I hope the sooner the better, but can urgency be attached to these two items of legislation in order that they can be passed to facilitate the development of the hospital?

**The Taoiseach:** I will not give the Deputy a date for either Bill. The important point in this regard is that a very good board is in place. There is a good process in place and I am glad that Ms Eilish Hardiman is keeping people fully informed of what is going on. The date mentioned is 2019 or 2020, not 2030 or 2040. I hope the planning application can be lodged by the back end of the year and that it will receive proper consideration. I hope it will go through that process, as well as the remainder of the process for seeking tenders and all the rest of it, and that what will be the biggest infrastructural project in the country, to last the children of the island for the next 50 or 60 years, will be able to proceed. As the Deputy is aware, the Government has already left aside substantial moneys for the project.

**Deputy James Bannon:** There has been a huge increase in the number of drug-driving accidents nationwide. They are not only taking place in towns but have spread into villages and the countryside also. The harm associated with drug misuse and its effects on people's driving are well documented.

**An Ceann Comhairle:** About what Bill is the Deputy talking?

**Deputy James Bannon:** When can Members expect the road traffic Bill to address drug-driving and other road traffic matters?

**The Taoiseach:** The Deputy has raised an important issue. The heads of the Bill were

cleared on 10 February and they will now go through the process. It will be later in the year before the Bill is published. It will allow testing by the Garda for drug infringements by drivers who are apprehended or involved in accidents.

**Deputy Pat Rabbitte:** Is the Taoiseach prepared to give consideration to allocating responsibility for the national drugs strategy to a designated appropriate existing Minister of State?

**The Taoiseach:** Yes, I will. Deputy Pat Rabbitte mentioned this important point to me previously and I will give consideration to it.

**Deputy Micheál Martin:** The Taoiseach should have done it in the past four years.

**Deputy Paul Kehoe:** There are a lot of things the Deputy should have done in the past four years-----

**Deputy Micheál Martin:** It was neglect.

**Deputy Paul Kehoe:** -----and in the past 15 years.

**Deputy Micheál Martin:** It is a little late now.

**Deputy Paul Kehoe:** The Deputy should publish some new policies.

**Deputy Seán Ó Fearghail:** In the light of the Children and Family Relationships Bill that is wending its way through the Houses, will priority be given to the family court Bill which will be an important aspect of the changed environment Members hope to create? Second, I refer to the proposed Red Cross (amendment) Bill. The print media have been reporting on governance issues of late within the Red Cross. What is the status of the Bill and when might Members expect to see it published?

**The Taoiseach:** The Red Cross Bill is expected to be published later this year.

I had the Minister write to Deputy Robert Troy on 3 March about the family court legislation. The position is that the programme for Government contains a commitment to establish a dedicated family court to improve levels of judicial expertise and training in family law matters and to streamline family law proceedings. The Department of Justice and Equality is finalising proposals for future legislation based on submissions received on the family court and consultations are ongoing with interested parties. The Minister intends to bring forward proposals to establish it as soon as they are finalised. The Bill will then be subject to pre-legislative scrutiny by the Oireachtas committee. While I cannot give the Deputy a date, it is moving through based on the submissions received. I can also provide the Deputy with a copy of the letter sent to Deputy Robert Troy.

**Deputy Mattie McGrath:** In respect of the Environment (Miscellaneous Provisions) Bill 2014, will the Minister-----

**An Ceann Comhairle:** That Bill has gone through, has it not?

**Deputy Mattie McGrath:** No, it has not. It is on the Order Paper.

I was wondering about the enthusiasm and energy shown by the reforming Minister, Deputy Brendan Howlin, at the weekend regarding the decision to abolish town councils. He has decided that it was the wrong decision, while the former Minister, Mr. Hogan, is just settling in in

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Brussels. Will he use the Bill as a vehicle to reopen the town councils-----

**An Ceann Comhairle:** The Deputy had better talk to the Minister himself about that matter.

**The Taoiseach:** No.

**Deputy Mattie McGrath:** -----to bring back democracy to the people? In another short item-----

**An Ceann Comhairle:** Is there promised legislation?

**Deputy Mattie McGrath:** Tá cúpla focal gearr eile uaim, más é do thoil é.

**The Taoiseach:** The answer to the Deputy's question is "No".

**Deputy Micheál Martin:** That was a sharp answer to the Minister, Deputy Brendan Howlin.

**Deputy Mattie McGrath:** Níor chuala mé an freagra.

**The Taoiseach:** No.

**Deputy Mattie McGrath:** In the light of-----

**An Ceann Comhairle:** What was the Deputy's second item?

**Deputy Micheál Martin:** A monosyllabic retort.

**Deputy Mattie McGrath:** I hope the Taoiseach will be more positive next week when he sends abroad the flight of the earls. I wish the Minister of State, Deputy Tom Hayes, well in Australia.

**Deputy Micheál Martin:** When will he start out?

**Deputy Bernard J. Durkan:** Would Deputy Mattie McGrath like to go?

**Deputy Mattie McGrath:** I hope they will have a positive message when they go and that it will not be all "No," that there will be a "Tá" also. I assure the Minister of State that I will look after County Tipperary for him while he is down under in Australia.

**An Ceann Comhairle:** That is grand. It is reassuring for the Minister of State to know.

**Deputy Micheál Martin:** Would the Taoiseach not be more sensitive to the Minister, Deputy Brendan Howlin?

**The Taoiseach:** Deputy Brendan Howlin is a very good Minister, but I am not going to use the legislation for anything the Deputy has proposed.

**Deputy Mattie McGrath:** What legislation will the Minister use? He is a senior man and one of the famous four.

**Deputy Bernard J. Durkan:** Two issues that have dominated Irish society for the past ten years or so because of their effects or lack thereof are building and banking. The building control Bill has been promised to place Construction Industry Register Ireland, CIRI, on a statutory footing and thereby provide in law for the registration of builders, contractors and specialist

subcontractors. When is it expected that the Bill will be brought before the House? Has it been discussed by the Cabinet or have the heads been approved?

On the Central Bank consolidation Bill which has also been promised, this would be a fitting time to introduce the legislation because of the discussion and debate taking place. My good colleague, Deputy Peter Mathews, will no doubt have an input into that legislation when it is brought before the House. Is its passage imminent?

**The Taoiseach:** No, it is not.

**Deputy Mattie McGrath:** It is all “No” today.

**The Taoiseach:** One never knows - Deputy Peter Mathews might write it for us.

**Deputy Peter Mathews:** For a fee.

**Deputy Micheál Martin:** That took the wind out of Deputy Bernard J. Durkan’s sails.

**The Taoiseach:** The building control Bill is expected to be published later this year.

**Deputy Mattie McGrath:** How much later?

**Deputy Bernard J. Durkan:** Sorry about that, Deputy Mathews-----

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

**Deputy Peter Fitzpatrick:** When can Members expect publication of the proposed health (transport support) Bill, the purpose of which is to make individual payments to people with severe disabilities who cannot access public transport as a contribution towards their transport costs?

**The Taoiseach:** That Bill is due for publication this year. Work has been under way on it for quite some time.

## **Topical Issue Debate**

### **Forestry Sector**

**Deputy Martin Ferris:** In a recent press release the Minister of State, Deputy Tom Hayes, stated he had secured European Union approval for a forestry programme. The press release’s highlights included €482 million of new investment in forestry, 44,000 ha of new forestry, 700 km of new forestry roads, 20% higher premium payments, 5% afforestation grants etc., as well as new species, with rotations of ten to 15 years.

*5 o'clock*

Many people will welcome any improvement in our forestry programmes and the development of the sector to meet our 2020 EU targets. The scale of investment will have real impact on rural communities, particularly for those who farm marginal lands. It will provide them with

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the opportunity to come into the forestry sector, offering real options for landowners to generate alternative sources of income. This can only be a positive development. It will prove attractive to landowners not previously interested in forestry. I am concerned, however, that some landowners with good arable land may enter into forestry when their land could be put to better use.

The forestry sector contributes €2.3 billion to gross domestic product, GDP, annually, and employs up to 12,000 people. Hopefully, with these new investment enticements, it will increase the numbers employed in the sector. Does the Minister of State have any projections as to how many extra jobs will be created as a result?

The programme aims to plant 6,000 ha of new forestry in 2015 and increase this to 8,310 ha by 2020. Again, this is an ambitious target and one which I believe can be met. The Minister of State has warned that there will have to be a 20% increase in premium payments, 5% increase in afforestation grants and 14% increase in forest road grants. One would like to see larger increases for the latter two categories.

The same premium rate will be paid to farmers and non-farmers. What does that mean? I am concerned about speculators coming into the sector because of the tax breaks associated with it. Is the tax break the same for a farmer as for a non-farmer? Most farmers involved in afforestation programmes are usually outside the tax bracket because they have low incomes. Speculators coming into the sector could have an adverse effect.

I am not being negative about this programme. Any extra moneys coming into the Irish forestry sector from Europe are to be welcomed, as is any development that can generate jobs. However, there are concerns about this and I would appreciate it if the Minister could address these.

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Tom Hayes):** I thank Deputy Martin Ferris for the opportunity to explain to the House the new forestry programme. I also thank him for his positive response to what is a fine programme.

The Government sees significant potential for growth in the forestry sector. Already the industry contributes €2.3 billion per annum to GDP and employs approximately 12,000 people, both directly and indirectly. Overseas markets for Irish sawn wood and panel board products have expanded over the past several years despite the recession. Further growth of up to 20% can be expected by 2030 according to a recent United Nations Economic Commission for Europe-Food and Agriculture Organization study. Increasing EU targets for renewable energy also means there will be more demand for wood as fuel for domestic and industrial use.

Last month, the European Commission gave approval for state aid for the new forestry programme 2014 to 2020. This programme is fully Exchequer funded and will involve total spending of €482 million. The aim will be to establish 44,000 ha of new forests and to build almost 700 km of new forest roads. This is a substantial investment and a brave step by the Government in these difficult times.

The new programme introduces several important structural and design changes to some of the main schemes which would have operated under previous programmes. Under the afforestation scheme, for example, a new single rate of premium has been introduced for farmers and non-farmers and 20 annual premiums have been reduced to 15. To compensate for the reduction in the number of premium payments, the premium rates themselves have been increased by 20%. Grant rates for planting trees have also been increased by 5% across all planting cat-

egories. It is anticipated these changes will prove attractive to those landowners not previously interested in forestry.

The type of land we want to encourage to come into this forestry programme is marginal land which may not be productive for grass production, dairying or beef. We made this point in the announcement of the programme. Like the Deputy, I would not like to see good land that could produce dairy and milk being given over to forestry.

**Deputy Mattie McGrath:** Protect the Golden Vale.

**Deputy Tom Hayes:** New agroforestry and forestry for fibre measures have been added to the afforestation scheme. These new planting categories are targeted specifically at farmers, providing them with options for grazing livestock alongside forestry and, in the case of forestry for fibre, the option to harvest timber after ten to 15 years rather than 30 or 40 years as is the case with other types of forestry.

Restructuring forestry schemes so they present more attractive options for farmers in generating alternative sources of income has been an important aim of the Department. This was factored into the design of the programme from the outset.

**Acting Chairman (Deputy Brian Walsh):** I am sorry to interrupt the Minister of State but he has run out of time.

**Deputy Martin Ferris:** I thank the Minister of State for his reply but, unfortunately, he did not get to the end of it.

The Government is hoping to provide funding for the establishment of 2,700 ha of native woodlands, a progressive development. The plan involves integrating these schemes into the main afforestation schemes, rather than they being stand-alone schemes. I take it that many of these native woodland schemes will be planted alongside commercial forestries.

Native species must also be planted alongside aquatic buffer zones in water quality sensitive areas, special areas of conservation and fishery sensitive areas. I assume the reason behind this is to improve biodiversity. Planting of native woodlands alongside mussel and oyster fisheries in enclosed bays will help overcome any concerns the EU may have about the protection of bird species and so forth, allowing traditional fishing in such areas to continue. Will the Minister of State elaborate on this?

The new programme is to be welcomed and the Minister of State will find no opposition from Sinn Féin to it. However, will he elaborate on the competition between farmers and non-farmers in the scheme? It would be of concern that arable land could be bought up by speculators and used for their commercial reasons. The knock-on effect would be to take more and more people away from isolated rural communities. That is something that would concern me, as I am sure it would the Minister of State.

**Deputy Tom Hayes:** The Deputy has raised a lot of issues. The broad thrust of why this new scheme was put forward and taken to Brussels was to encourage more people to get involved in forestry. Traditionally, farmers have been used to growing grass for feeding cattle, milk production or whatever the case may be, or indeed growing grain. There is real money in forestry and there is a real need for it from an environmental perspective and in respect of the issues the Deputy outlined. That is why the Government supported this. Job creation is another

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issue and there is no doubt that forestry is totally under the radar of public perception. There are more trucks drawing timber to sawmills than there are drawing cattle to factories in Ireland.

On my way to Dublin today, I called in to Mountrath in County Laois, where I saw at first hand 100 people employed under one company at three different sites, sawing and cutting timber and exporting it. Last week, I was at the Glennon Brothers plant in Fermoy. Glennons of Longford is a major company and one of the most successful in Ireland. It is exporting timber to the English market and there is huge demand for it. I could not put a specific figure on the number of jobs from forestry but if we can increase take-up on the new scheme, there will no doubt be a *pro rata* increase in jobs. There is planting, drainage, fencing, maintenance of the forestry and thinning. There is also a huge amount of work when the wood goes into the sawmills before it is exported as boards that can be put up in the building of a house or the construction of a bathroom or whatever. There is great potential there and we have a climate that is conducive to growing timber faster than in any other European country. That is what we are working towards.

The employment issue is particularly relevant in rural Ireland. I mentioned some places but there are many others. For example, in the village of Hollyford there was a creamery 25 or 30 years ago with two people working in it. Last week, I visited the sawmills employing 45 people in that small village. That is supporting rural Ireland. The farmer aspect is trying to target a civil servant or person working in Dublin who has inherited land down the country and is leasing it on the 11-month system. Forestry is ideal for those people, who are considered non-farmers as they have other jobs and might share the land with a brother and two sisters. It is also targeting the co-operative industry that has land out there, in order to bring in more people and to increase the hectareage of land we are producing on. I can give the Deputy more figures on that and I thank him for his honesty and sincerity.

### **Disease Awareness**

**Deputy Dan Neville:** I thank the Acting Chairman for facilitating me in raising this matter. Lyme disease, known as Lyme borelliosis, is a bacterial infection transmitted by the bite of hard-bodied ticks. Not all ticks are infected but vigilance is recommended where ticks are present to reduce the risk of transmission to humans and pets. Lyme disease can cause a variety of symptoms, ranging from mild to severe. Known as the great imitator, it can mimic other diseases such as Parkinson's disease, multiple sclerosis and chronic fatigue syndrome. Early treatment is vital to prevent serious consequences.

There are three stages to the development of the disease. Within days to weeks of a bite from an infected tick, an expanding rash may occur. This is the first stage. Sometimes this rash will appear as multiple concentric rings forming a bulls-eye. It is important to note that the rash may not develop or be noticed in some patients. A 'flu-like illness may also occur in the early stages of the disease. Stage two, otherwise known as the disseminated disease, has symptoms that may include migratory joint pain, head and neck pain, sore throat, swollen glands, Bell's palsy and severe fatigue. Cardiac problems may also occur, in addition to bladder irritation in the form of cystitis. Some patients may miss stage one of the illness and develop disseminated disease within months to years of the initial bite. The stage three symptoms for late-stage Lyme disease may include neurological changes such as tingling, numbness and tremors. Nerve pain, poor temperature control, brain fog and disturbed sleep patterns are common. Complications

may also include optic neuritis, depression, panic attacks, muscle weakness, tissue damage, meningitis and chronic arthritis.

Lyme disease was named after the town of Lyme in Connecticut, however studies by the University of Bath have identified that it has been present in Europe since the ice age. The length of treatment with antibiotics depends on the severity and stage of the disease and co-existing co-infections. Intravenous antibiotics may be required for treatment of late-stage disseminated disease.

Patients feel an urgent need that a group be established by the HSE to examine the whole area of Lyme disease. This group should include a range of expertise including infectious disease consultants, GPs, international Lyme disease experts and patients' representatives. It should also consult with a number of other experts on patient symptoms including chronic pain specialists, neurologists, rheumatologists, paediatricians and obstetricians. Patients also feel that up-to-date training on Lyme disease should be offered to GPs as part of their continuing professional development. Public health nurses should also receive training on the effects of the disease, particularly on children. The teaching of medical students about Lyme borelliosis symptoms should be standardised. Students should be taught about the problems with diagnostic tests and about treatment options including the long-term treatment aspect.

Lyme disease is officially a notifiable disease since 2011 but if a hospital consultant denies a diagnosis from another EU state, this blocks GPs in reporting cases, leading to the data on a number of cases in Ireland being underestimated. Quite a number of patients travel to Europe for full diagnosis of Lyme disease.

**Minister for Health (Deputy Leo Varadkar):** I thank Deputy Neville for raising this topic. Lyme disease, also known as Lyme borelliosis, is an infection caused by the bacterium *Borrelia burgdorferi*. It is transmitted to humans by bites from ticks infected with the bacterium.

Lyme borelliosis was made a statutorily notifiable disease in Ireland by the Infectious Diseases (Amendment Regulations) Regulations 2011. There were 20 cases of Lyme borelliosis notified in 2013 and 8 cases notified in 2012, the first year for which notification was compulsory. However, due to the diverse and unspecific nature of the symptoms a number of the less serious cases may not be diagnosed, leading to an under-reporting of cases. Recent estimates suggest that there may be up to 50 to 100 cases in Ireland per year. The increase in reported cases since 2012 is likely to reflect the fact that Lyme borelliosis is now a notifiable disease and hence there is increased public awareness of the condition, rather than an increase in incidence of the disease.

The infection is generally mild affecting only the skin, but can occasionally be more severe and highly debilitating. Many infected people have no symptoms at all. The commonest noticeable evidence of infection is a rash called *erythema migrans*, commonly called a bulls-eye rash, which is seen in 80% to 90% of patients. People can also complain of 'flu-like symptoms such as headache, sore throat, neck stiffness, fever, muscle aches and general fatigue. Occasionally, there may be more serious symptoms involving the nervous system, joints, the heart or other tissues.

Common antibiotics, such as doxycycline or amoxicillin, are effective at clearing the rash and helping to prevent the development of complications. They are generally given for approximately three weeks. If complications develop, intravenous antibiotics may need to be used.

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Both the Health Protection Surveillance Centre, HPSC, and Tick Talk Ireland provide guidance on protection against contracting Lyme borelliosis.

The best protection is to prevent tick bites when walking in grassy, bushy or woodland areas, in particular between May and October. Arms and legs should be covered and wearing long trousers tucked into socks or boots and long-sleeved shirts with cuffs fastened is advised. Shoes or boots should be worn rather than open-toed sandals.

The use of insect repellent on clothes is recommended or on limbs, if it is not practicable to cover up. Skin and clothing should be inspected for ticks every three to four hours and children's skin and clothes checked frequently. Ticks should be removed as soon as they are seen attached to the skin. Further advice on tick removal can be obtained from the HPSC website. It is not recommended that antibiotics are given to prevent the transmission of Lyme disease following a tick bite. People should see their doctor if they develop a rash or become unwell with other symptoms, letting the doctor know of exposure to ticks.

There is an ongoing publicity campaign in regard to Lyme disease. The HPSC is finalising the establishment of a Lyme borelliosis sub-committee with the primary aim to examine best practice in prevention and surveillance of Lyme disease and to develop strategies to undertake primary prevention in order to minimise harm caused by Lyme borelliosis in Ireland. This will involve raising awareness among clinicians and the public. It will also explore ways to ensure that these messages are brought to the attention of the general public with the frequency and in forms in which they can be most effective. The sub-committee is expected to meet later this month.

Each year, as part of its ongoing awareness raising regarding prevention and treatment of Lyme disease, the HPSC holds a Lyme disease awareness week in which media releases are sent out with the intention that media outlets would take up the important Lyme prevention messages. As part of last year's awareness week, a supply of information was made available to the public and attention was drawn to a tick-borne disease toolkit, developed by the European Centre for Disease Control, ECDC. This toolkit was modified for use in Ireland and posted on the HPSC website. Indeed, the ECDC informed the HPSC that Ireland was the first European member state to make such extensive use of this material. Following the awareness week, a 100% increase of web traffic to the various Lyme disease sections of the HPSC website was noted.

I am pleased to inform the House that the number of notified cases of Lyme borelliosis will most probably be down on those for 2013. As I said, there were 20 cases notified for 2013 and while there are also 20 notified for 2014, it is expected that this figure will reduce on validation. Indeed, in the first seven weeks of 2015, two cases have been notified compared to four for the first seven weeks of 2014.

**Deputy Dan Neville:** I thank the Minister for his comprehensive reply. He highlighted that prevention is better than cure. This can be an issue for people who travel abroad, in particular for those who participate in mountaineering and outdoor activities. They can return home feeling ill and sometimes it is difficult to identify that Lyme disease is the cause, as the Minister outlined. I welcome the fact the awareness week raised awareness of Lyme disease. The Lyme disease group appeared before the Oireachtas Joint Committee on Health and Children approximately 12 months ago and asked for a committee to be set up, so I welcome the fact the Minister has established a sub-committee to look at this issue.

Does the Minister agree that many medical professionals are not aware of, or do not fully appreciate, the fact that one of the symptoms could be due to Lyme disease? Is the medical profession advised to identify Lyme disease if one of the symptoms is presented? Is there a programme to advise and update the medical profession on the developments surrounding Lyme disease? When representatives of the group appeared before the Joint Oireachtas Committee on Health and Children last year, they raised some concern about the awareness of the disease among the medical profession and a level of denial on occasion in regard to the identification and treatment of the disease.

I accept the Department of Health has identified that it is a notifiable disease and that means it is identified as a very serious one, which is welcome. However, what is required is more dissemination of information, which the Minister has commenced, understanding among the medical profession, raising awareness among the general population to look out for the symptoms and ensuring that the very important protections the Minister mentioned are used by the public when travelling into areas where there is a high chance of contracting the disease.

When this issue was presented to the Oireachtas Joint Committee on Health and Children, most members were unaware of the presence of such a disease. The session we had with experts and the group were very informative.

**Deputy Leo Varadkar:** It is fair to say there is greater and growing awareness among clinicians and doctors about Lyme disease. One of the difficulties is that there is not full consensus. I cannot speak for the medical profession; I am only here as Minister for Health and not as somebody speaking for the medical profession. However, I would like to refer to the National Institutes of Health in America, one of the international bodies which is expert on infectious disease. It states that physicians sometimes ascribe patients who have non-specific symptoms, like fatigue, pain, joint and muscle aches after the treatment of Lyme disease as having post-treatment of Lyme disease syndrome, or post-Lyme disease syndrome. The term “chronic Lyme disease” has been used to describe people with different illnesses. While the symptoms are sometimes used to describe illnesses in patients with Lyme disease, on many occasions it has been used to describe symptoms in people who have no evidence of a current or past infection with *borrelia burgdorferi*, according to the *Infectious Disease Clinics Journal of North America*. In view of confusion on how the term “chronic Lyme disease” is employed, experts in this field do not support its use, according to *The New England Journal of Medicine*.

Carefully designed placebo-controlled studies have failed to demonstrate that prolonged antibiotic therapy is beneficial. Although isolated success stories are always good to hear, such reports alone do not create sufficient ground to support a therapeutic approach. A positive response to prolonged antibiotic therapy may be due to the placebo effect, which is reported as high as 40% in some studies.

It is important to make a distinction between acute Lyme disease where somebody gets a tick bite, a rash and an illness thereafter, which everyone accepts happens all the time and of which people need to be more aware in terms of prevention and treating it, and the separate issue around the concept of chronic Lyme disease, which is a long-term condition. Currently, there is no medical consensus. The published evidence in the journals does not support the idea that long-term treatment with antibiotics for this condition is a treatment. There is much controversy around this and it is not my job as Minister for Health to adjudicate on medical controversies or to decide whether a minority opinion in medicine is correct over the majority opinion.

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## **Accident and Emergency Department Waiting Times**

**Deputy Colm Keaveney:** Today, almost 500 people are lying on trolleys in our public hospitals. The worst public hospital today was Beaumont Hospital, where 45 people remained on trolleys seeking help and support. In my own county of Galway, between Galway University Hospital and Portlaoine Hospital, 36 patients waited for treatment on a trolley. To say this is becoming commonplace, in terms of it occurring week after week, is a complete understatement because today 480 to 500 people are on trolleys seeking help and support in our public hospitals and it is hardly making the news.

Last week we heard the testimony of the Feeney family in regard to their family member who waited for support and treatment in Beaumont Hospital. It took the testimony of that family to garner the support of the public to raise questions again about how we approach the overcrowding in our accident and emergency units. The Minister said he was in touch with the chairperson of Beaumont Hospital about the Gerry Feeney case. He said last week that he was disappointed and that he was waiting for the outcome of that investigation into the scandalous treatment the Feeney family received in regard to Gerry Feeney's concerns. They said last week in their testimony that there was no dignity in the support Gerry Feeney was given when he was a patient in Beaumont Hospital. That was the case of an 81-year-old man who was suffering from Parkinson's disease and who died on 31 January, three weeks after being discharged from the hospital. He was left lying in a soiled state and his family said he was treated as if he was invisible.

I do not doubt the Minister is disappointed and I am sure his disappointment goes some distance to demonstrate his concern about, and recognition of, the Feeney family's concerns. How long is this going to go on? How many more Gerry Feeneys will it take before we start getting real in this country about the sense of urgency required to address this situation? People are tired of hearing that it has to get worse before it gets better. The Minister will not get away with dragging this on into a general election in 2016. He will have to get better. I am asking him to intervene in a human way with respect to what is going on in Beaumont Hospital today, where 45 people are struggling to get attention on trolleys. It is completely unacceptable.

Do not think I am trying to score a political point. In his contribution to the previous Topical Issue matter the Minister said he would not comment. I am asking him to act and to lead on this situation. Did the HSE seek €106 million last year to address this crisis? Since Christmas, has the HSE shared with the Minister any interim assessment on the money and resources required to address this crisis? Has the HSE at any point advised the Minister that it requires €130 million, €100 million, or somewhere within that range, in resources? How much of the €25 million announced by him in the service plan specifically to address this crisis has been spent and how much is left?

**Deputy Leo Varadkar:** The Deputy may well believe he is not trying to make political capital out of a particular issue here-----

**Deputy Colm Keaveney:** I am not.

**Deputy Leo Varadkar:** -----but the issue he asked to raise is the overcrowding crisis in emergency departments, which is compromising patient dignity. He went on to raise a specific issue about an individual in a particular hospital, whose complaint relates to the poor care the patient received on a specialist geriatric ward, not in an emergency department.

**Deputy Colm Keaveney:** He was on a trolley.

**Deputy Leo Varadkar:** I have been in contact with the chairman of Beaumont about that matter because it is an issue of public concern and it is always a matter of concern to me when I hear of complaints about how people are treated on wards or in emergency departments in our hospitals, even though the vast majority of people who do speak to me tell me they have a very good experience of our hospitals once they get access to them. I am informed by the chairman of Beaumont Hospital that the individual case is being investigated and there is also a wider review of how elderly people are treated by that hospital. Beaumont is a voluntary hospital and is not a HSE hospital. It has its own chairman and board. It is important that is understood.

On the issue the Deputy gave us notice that he was raising, I acknowledge the difficulties the current surge in emergency department activity is causing for patients, their families and the staff, who are doing their utmost to provide safe, quality care in very challenging circumstances. As of 2 p.m. today, the number of people on trolleys had fallen to 306, with 214 on trolleys for more than nine hours. This ranged from one in Cavan and Kilkenny to 32 in Beaumont, where more than 28 were on trolleys for over nine hours. In Portiuncula there were three patients on trolleys, two of whom were there for more than nine hours. While the numbers have come down during the day, they remain very high. It must be acknowledged that through the hard work of hospitals working together, supported by other HSE services, HSE management and my Department, we have significantly reduced the numbers, which peaked on 6 January. All hospitals have escalation plans to manage not only patient flow but also patient safety in a responsive, controlled and planned way that supports and ensures the delivery of optimum patient care. Triage is operated to prioritise patients so that those with most acute needs are seen and treated as soon as possible.

The Government has provided additional funding of €3 million in 2014 and €25 million in 2015 to address delayed discharges. The HSE is accessing all suitable non-acute accommodation to the maximum extent possible to allow those who have been clinically discharged to leave acute hospitals. Actions currently being taken to address emergency department overcrowding include the provision of 900 additional transitional care beds in nursing homes, with 500 opening in January and an additional 400 in February. Some 173 short-stay public beds are being opened across the country for a three month period. There have been difficulties in staffing these, although we continue to try to do so. Up to 300 overflow beds have opened in acute hospitals; 400 additional home care packages are being provided, along with 300 additional fair deal places and there will be an extension in community intervention teams. Anyone opposite who thinks I am only interested in engaging in commentary and analysis can see it is possible to take action as well as engaging in commentary and analysis. They are not mutually exclusive activities.

The HSE has the capacity to recruit where it needs additional staff. Arrangements are in place in the HSE to allow the recruitment of such staff where it has been established that there is an urgent service requirement. This year the number of nurses directly employed by the public health service will increase by at least 500. There will also be additional mental health nurses.

The Deputy will be aware that I convened the emergency department task force to find long-term solutions to overcrowding by providing additional focus and momentum in dealing with the challenges presented by the current trolley waits. It is made up of relevant stakeholders such as senior doctors, lead hospital consultants, GPs, HSE national directors, union representatives and senior officials from my Department and the HSE. The HSE is currently finalising an

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action plan under the auspices of the emergency department task force with a view to delivering a significant reduction in trolley waits over the course of 2015. I am determined that the action plan be completed as soon as possible, taking the views of the task force into account, and then made operational without delay. The task force is due to meet again on 9 March.

I want to reassure all Members present that we are working hard to find workable solutions to the management of emergency care, with optimum patient care and patient safety at all times remaining a Government priority.

**Deputy Colm Keaveney:** I welcome the Minister's response, particularly the confirmation that he will recruit additional staff in the area of mental health. I want to acknowledge that, considering that he is operating with 1,000 fewer staff than in 2011. There are 1,000 fewer of the support, caring and other staff required in the mental health service to deliver A Vision for Change. Has the HSE advised the Minister that it requires more money, somewhere in the region of €100 million to €130 million, for the action plan? Has the Minister costed the action plan involved in the statement? He says the action being taken would provide for 900 additional transitional care beds in nursing homes, that there would be 173 short-stay beds and that there will be 300 overflow beds and an additional 300 in the fair deal scheme. What is the cost of that? Has he spent the €25 million that was provided for in 2015? Is that satisfactory or will he need more to provide for the action plan?

**Deputy Leo Varadkar:** The €25 million is not all spent but it is all fully employed and committed. When provision is made for an additional 300 fair deal spaces and 400 home care packages, they do not get turned off at a certain point. They must be funded throughout the year. The €25 million is not all spent, but it will all be spent because we are not going to take away those fair deal spaces or those additional home care packages during the year. Any additionality, more fair deal spaces, for example, would cost more.

**Deputy Colm Keaveney:** Is there additionality?

**Deputy Leo Varadkar:** As I confirmed several weeks ago, when the HSE put in its bid for 2015 it requested an additional €1.4 billion, to solve pretty much all our problems in the health service, if one believes that money alone can solve all the problems in the service. I imagine other agencies, like the NRA or the Department of Education and Skills, also put in very high figures for what they would like to get. Ministers then try to secure as much as they can. I managed to secure a supplementary of €680 million, as well as the first increase in seven years in the budget, after four years of cuts under Deputy Keaveney's party and three years of a budget freeze under this Government.

It is undeniable that we are struggling. We still spend €1.5 billion less than we did seven years ago, we have 15,000 fewer staff and there are more patients. They are older and they have more demands. I assure the Deputy that everyone in the Department of Health, including the Ministers, everyone in the HSE and everyone working in the health service is doing everything they can with limited time and resources to alleviate this situation.

### **Job Losses**

**Acting Chairman (Deputy Brian Walsh):** Deputies Terence Flanagan, Broughan, Seán Kenny and Finian McGrath will each have two minutes as well as a final minute to respond fol-

lowing the Minister's remarks.

**Deputy Terence Flanagan:** I thank the Ceann Comhairle for the opportunity to raise this important issue. I also thank the Minister for organising a briefing for local Deputies today.

Last Thursday's announcement of job losses at Cadbury, particularly in Coolock, is worrying and has had a significant impact, with the news still sinking in for the hundreds of employees at the plant. Like everyone in the community, I am shocked that Mondelēz Ireland is seeking redundancies there. Cadbury has been a major part of the Coolock community, employing local residents since it first opened in 1964. This is devastating news for Cadbury's employees and their families. My thoughts are with them, as they face an uncertain future. It is important that the company keep job losses to a minimum and that it be open with staff regarding the process.

The news came as a bolt out of the blue. I am concerned that employees were given little prior notice. All Government agencies should be involved in assisting those who lose their jobs in the months ahead. I would be grateful if the Minister outlined the supports his Department, Enterprise Ireland and the IDA will make available to those who will be made redundant. Will he ensure that a fair package is agreed for them in the negotiations and confirm that the majority of the redundancies will at the very least be voluntary? Will he also provide information on Cadbury's recent difficulties? Is he aware that the Hershey Company has tried to block the import of chocolate into America? What effect is this stamping out of competition having on the workers?

**Deputy Thomas P. Broughan:** I thank the Minister for the briefing. What are the chances of reversing these appalling job cuts in Coolock? It is clear that there were extensive contacts between the Minister's Department, the IDA and Enterprise Ireland and Mr. Justin Cook, managing director of Mondelēz Ireland, during the past two years. If so, why was last week's announcement made in such a particularly shocking and cruel way? Why was more not done to stop these job losses?

Following Kraft Food's takeover of Cadbury in 2010, Kraft Food made certain commitments. For example, we were told that the plant in Coolock was so efficient that it beat off another in Bristol to be maintained. If it was so cost effective then, why are we now grappling with this situation and being told of cost issues? Many of the other countries that are famous for producing chocolate, for example, Belgium and Switzerland, are high-cost, high-wage economies. There seems to be a gap in what the company is saying.

Our first concern is for the workers who are being made redundant, the conditions applied, whether their redundancies will be voluntary and what their pension entitlements and the entitlements of those who have retired beforehand will be. What has the Minister done to secure these entitlements?

As Deputy Terence Flanagan stated, Cadbury is an iconic name on Dublin's north side, specifically in the five Coolock parishes and the other parishes in Kilbarrack, Donaghmede, Edenmore, Raheny and Airfield. Thousands of families have been supported by the company for many generations. Often, the key breadwinners were women. They valued Cadbury for that. Since 1964 when the Coolock facility opened, it has played a major role in our country.

The figures that the Minister provided for the number of remaining jobs do not seem to add up with what the company is saying. It refers to 700 jobs whereas the Minister seems to be saying it will be fewer than 400 at Coolock and Rathmore in County Kerry. Will the Minister

clarify the figure?

Last Thursday was a sad day for Coolock. As someone who has represented the area for nearly 35 years, will the Minister revert to us with some strong suggestions for the future of the area?

**Deputy Seán Kenny:** I join with Deputies in expressing concerns at the manner in which the news of this bombshell came out of the blue to the workforce at Coolock, where it is predicted that between 90 and 110 people will lose their jobs. For the workers selected for redundancy, it will be a dark day.

For almost 60 years, Cadbury in Coolock has been an iconic brand and provided good employment on the north side of Dublin. Recently, it was taken over by Mondelēz Ireland, part of the multinational Kraft Foods. The workforce of Cadbury has given sterling service to its company down the years. That workers' jobs will be gone when the lines they currently produce are transferred to Poland where there are lower wage costs is galling. This fact has added to their anger and to that of their colleagues in Tallaght and Rathmore.

There are also concerns that Mondelēz Ireland is planning to restructure the existing terms and conditions of employment, with the number of shifts with 12 lines being consolidated into six lines. Paradoxically, all of this has happened after a recent announcement of an investment by Mondelēz Ireland of €12 million in the Coolock plant.

Concern has been expressed to me regarding the future of the Cadbury pension fund and the position of retired workers currently in receipt of pensions. I understand that their positions are not secure under the transfer of undertakings (protection of employment), TUPE, legislation. Will the Minister clarify the situation?

I understand that the unions representing the workforce met Mondelēz Ireland's management yesterday and that further talks are planned. What can the Minister do to minimise the effect of the proposed redundancies on the wider community on the north side? What retraining and reskilling options will be made available to the redundant workers and will they receive assistance in accessing similar employment that uses the skills they have acquired?

**Deputy Finian McGrath:** I thank the Ceann Comhairle for the opportunity to speak during this urgent debate on the job losses at Cadbury's chocolate factory in Coolock. This is a bad and sad blow to all of the staff of Cadbury and their families. It is also a significant blow to the people on the north side of Dublin. The staff, their family members and the people of my constituency have been gutted by the announcement of 145 job losses. It is a severe blow to the local economy, particularly when the company is making considerable profits in this country. We all have many friends and neighbours working for Cadbury. It is a major loss across the north side of Dublin.

Given the references to cost differences and restructuring, many of the remaining staff are worried about the future and the deterioration of their working conditions. At today's meeting, the Minister and Enterprise Ireland stated that the company's long-term interests were good, but that is not what I am hearing on the ground. Staff are worried about their pensions and their terms and conditions of employment. The TUPE issue is a significant concern for many staff, particularly electricians and fitters. The Minister needs to address these matters in his response.

A profitable company is claiming that it is investing more while also laying off staff and

destroying working terms and conditions. Did IBEC play a role in this? A recent report in the *Financial Times* stated categorically that there was overwhelming evidence of higher levels of pay increasing productivity. We must be careful to ensure that this instance is not just another race to the bottom. Let us hope that this company is not just harvesting expertise and experience before heading back with its money to Zurich or Poland. I urge action on this company. The north side needs jobs, investment and the Government's support.

**Minister for Jobs, Enterprise and Innovation (Deputy Richard Bruton):** I thank the Deputies for raising this issue. I share their concern for the workers involved. This is a disappointment for many people. I have known this company intimately over a long period. It set up in Dublin in 1932 and, therefore, it has been here a long time. At any given time, we work with companies that are developing opportunities to grow and, sadly, with companies, including Cadbury, that are struggling with issues they have to overcome. We put a great deal of time and effort into working with Cadbury in the hope that this could be avoided. I spoke directly to those at the highest level in the company seeking to have this not occur but, unfortunately, the cost difference was such that it felt obliged to proceed with this. Nonetheless, as we outlined in our meeting with the Deputies earlier, the company is committing to an investment of €11.7 million in the site. It believes that it has a strong future in Dublin and it is putting hard money into that. Clearly, we will work with the company in seeking to deliver sites in Coolock and Rathmore that can be successful and grow into the future. It is worth recalling that in the Bausch + Lomb case, we faced similar downsizing and restructuring of terms and conditions and so on but the company is now growing and adding employment. It is my hope that this will be repeated in this case.

I assure the Deputies that I have instructed EI to do the co-ordination work across all the State agencies, including the Department of Social Protection, SOLAS, local enterprise offices, NERA and all the other services that could be of support to workers in this scenario.

A number of Deputies raised the issue of the transfer of undertakings legislation, which provides a guarantee that where an employer changes, that cannot in itself change the terms and conditions of employees. At the point of transfer, their terms and conditions are protected but that does not prevent a restructuring arrangement taking place in those circumstances.

The company is entering negotiations with trade unions. It has a history of offering reasonable terms in these circumstances but, clearly, this is a matter for the company and the trade unions to negotiate. The challenge for us is to work through this and to protect as many quality jobs in the plant as we can such that it will have the capacity to expand and be competitive in the longer term. It is a tough and competitive world and Deputy Finian McGrath is correct that investment in research and development, innovation and lean technology processes is crucial to maintaining strong manufacturing sectors and we stand ready to support the investment in those areas. Clearly we cannot offer capital support in Coolock.

We will not only look to source jobs in Coolock, Tallaght and Rathmore. We are focused on finding alternative employment and that remains our abiding drive. In Dublin, we have had considerable success. A total of 35,000 people in net terms have returned to work over the past four years and we are witnessing a recovery in manufacturing following almost 25 years of decline. There are issues we need to work through and I assure the Deputies that the support of State agencies will be available to the workers affected. We will work with the company and the workers who are retained to ensure they have strong and sustainable employment prospects when this process is through.

**Deputy Terence Flanagan:** I thank the Minister for his response. I acknowledge he is hugely genuine in trying to ensure alternative employment is found for workers in the area. Reskilling and retraining are possibly needed and, as he said at our meeting earlier, there are opportunities in Mylan in Baldoyle. Perhaps he could elaborate on what other opportunities there will be for these workers in the months and years ahead. The decision came as a bolt out of the blue. People are only coming to terms with it and there is an adjustment factor. It will take time, as it is a huge strain on the workers who will be directly affected. There is concern that the terms and conditions of the workers who are retained will be watered down and this process will be used as an opportunity to do so. Can the Minister give an assurance to the workers that their terms will not change? Will he ensure a fair redundancy package is offered to the workers directly affected, including pension entitlements? As Deputy Finian McGrath said, this is not a profits issue. The company is successful and making huge profits. It needs to reward workers directly.

**Deputy Thomas P. Broughan:** How much of the €11.7 million investment programme will be used to ensure the workforce in Coolock will grow in the future? Upskilling and replacement jobs are needed for those made redundant but is there a commitment to increase the number of jobs in the Coolock plant?

A number of food companies have closed in the area in recent years, including Chivers and Tayto nearby. These were iconic Irish brands and, although the Minister represents the area, he has done absolutely nothing since taking office to restore the high quality production jobs lost in Coolock. He referred to the number of jobs gained in Dublin but almost 65,000 have been lost under the Government and the previous disastrous Government. Cadbury under Donal Byrne and his successors was a strong supporter of local development. I was the founding chairperson of Coolock Development Council and I have been a long-time director. Has the Minister finally removed the threat to the business development manager grant, the provision of which was uncertain over the past year? It has produced many jobs on the ground in the Coolock area.

**Deputy Seán Kenny:** I thank the Minister for his response and for meeting with local Deputies earlier along with EI officials. I am glad he has given assurances that he will use his office to ensure redundant workers are provided with opportunities for retraining through EI, SOLAS and the local employment service. The message I am getting from workers is that the workforce in Coolock is in competition with other Mondelēz International sites and because of the lower wage costs in Poland, in particular, production is being transferred abroad. People are losing their jobs in Coolock because it is cheaper to move to another site with lower wage costs. That is galling for those who have worked all their life in a company such as Cadbury. They have contributed to the company's growth and profits. It is disappointing for them to have to face this now. I am grateful for the opportunity to raise this issue.

**Deputy Finian McGrath:** I welcome the €11.7 investment because such investment is important on the north side of Dublin.

In 1824, John Cadbury opened a small grocer's shop at 93 Bull Street in Birmingham. He came to Ireland in 1932 and to Coolock in 1964. The plant exports approximately 200 products to 30 countries, which is worth €110 million to the economy. Does the Minister accept that this magnificent company and wonderful productivity was the result of a high quality workforce on the north side of Dublin? The workers delivered quality products. He should be cautious about losing high quality people with great expertise to low cost countries that might not have the same standards we have.

**Deputy Richard Bruton:** This is a reminder to us that every day is a battle. We are trading in a competitive global environment and costs in plants in a global group such as this are compared. That, unfortunately, is the world in which we live and if we want to sustain higher pay, we have to have better production process, increased efficiency and so on.

*6 o'clock*

That is one of the tough parts of the environment in which we are trying to compete. I think Ireland has been very successful in this regard. We have been very good adopters of lean technology. We are innovative. Our workers are very flexible. That is true in all of our plants. While this comes as a huge blow, we have an opportunity to work with the investment the company is making to ensure the plant that remains is very competitive and provides good jobs into the future. There are alternative retraining opportunities. When it is clear who will be losing their jobs, we will undertake an audit of their skills and needs and talk to them to see what would best suit them. Many options, including SOLAS training, are there to re-equip them.

When I raised the issue of a package with the company, I was told that it wishes to negotiate directly with the trade unions. I think people will recognise that it has offered reasonable packages in the past. The company is fully committed to getting this plant up to the highest competitive standards. It wants the plant to be what it would describe as a tier 1 plant. That would make it a leader in the group. There is a strong commitment here. Obviously, that will require a great deal of reskilling, etc. The company is restructuring its lines from 12 to six. This will involve many changes in conditions and shifts, etc. That is what is being negotiated. I think there is something to work with. As Deputy Finian McGrath said, the company has a very long history and has provided quality employment over a long period. I hope we can work to ensure it continues to be an important employer after this. I share the other Deputies' sympathy for those who are confronted with this uncertainty. We will do our best to work with them to get the best possible outcome.

### **Message from Seanad**

**An Leas-Cheann Comhairle:** Seanad Éireann has passed the Public Health (Standardised Packaging of Tobacco) Bill 2014 without amendment.

**Deputy Finian McGrath:** Outrageous.

### **Social Welfare (Miscellaneous Provisions) Bill 2015: Order for Second Stage**

Bill entitled an Act to amend and extend the Social Welfare Acts, to amend the Taxes Consolidation Act 1997 and the Personal Injuries Assessment Board Act 2003; and to provide for related matters.

**Tánaiste and Minister for Social Protection (Deputy Joan Burton):** I move: "That Second Stage be taken now."

Question put and agreed to.

## **Social Welfare (Miscellaneous Provisions) Bill 2015: Second Stage**

**Tánaiste and Minister for Social Protection (Deputy Joan Burton):** I move: “That the Bill be now read a Second Time.”

When I introduced the Social Welfare Bill 2014 in this House last November, I told Deputies that my aim was to begin the process of restoring living standards for families, older people and low and middle-income workers. I was pleased to be able to provide for modest increases in child benefit and the living alone allowance from the beginning of this year. They were the first increases in social welfare payments to be provided for since the beginning of 2009. In this Bill, I am providing further help for welfare-dependent families by introducing a new support to help them to return to work. The new back to work family dividend, which will be payable for two years, will help jobseekers with families and lone parents to return to work or to increase the number of hours worked. I am also enhancing support for lone parents with children between the ages of seven and 15 through an extension of eligibility for the jobseeker’s allowance transitional arrangements and changes in eligibility for the one-parent family payment.

All of these improvements are possible as a result of the many sacrifices made by the Irish people and the difficult choices made by this Government to successfully tackle the unprecedented economic and banking crisis. These decisions have delivered an economic recovery that is gaining real momentum, as we saw this afternoon when the Exchequer figures for February were published. We are now seeing the benefits of that recovery. When the quarterly national household survey was published last week, it showed that 3,300 new jobs were created every month in 2014. Unemployment decreased by more than 15% over the course of 2014. The number of people in work has increased by 90,000 since we introduced our strategies to create jobs and reduce unemployment. However, unemployment remains too high and we still have much work to do. The February weekly reductions in the number of unemployed people were extremely positive. I anticipate that when the CSO produces the live register figures tomorrow, the rate of unemployment will be just over 10%.

The household national survey figures that were published last week clearly demonstrate the continuing success of the Government’s twin-track approach to creating jobs and helping people to return to work. Pathways to Work is ensuring through the provision of return-to-work supports, training and education that those on the live register are ready to avail of the 3,300 new jobs that are being created every month. The action plan for jobs is helping to accelerate the transition to a sustainable, jobs-rich economy. Under the pathways strategy, this Bill provides for the introduction of a further employment support, namely the back to work family dividend.

One of my main priorities since becoming Minister has been to transform the Department of Social Protection from the passive benefits provider of old to a Department that focuses on assisting jobseekers to return to work. The Department continually reviews its supports for jobseekers to ensure they do not act as a disincentive to work. My Department’s work in this area clearly demonstrates that the great majority of social welfare recipients have a strong financial incentive to take up employment. Our experience on the ground is that people are very eager to do so. These findings are supported by the work of the Economic and Social Research Institute, which has confirmed that work pays more than welfare for almost six out of seven

unemployed people. These findings hold true even when in-work costs, such as child care and travel to work, are taken into account. This evidence clearly shows that if we can create jobs, people will leave the welfare system to take up work. They want to do so.

It is reasonable that people who have been struggling while out of work for long periods will be concerned about the potential implications of moving from welfare to work, particularly if they have children. This is where the back to work family dividend comes in. This scheme will allow people in a family who are returning to work to retain the child-related element of their welfare payment, known as the qualified child increase, for two years. The dividend will be paid at a standard weekly rate of €29.80 per child, subject to a maximum overall weekly payment of €119.20 per week in the first year. The rate payable in the second year will be half of the rate payable in the first year, subject to a maximum overall weekly payment of €59.60. Over the two-year payment period, the dividend will be worth €2,324 in the case of a one-child family, €4,649 in the case of a two-child family, €6,973 in the case of a three-child family and €9,298 in the case of a family with four or more children. This will mean, for example, that with the support provided through the family income supplement and the back to work family dividend, a person with a partner and four children who gets a job paying the minimum wage will be better off by €304 a week, or €15,790 a year, after moving from jobseeker's allowance into employment. Every Member of the House should welcome this highly progressive policy. The back to work family dividend scheme will operate during the period of economic recovery and will cease to operate with effect from 1 April 2021. The dividend will be tax-free and will be payable in addition to any family income supplement entitlement the person may have.

I would like to inform Deputies that I intend to propose a Committee Stage amendment to extend entitlement to the one-parent family payment to lone parents who are also eligible for the half-rate carer's allowance payment until their youngest child reaches the age of 16. I have had the privilege of meeting many lone parents since I became Minister for Social Protection, some of whom are also carers. The measure that I am proposing acknowledges the special situation of lone parents who are caring and, in particular, acknowledges the commitment of lone parents who are caring for people other than their own child, such as a parent or sibling who requires full-time care and attention.

The one-parent family payment scheme already provides for lone parents who are caring for children under 16 years of age and who are in receipt of the domiciliary care allowance. The entitlement is not affected by the ongoing changes to the one-parent family payment scheme. The amendment I am now proposing will mean the same level of support will be provided to those caring for someone other than their own child. These measures are expected to positively impact approximately 1,800 people, including the 800 individuals who were due to lose entitlement to one-parent family payment and half-rate carers allowance from 2 July this year. The balance is made up of those who have lost entitlement since July 2013, as well as lone parents who will qualify for one-parent family payment for the first time when their youngest child is seven years of age or older and who are in receipt of carer's allowance.

I want to speak about the one-parent family payment and the changes to the system introduced in the Social Welfare and Pensions Act 2012. Despite significant levels of investment, the one-parent family payment scheme has not been successful in preventing lone parents being significantly more at risk of consistent poverty compared to the population as a whole. In 2004, lone parents were more than four and a half times more at risk of consistent poverty when compared with the population as a whole. That was at a time when the economy was doing well. A significant reason for this was the passive nature of the scheme up to the introduction of these

changes. Prior to the reforms, lone parents could have been on the scheme until their youngest child turned 18 years of age, or 22 years if they were in full-time education. Essentially, therefore, society was saying to lone parents that it saw nothing more than welfare for them until the youngest child reaches adulthood. We can do much better than this for the parents and for their children. I have always believed the best protector against poverty is fairly-paid work and that welfare is not a long-term solution for anybody of working age.

Ireland's supports for lone parents have been out of line with what has been happening internationally, where there has been a movement away from long-term and non-conditional support towards a more active engagement approach where education, training and work experience supports are tapered based on the age of the youngest child. In New Zealand, the Netherlands and the UK, including the north of Ireland, the equivalent lone parent supports finish when the youngest child reaches the age of five years. The purpose of the phased one-parent family scheme changes is to reduce long-term social welfare dependency by ending the expectation that lone parents will remain outside of the workforce indefinitely. These reforms aim to provide the necessary supports to lone parents to help them to access the Department's range of education, training, and employment programmes, to develop their skills set and, ultimately, to secure employment and financial independence.

The reforms commenced in July 2013 and since that date in excess of 11,000 lone parents have made the transition from one-parent family payment onto another social welfare payment. Those customers who have moved to a jobseeker's payment are now also being included for activation, giving them access to education, training and employment programmes. I spend a lot of my time visiting community employment schemes and community education and visiting colleges and organisations like An Cosán, which has a huge programme on encouraging lone parents or people who finished education early back into educational opportunities. The demand is there for lone parents to upskill their education and training with the view, ultimately as their children become less dependent, to being able to take part in work on a full-time or part-time basis.

The final phase of the one-parent family payment scheme age change reforms will be taking place on 2 July 2015, when the maximum age limit of the youngest child at which the payment to one-parent family payment recipients will cease will be reduced to seven years for all recipients. It is anticipated that approximately 30,200 recipients will transition out of the one-parent family payment scheme on 2 July 2015. Departmental officials have made extensive contact with families and lone parents who may be affected. I have already mentioned the 800 or so who will see their one-parent family payment eligibility extended if they are also eligible for the half-rate carer's allowance payment. Another 20,000 lone parents will experience no income changes or will gain after the transition, from between €10 to €150. Of the remaining 10,000, who are in employment, the majority will have an immediate incentive to increase the number of hours worked each week to 19. Should they do so, they will be in a position to claim family income supplement and the back to work family dividend. These individuals will then be financially better off than their current position.

I would like to make one further point about this issue. Child care is an issue for lone parents and I recognise that. It is why we specifically introduced the jobseeker's allowance transition scheme from June 2013 to support lone parents with young children affected by the reforms. Parents who have a youngest child aged under 14 years, and who continue to parent alone, are entitled to the jobseeker's allowance transition payment. These customers are exempt from the jobseeker's allowance conditions that require them to be available for, and genuinely seeking,

full-time employment. They can instead work part-time without restrictions and still receive the jobseeker's allowance transitional payment, subject to a means test. They also have access to the Department's Intreo services and to related supports to enable them to become job-ready and to find employment.

We have the experience in the Department of dealing with the 11,000 people who, over the past three years, have made the transition. We can say that there is a huge desire among lone parents who are given information about what is available and given one-to-one interviews with one of our officials to make an ambitious plan, working with the staff in the Department, about what they want to do, their goals, the kind of employment they would like and how they will go about acquiring that employment on a full-time or part-time basis. I am in the happy position of having been able to meet lone parents who took the opportunity to return to education, to go to college to pursue FETAC-certified courses, and who, as a consequence, are now in a position to obtain jobs which are better paid than those which they would have obtained if they did not possess any qualification.

The revised structure is infinitely better than the passive scheme we had in place before. It will help lone parents to return to work and build a better financial future for themselves and their families over time. Those to whom I refer will be assisted by my Department throughout the process. Again, this is something every Deputy should support. There are those who argue lone parents should be left on lone parent allowance for up to 18 years or even longer. We are referring to people who are in the prime of their lives. In that context, there are interventions which take place when their children are seven years old and in first class in primary school and again when they reach 14 years of age and more than likely be in secondary school. Said interventions include a range of options relating to education, training and work experience. We want to help those to whom I refer to avail of these options and put themselves in a position to obtain well paid employment. That is the objective.

What I have outlined offers a very important avenue of opportunity for lone parents. It runs contrary to saying to them that if they have babies when they are 22 or 25 years old and they are parenting on their own, our vision for them is that they will remain in receipt of social welfare payments and become dependent on them until their children reach adulthood. As a woman, I simply do not understand why that would be a more attractive option than becoming involved in education or training. It must be remembered that approximately half of the 30,000 people in the country who are parenting on their own are full-time homemakers. There will be absolutely no changes whatsoever to their payments. All that is being offered is an opportunity to take part, if they so desire and as their children grow older, in education or training. They can do this when their children are established in primary school and again when they go to secondary school.

In addition to the changes to entitlement to the one-parent family payment in the case of lone parents who are also eligible for the half-rate carer's allowance payment, I will also be proposing a further Committee Stage amendment to clarify the role of my Department's medical assessors in the social welfare decision-making process. It will also enable external medical practitioners to be authorised to provide medical opinions for social welfare decision-making purposes.

I will now outline the various provisions contained in the Bill. Section 1 provides for the Short Title and its construction and collective citation with the Social Welfare Acts.

Section 2 provides for the definition of the term “Principal Act” for the purposes of Part 2 of the Bill as meaning the Social Welfare Consolidation Act 2005.

Section 3 clarifies certain legislative provisions applying to the carer’s benefit, carer’s allowance and respite care grant schemes to bring them into line with the operation of these schemes. It also clarifies that eligibility for these schemes is determined by a deciding officer on the basis of all of the information provided to support the applicant’s claim.

Section 4 provides for an extension of the jobseeker’s allowance transitional arrangements which were introduced in July 2013.

Sections 5, 6, 11 and 13 and the Schedule to the Bill deal with the introduction of the new back to work family dividend and consequential matters.

Section 5 provides for the discontinuance of the existing scheme of continued payments for qualified children. The scheme provides that the increases in jobseeker’s benefit and jobseeker’s allowance payable in respect of qualified children can continue for up to 13 weeks after the person takes up full-time employment which is expected to last for at least four weeks. The scheme will be discontinued on the introduction of the back to work family dividend. As stated, the latter will be 100% of the qualified child increase for the first year and 50% for the second.

Section 6 provides the legislative basis for the back to work family dividend by inserting a new Part 7A into the Social Welfare Consolidation Act 2005.

Section 7 strengthens the legislative provisions relating to the authentication of the identity of a person presenting at a post office for a social welfare payment on his or her own behalf or, where a person has been appointed to act as an agent on behalf of a social welfare beneficiary, the authentication of the identity of that agent. In addition, the section allows the Minister for Social Protection to make special arrangements for specific categories of persons for the furnishing of identifying information directly to the post office where the payment is to be made. These arrangements will be put in place for members of certain vulnerable groups such as homeless persons who may have difficulty in retaining identity documentation.

Section 8 clarifies the application of certain provisions relating to the recovery of social welfare payments that have been obtained fraudulently.

Section 9 provides for a number of amendments to the operation of the provisions relating to the recovery of the value of certain illness-related social welfare payments from compensation awards which were provided for in the Social Welfare and Pensions Act 2013 and which came into operation in August 2014.

Section 10 provides for the inclusion of the Pyrite Resolution Board in the list of bodies specified in Schedule 5 to the Social Welfare Consolidation Act 2005. Bodies specified for the purposes of Schedule 5 are authorised to use personal public service, PPS, numbers and the public services card for the purposes of carrying out transactions with members of the public, sharing personal data and information for the purposes of carrying out relevant transactions and exchanging data for the purposes of controlling social welfare schemes and other schemes and services administered by specified bodies. The Pyrite Resolution Board is responsible for the implementation of the pyrite remediation scheme.

Section 11 and the Schedule provide for a range of consequential amendments to the Social

Welfare Consolidation Act 2005 arising from the introduction of the back to work family dividend scheme.

Section 12 provides for a number of amendments to the Social Welfare Consolidation Act 2005 to delete or update obsolete references to a number of schemes contained in the Act and to correct a minor typographical error.

Section 13 amends the Taxes Consolidation Act 1997 to provide for the exemption of income received under the back to work family dividend scheme for the purposes of liability for income tax.

Section 14 amends section 38 of the Personal Injuries Assessment Board Act 2003 which relates to the enforceability of assessments made in accordance with the Act and provides that an order to pay issued by the Personal Injuries Assessment Board shall state the respondent to whom it is issued is liable to pay the Minister for Social Protection the amount of recoverable benefits specified in a statement of recoverable benefits, if any.

The main purpose of the Bill is to provide for the introduction of the back to work family dividend to help jobseekers with families and lone parents to return to work or to increase the number of hours worked. Taken together with all of the other employment support and activation measures introduced in recent years, this will ensure people who have been on the live register for prolonged periods will be in a much better position to benefit from the recovery in the labour market. As stated, the fall in the numbers on the live register for February appears extremely positive and I anticipate that the figure will stand at just above 10%. As Deputies are aware, the fall in unemployment means that employers are hiring. In addition, lots of people are becoming self-employed and either contracting or subcontracting. I take the opportunity to point out that an individual going to work in a self-employed capacity in the construction industry will qualify for the back to work family dividend. I am conscious that a huge number of men lost their jobs when construction died from the beginning of 2008 onwards. The back-to-work family dividend will be worth just under €90 per week to a man with three children who goes back into construction either as a traditional employee or a self-employed person. It is meant to tide the individual over when he or she returns to work either as an employee or on a self-employed basis. People can be very nervous about what is going to happen to their takings or income flows. This will cushion people during their first two years of returning to employment.

In terms of the live register, I am conscious that much remains to be done even as we fall below the European average. The live register indicates that long-term unemployment is falling and, happily, the level of youth unemployment is also falling. I am determined to ensure our activation policies make a real difference to the many people who are still unemployed notwithstanding their best efforts to secure a job. One consequence of the recession is that such people have been frustrated by the lack of opportunities to match their ambitions with their talents. The people who are currently out of work in Ireland constitute a potentially powerful and fantastic pool of talent. It is our job as legislators to help them along the road back from unemployment. They became unemployed often through no fault of their own. Their employment may have collapsed or their firm closed down. Particularly in respect of those parenting on their own, we need to offer them opportunities to gain valuable training, education, qualifications and skills which will allow them to earn a decent income that will help to improve living conditions for themselves and their families. Regardless of how generous any welfare system may be, at the end of the day it cannot compare to the improvement in individuals' incomes once they return to work. That is the way to improve people's lives.

**Deputy Willie O’Dea:** The intention of section 6 of the Bill, which introduces the so-called family dividend, is to create an incentive to move from welfare to work by attempting to widen the gap between an individual’s disposable income when working, as opposed to what it was while he or she was on welfare. I welcome that provision in principle but we must dispel the myth that poverty is a lifestyle choice for most Irish people. The people in this country who are below the poverty line or at risk of poverty include a substantial number who are in low wage employment. The phenomenon called the replacement rate describes the percentage of one’s disposable income from social welfare as opposed to work income. When the replacement rate exceeds 70%, people tend to be increasingly disincentivised to work. Statistics from Ireland indicate that replacement rates of 70% or higher only apply to approximately 20% of the population. At the height of the boom, long-term unemployment dropped to 1.3%. That clearly shows that most Irish people want to work and that a majority of them have an incentive to do so.

If I understand the Bill correctly, there is a fundamental contradiction at its heart. On the one hand we are introducing the family dividend to make it more profitable for people to work while, on the other, we are making lone parents less well off if they enter education or work. Section 4 provides for a transitional jobseeker’s allowance for lone parents of children aged seven to 14 years. On the face of it, the provision offers an incentive because it means that lone parents with children turning seven years old after 2 July who move to the jobseeker category will not have to fulfil all the requirements that jobseekers must meet in the normal course of events. The most important of these is that they will not have to prove they are available for or actively seeking work. This is understandable given that they are looking after children who are just over the age of seven years. However, the reason the section is in the Bill is because the Minister intends to trigger a change on 2 July that will remove all lone parents with children over the age of seven years from the category of lone parent. Despite what she has said this evening, in respect of which she advanced no figures or examples to support her assertions, this change will have devastating consequences for the 30,000 or more people who are transitioning. All one has to do is speak to them, read their e-mails or listen to what they are saying. When they came before the Joint Committee on Education and Social Protection two weeks ago, we had the opportunity to meet them and hear their stories. None of them would agree with a word of what the Minister has said about their positions being improved as a result of the changes she introduced since she took office, including those changes she is proposing to make on 2 July.

If one set out to target a section of the population for further cuts and deprivations, the last group any reasonable person would focus on are lone parents. The latest CSO figures show that the consistent poverty rate among one-parent families has increased to 23% from 17.4% in 2012. That is a staggering increase. Other figures show that the deprivation rate has increased to a staggering 63.2%. We can bandy around sociological terms like deprivation rates but, to put it in plain English, a person who suffers from deprivation is going without two or more of the basic necessities of life, such as food, clothing or heating. The CSO statistics show that two out of three lone parents are going without at least two of these three basic necessities.

The changes that the Minister proposes to make on 2 July will entrench lone parents in an underclass. All of the organisations representing lone parents, as well as individuals who have offered to help them on a voluntary basis, have outlined to us figures that take into account the effect of the family dividend. As the Minister will be aware, most lone parents can only work part-time because they cannot afford child care. However, those figures show that universally lone parents working fewer than 19 hours per week who are not entitled to FIS and who are earning the princely sum in addition to the lone parent’s allowance of €150 per week will lose

an additional €24 per week on 2 July. It might not be significant to any of us here, but it is quite significant to them. It doubles the punitive loss they are suffering from the changes introduced since the Minister took office to €54 per week. The figures also show that lone parents working for more than 19 hours per week who are entitled to FIS will lose an average of €60 to €70 per week. It is easy to work it out. They may get FIS if they are not on it already, but if they are on FIS, that will increase while they will lose their lone parent's allowance. Because of the way the FIS system operates, the compensation factor will be 60%. They will lose the lone parent's allowance and get back 60% of it. It does not require mathematical genius to work out the implications of that.

I welcome the change the Minister announced she will make on Committee Stage regarding carers. It was an obvious travesty. Many carers have approached me, quite a few in my own constituency, to say that people in that position suffered great anxiety and distress for a long time while we pounded the Minister with representations to make this change. While it is better late than never, those people should not have been put through that.

The changes the Minister proposes specifically on 2 July do not just relate to the incomes of lone parents. The Minister said in her speech that her objective is to encourage lone parents to work and to encourage them to enter the education system to better themselves. Let us look at what will happen to someone who has a child over the age of seven. The position will be that lone parents with children over the age of seven may transfer to the back to education allowance, but that is not guaranteed. They will have to be assessed. However, if a person transfers to the back to education allowance, he or she will lose the fuel allowance and the student maintenance grant. The fuel allowance is €520 per annum while the student maintenance grant for a person living within 45 km of his or her place of education is €2,375 per annum. That results in a weekly loss of €55.67 per week. A particular aspect of this which has not sufficiently been focused on in the debate surrounding the introduction of the Bill to date is that this will affect those in midstream. I refer to those who came into the system and had an expectation, budgeting accordingly, that the entitlements they had would last during the course of their education or training. Suddenly, it is being whipped away midstream. Many of these people are communicating with me to tell me that they have no choice but to pull out. I am talking about people who are within 45 km of their places of education. If one is more than 45 km away, which is to talk about those in remote rural areas, the loss will be a staggering €123 per week. How could a person in that situation afford to stay in the education system?

I will go through a sample of those who have contacted us about the issue. One lady contacted me from Tullamore. She says:

Until the changes, a single parent could return to full-time education, retain her single parent allowance and receive the maintenance grant. Such parents took on their courses on the basis of the supports existing at that time. They had worked out that the grant would make it possible to cover the costs relating to their return to education, such as travel, books, accommodation and child care. They had a legitimate expectation that these supports would not be pulled once the course had started. Under the changes being proposed by the Minister, single parents already in full-time education whose child is seven or older in July 2015 must change their single parent allowance to the back to education allowance, the same amount, but they can no longer receive the student grant, or they can keep the grant but lose their other payment. I became aware of this accidentally from a visit to my local citizens' information centre. I will lose my grant after July 2015. Subsequently, it was suggested to me on the telephone by a local social welfare official that the way to retain my payments

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was to have another child as I would then have a child under the age of seven and not be affected by the new rules.

It is disgraceful behaviour from any official from any Department, including one in the Department of Social Protection. I received another e-mail from a lady outlining a variant of this situation. She says:

I am at the end of my tether. I have no way to make up the difference in income. If I try to get a pay rise or go back to court for more maintenance, any increase will be deducted from my FIS making very little impact on the enormity of the cut. It is affecting my dignity as a person and my inadequacy as a mother. I truly hope something can be done as quickly as possible to restore the situation before its loss bankrupts me and my child.

That e-mail was from a lady who occupies the same parish as her local Deputy, who is none other than the Taoiseach, Deputy Enda Kenny. I could go on quoting correspondence all evening, but time does not permit it.

We received a document from FLAC this morning which suggests that a social impact assessment should have been done to work out the impact of these changes on lone parents in different situations. Of course, that has not been done. What we are left with is a lot of baloney about people being better off if they increase their hours of work. It is self evident that if one gets a job, one will be better off. We are told that if one increases one's hours of work, one could be better off as if someone can click his or her fingers and suddenly get more work. It is to suggest that someone can bring about a situation where he or she can take on more work notwithstanding his or her child care responsibilities. This change is being introduced despite a promise made by the Minister in the House on 18 April 2012 that she would not trigger the change until we had a Scandinavian-style child care system. She knows better than I do that we do not have a Scandinavian child care system in this country. She is flagrantly and blatantly going back on her promise not to trigger these pernicious changes without that system being in place. What is happening here is a cruel, callous, cynical and, while one might hesitate to say it, sadistic assault on one of the most deprived and vulnerable groups in our society. I urge the Minister not to proceed with that change. She can show us she will not by dropping section 4 of the Bill, as it will not then be needed.

In so far as the family dividend aspect of the Bill is concerned, it only kicks in when somebody gives up social welfare and takes up work after 5 January 2015. Is that correct? This gives rise to a problem. A former lone parent or someone from the general community of the unemployed with the same family circumstances could end up working side by side with the same incomes. One will be entitled to social welfare while the other will not, simply because the former entered the workplace after 5 January whereas the other was unlucky enough to have got work between Christmas and 5 January. I do not know financially what the solution to that problem is, but it is undesirable. One could also have two people in that position where the less well-off person is not entitled to social welfare whereas someone with a higher wage might be able to continue to draw social welfare in the shape of child allowance for a year, with 50% for the subsequent year.

Section 5 provides that for jobseekers the right to receive the child dependant allowance for 13 weeks is being discontinued, which I can understand. For those who come into that category the effect of the incentive is reduced by about 25%. I note that this Bill does not provide for a means test. I can understand that many people who move from welfare to work would be mov-

ing into a relatively low paid job and it is only right that they should be encouraged. However, there are examples of high-fliers who, unfortunately, were casualties during the recession and have now found employment. Such a person could become a manager of a factory or managing director of a company or chief executive on from €70,000 to €90,000 a year and still be entitled to the child dependant allowance. I do not think that is a reasonable proposition.

Entitlement to the family dividend will cease if the spouse, civil partner or cohabitant - which is not defined, incidentally - is in receipt of a social welfare payment or participates in an education or training course, the exception being the 36 day illness or injury benefit claim which can be made. For example, if a person qualifies for the dividend and his or her partner has a low paid employment and that partner gets sick for a period in excess of 36 days, as a consequence, the dividend is automatically withdrawn, even though the illness benefit which the partner is drawing could be less than what he or she was earning while able to work. The circumstances could have disimproved but yet, the incentive is withdrawn. This will need to be re-examined on Committee Stage. Apparently, the family dividend payment will also be withdrawn if the child participates in an education, training or work placement scheme. Surely this is a disincentive if the child wishes to improve his or her prospects. If the child starts to receive social welfare payment in his or her own right, the family income dividend incentive is withdrawn. I do not understand why this is so.

I understand the economics of why these payments can only be given for a limited period but in my conversations with a number of lone parents in recent weeks, one or two parents who have one child said to me that they would not bother their barney availing of it, even though they are working, the reason being that it is a temporary measure, they would become used to having €30 extra per week and after a year that would be reduced to €15 and reduced to nothing after a further year. That is one of the unexpected downside consequences.

I welcome the change that the Minister has flagged with regard to carers. In my view, persons who have spent a good part of their time as carers and who are transitioning to work should be given some assistance in that transition. The family dividend should apply to carers in such cases.

I note the change relating to entitlement to carer's allowance. The Minister has flagged that she will introduce further changes on Committee Stage. However, if I read it correctly, section 3(1)(a) states, "For the purposes of the definition of 'relevant person' in this Chapter, a person shall not be regarded as requiring full-time care and attention unless...". In my view that seems to create a presumption that a person is not entitled to carer's allowance, a presumption which the person has to discharge. In my experience, this is the first time in social welfare law that a benefit is given together with a presumption that the person who is applying for it is not entitled to it unless he or she meets conditions as stipulated. I ask the Minister to look carefully at the wording of that section of the Bill.

I recently dealt with an applicant for carer's allowance, an experience familiar to many of my colleagues but perhaps not as dramatic as this case. A chap applied for carer's allowance for looking after his elderly mother in a housing estate in Limerick. The predictable reply from the Department was that she was not bad enough or sick enough and that she did not warrant carer's allowance. Unfortunately, the poor woman died ten days later. Last week a lady in a wheelchair was brought to my clinic. She is unable to walk and barely able to talk or to breathe. She was brandishing a letter from the Department of Social Protection which stated that she was not bad enough to qualify for carer's allowance. The letter was written by someone who had

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never seen the woman and who did not have the opportunity to examine her medically. As it was, there would have been no need for a medical examination because the sight of her would be sufficient.

The point I make to the Minister is that it is difficult enough to get carer's allowance without including legislative presumptions that people are not entitled to the allowance in the first place. I refer to the submission from FLAC to my party which recommended that section 342A of the Social Welfare Consolidation Act 2005 which is modified or changed somewhat in this legislation should be repealed. I agree with that view. This section provides that a person is entitled to a repayment from the Department because he or she has been underpaid but if, on the other hand, the person owes the Department more money, he or she cannot offset what is owed to him or her against what he or she owes the Department, if the overpayment results from fraud. I have no objection to that provision in principle but I have always assumed that a person is not guilty of fraud, which is a serious criminal offence in this country, until he or she has been found guilty by the courts process. The change being introduced in this Bill means that this will apply to a person who, in the opinion of an official of the Department of Social Protection, has committed a fraud. In my view this is bordering on the unconstitutional, particularly in view of the fact that many people who are notified of an overpayment do not bother to appeal it. They try to make some arrangement to pay it over a period of time. In many cases they are not aware that the Department has determined that the overpayment arose due to fraud because this is not stated specifically in the letter which simply refers to a section of a certain Act, which is double Dutch to most of the recipients. This provision should be changed.

The FLAC submission also makes a very good recommendation which we will include in an amendment. The debt recovery system in the Department of Social Protection should be changed to ensure that a family income does not fall below the basic rate of supplementary welfare allowance for the family in question. In my view this is a very reasonable proposition.

We are dealing with incentives and disincentives. The system is riddled with poverty traps. There have been one or two attempts to tackle some of these traps. I refer to the changeover from rent supplement to HAP as an example but HAP is effectively the differential rent scheme operated by the local authorities, therefore, extra income means the payment of extra rent. Therefore, an element of disincentive remains in that system.

The three-day rule for payment of jobseeker's benefit is a powerful disincentive to those wishing to take up employment and it leads to an anomalous situation where two people with comparable needs, working the same number of hours, can find themselves in very different situations, depending on their work patterns. For example, a person working 15 hours per week over three days, might receive a fairly significant jobseeker's payment whereas another person who is working 15 hours over five days, is entitled to nothing. The system should be replaced as it is outdated and outmoded, to be replaced by a system based simply on earnings, in order, if nothing else, to recognise the reality of the modern labour market. The FIS is a good scheme and it will be discussed at more length tomorrow at the committee's Estimates meeting. I will have a few questions which I will ask the Minister tomorrow. The FIS scheme contains disincentives. For example, in order to qualify for FIS, a person must work at least 38 hours per fortnight. Therefore, a person working 100 hours per week under the FIS threshold for his or her family size, will receive an income support payment of €60 per week, which is 60% of the difference between his or her income and the threshold if beneath it. However, a person in exactly the same family circumstances and with a smaller income, and therefore with greater need for income support, working 37 and a half hours per fortnight, will be entitled to nothing.

*7 o'clock*

That is a serious anomaly in the provisions of this legislation.

As I said at the outset, I welcome any move to make work pay. That has always been my philosophy. However, the scheme the Minister has introduced is hedged in by some very serious restrictions. There are important questions in that regard which will have to be teased out on Committee Stage. My principal objection to the Bill is the contradiction at its heart whereby a family dividend is being introduced to encourage people to work by making it worth their while to do so, but, in the case of lone parents, the form that encouragement takes is by penalising them. That is a contradiction I would to see the Minister give an undertaking to resolve before Committee Stage. The best way to do so would be to agree, at the very minimum, to postpone the proposed change on 2 July pending an impact assessment on the effect it will have on single-parent families from one end of this country to the other. The claim in the Minister's opening statement that thousands of lone parents will be better off as a result of the change is absolute nonsense and totally discounted by the figures.

**Deputy Aengus Ó Snodaigh:** The primary purpose of the Bill before us today is to make provision for the new back to work family dividend. Cuirim fáilte roimh an méid sin. In ainneoin cad a deireann an tAire, táimse sásta glacadh le cinntí dearfacha agus tacú leo. Tá sé sin déanta agam thar na blianta, ní hamháin i gcás an Rialtais seo ach i gcás Rialtas eile chomh maith. Is rud dearfach é go bhfuil, ar deireadh thiar thall, an Rialtas ag bogadh bealach éigin i dtreo íocaíocht a aithníonn an cruachás ina bhfuil a lán daoine sa tír seo. Táim i gcónaí sásta glacadh le cinntí dearfacha. Nuair a fheictear stair an Rialtais seo, áfach, tá i bhfad Éireann níos mó cinntí diúltacha ná cinntí dearfacha glactha ag an Aire sa chórais leasa shóisialta. Tá sé thar am déanamh cinnte de go bhfuil na cinntí atá á nglacadh anois go huile is go hiomlán dearfach. Níl sé sin fíor faoi gach rud sa Bhille seo. Tá an cinneadh seo maidir le híocaíocht do theaghlaigh ag filleadh ar obair dhearfach.

After four years of wielding the stick of harsh social welfare cuts in an effort to beat jobseekers into non-existent jobs, the Government is finally, in a small way, acknowledging the cost of engaging in work and the extremely poor quality and low-paying nature of the jobs whose creation it has overseen. The provision is welcome but it will not address fully the poverty and deprivation among those who have been in work prior to 5 January and who, despite their employment, are struggling to make ends meet. There is a long way to go and this measure is one very small step in addressing the issues. The Government continues to oversee the creation of in-work poverty and a greater need for in-work social welfare as a result of the jobs that have been created. If it continues to encourage people into low-paid employment, short or zero-hour contracts and part-time work, it is merely perpetuating in-work poverty and will force the State to be obliged to subsidise that work on an ongoing basis. The State should work to ensure work pays. It must ensure those who are in work have proper contracts and proper hours and take home wages that ensure their families are not living in poverty.

Ireland has the highest rates of low-paid employment in Europe. The numbers in part-time work continue to increase, with 13% more workers employed on that basis now than there were in 2007. This figure shows the trend that has been happening. The increasing use of zero-hour contracts, too, is adding to job insecurity and the precarious nature of incomes. That is an issue with which not only this House but also the trade union movement must grapple in the future. We cannot build an economy and society based on precarious work and precarious incomes. In such a scenario, more and more workers will become dependent on supports such as fam-

ily income supplement and back to work dividends. That is not the way forward. A lot more work needs to be done, not just by the Department of Social Protection but also the Department of Jobs, Enterprise and Innovation, which has a particular role in this regard. We must have a Government-led process. If Cabinet decisions are driving down the quality of jobs, then Ministers are responsible for what comes of that.

More than one third of workers in Ireland will earn less than €20,000 this year. Very little action has been taken to tackle this prevalence of low-paid work. Ireland has the third highest rate of underemployment in the EU 28. That figure is key because we are talking here about people who want to work. As well as those who are in receipt of one-parent family allowance, there are many single people who want to work a full week and take home pay that is appropriate to that work. If this issue is not tackled, we are laying the basis for extreme poverty into the future. Although it has not proved itself in the four years since it came to office, I am calling on the Government to ensure quality jobs are created in the future. We want to see decent pay for decent work. The very first thing the Government needs to do at this stage is to stop displacing paid employment and driving down wages. I have always rejected, under this and previous Governments, the yellow pack approach to activation, which compounds underemployment and drives down wages. We need to provide jobseekers with meaningful activation opportunities leading to secure and properly paid jobs.

JobBridge, a central plank of the Government's jobs strategy, has served to displace what should have been apprenticeships or entry-level jobs and also has a wider knock-on effects in terms of pay in the economy. It provides a pool of free labour for employers. The Minister likes to refer to Indecon reports whenever I raise questions about JobBridge. One of Indecon's key findings in a recent survey was that almost 30% of employers who used a JobBridge intern said that in the absence of the scheme, they would have taken a person on in paid employment. This speaks volumes about the displacement that has taken place. Moreover, one should not forget this was 30% who admitted it. Of those surveyed, how many more lacked the gumption to admit they would use or were using JobBridge to displace work because they could get nine months free employment out of someone in what is called a JobBridge internship? In addition, if one again considers the Indecon report, those who have gone on to gain paid employment have done so on wages that are a fraction of the average. The Indecon figures show that many of those who found employment were on a lower rate than their colleagues sitting across from them. Each time employers use free labour from JobBridge, their competitors who may wish to pay fair wages are at a disadvantage and come under significant pressure to reduce their payroll costs.

In contrast, JobsPlus is a scheme that involves real jobs with real pay, terms and conditions. While it probably could be improved, I have welcomed that scheme from the time it was initiated. I have asked the Minister in this Chamber a number of times why has there been greater concentration on a pool of free labour than on creating real jobs. Even though it entails the State subsidising jobs, it is better and more cost-effective and will provide a benefit to the employers, the employees and to the State. This is because the JobsPlus scheme saves the Exchequer money because the value of the combined PRSI contributions generated from the job and the moneys saved from the participants' social welfare payments mean the benefits are significantly greater than from schemes such as JobBridge or others. It involves the creation of a job, which is a sustainable job. JobsPlus is biased in favour of those who are longer-term unemployed and I welcome that because as I stated at the outset, I am willing to welcome positive initiatives. In the period between its launch in July 2013 and June 2014, JobsPlus has supported 2,694 job-

seekers in full-time employment with 2,007 employers statewide. In contrast, in a statistic that shows the bias within the Department, there have been 37,000 JobBridge participants since its inception and that constitutes a blatant abuse of jobseekers. As I stated, despite the win-win nature of the JobsPlus scheme, Department of Social Protection officials have not pushed it with employers with the same degree of enthusiasm. I believe this must change and if necessary may mean the transfer of additional staff to ensure that those who previously had availed of or benefited from JobBridge should be switching at this stage to use JobsPlus fully. Moreover, others who are contemplating the creation of employment in the State should use this scheme to encourage them to set up jobs that would benefit the long-term unemployed.

Another scheme I have criticised is JobPath, which thankfully still is not in place. However, when it is in place, it will have a negative effect because I believe it also will drive down the terms and conditions of the labour market as a consequence of its establishment. The private companies that have been contracted by the Government to deliver social welfare services under JobPath will have a vested interest, and in some cases a pressing financial need, to push people quickly into jobs, no matter how poor-quality or low-paid those jobs might be. If the jobseekers object, the Department may cut or withdraw their income support payment. This is a recipe for a further downward spiral in pay and conditions in the labour market as employers will exploit the labour activation schemes.

The Government should be recruiting in the public sector with a priority of shoring up the now-decimated public services, as well as setting standards of decent pay and conditions. While the embargo has been lifted, I have not seen recruitment to fill the jobs that are needed. In fact, it is the opposite as a new scheme, Gateway, is being pushed on local authorities to give them a pool of low-paid or no-paid workers, instead of filling the vacancies that have existed for a number of years in areas such as the parks departments or elsewhere in the public service and local authorities, with fully-paid jobs. Again, this must be addressed and once again this constitutes job displacement.

As for the present Bill, when I saw its Title, namely, the Social Welfare (Miscellaneous Provisions) Bill, I hoped it would start to address issues such as job displacement and the failings of the State's job activation measures. However, it has not done so. On examining the Bill, I concluded it is another missed opportunity by the Government to try to start addressing some of the problems. As I stated, I have welcomed the back-to-work family dividends and the logic underpinning that measure. However, the problem is that the logic underpinning it flies in the face of myriad nasty cuts to the lone-parent payment over which the Government has presided since it came to power. In budget after budget, from the moment the Tánaiste took office, she has targeted lone-parent families. She has disallowed lone parents on community employment schemes from retaining a partial payment from their one-parent family payment scheme. She eliminated the half-rate payments lone parents had been able to receive on certain social insurance schemes. She abolished the six-months transitional one-parent family payment. She ended the disregard for income from hours as a home help, which was work in which many lone parents were engaged. Moreover, she cut the earnings disregard for lone parents in low-paid employment from €146.50 to €90. Like other social welfare recipients, lone parents obviously were hit by the cuts to the fuel allowance, the hike in the contribution required towards rent supplement and the cuts to the back-to-school clothing and footwear allowance and to child benefit.

The Tánaiste has repeatedly dropped the cut-off age for the one-parent family payment scheme and intends to drop it to seven years next July. The impact of the reduction in the cut-off age to seven years is that almost 12,000 parents will suffer a financial loss of up to €86 per

week. At the time of its announcement, 6,400 lone parents were to lose up to €36.50 per week, 4,500 lone parents were to lose €57 per week and lone parents who also were carers were to lose a staggering €86 per week. While the Tánaiste has seen sense in respect of that last measure, she has not seen sense on the other two categories. Why not? Has she not read her own responses to parliamentary questions I tabled? She stated earlier that they will not be affected negatively but yet, in a reply given on 21 January to a parliamentary question I tabled, she stated that of this group, 4,500 customers whose family income supplement, FIS, will be re-rated will lose between 50 cent and €57 per week. She stated that with FIS and the back-to-work dividend, they will not be affected negatively. A further 1,000 parents whose FIS will be re-rated, will gain between €2 and €42 per week and “4,100 may become new FIS recipients and will gain between €20 and €160 per week”. While that is to be welcomed, it still is the case that a proportion of those who will be affected on 2 July will be affected negatively. These are people in work and in receipt of one-parent family payments who should not be negatively affected. According to the Minister, the whole idea is that a Scandinavian model of child care would be put in place to offset the hugely negative costs of child care in the State, an issue that has never been addressed and will not be for some time. Those lone parents affected will not be able to afford to stay in work. These are the very people the Minister wants to stay in work and who should not be negatively affected by this measure. We need to ensure they do not suffer an immediate financial loss from this move.

The Minister has met quite a number of the parents involved over recent months and has been lobbied, like we have, on this. Maybe she listened to the presentation at the social protection committee last week from several groups which outlined exactly the negative financial effects of this measure on families who are the most deprived in our State.

Should Members from the Government's ranks attempt to deny they have ruthlessly and relentlessly targeted lone parents, they cannot dispute the evidence contained in the latest report from the Central Statistics Office survey on income and living conditions, SILC. While 30% of the population experiences deprivation, more than twice that number of lone-parent households suffer deprivation and are forced to go without the basics. They simply cannot afford to heat their homes, buy clothing for their children or, in many cases, put food on the table for every single mealtime. Those figures should cause everyone to sit up and look again at the implications of what is contained in this legislation, as well as the legislation which predates it, which will take effect on 2 July. This legislation does not contain the row back which should have been required. The Tánaiste and Minister for Social Protection stood in this Chamber and repeated several times that she would not proceed with the cuts to the lone-parent allowance from 12 years to seven years of age unless a Scandinavian model for child care was in place. She still has the opportunity to live up to this promise. However, given the Government has made many promises to the people that it has not honoured, I do not have much faith that she will row back in this legislation.

Lone parents in education, as Deputy O'Dea earlier mentioned, will also lose the maintenance proportion of their SUSI, Student Universal Support Ireland, grant of €2,375 per year. Even those in paid employment will take a substantial hit. This comes to €46 week being taken out of the pockets of lone parents who are trying to better themselves by going back to education. What is the Government's response? It is to hit them where it hurts financially.

This legislation, despite promises, or the previous legislation related to it, has not had a regulatory impact assessment, or a poverty or equality impact assessment. The only people who know exactly how it impacts are those who will be affected in their pockets. It seems it

does not matter to the Tánaiste and Minister for Social Protection. By identifying this group out of all of those who will be affected by the change on 2 July, she has said they are better than the others and deserve to have their cut reversed. I am sorry to point out that every one of those who are in work but will be negatively affected by the change on 2 July deserve the recognition they are not getting. Despite the fact the Tánaiste and Minister for Social Protection said she would make a change on Committee Stage, I hope she will take the opportunity over the next several days to reflect once more and not only reverse the decision on lone parents in receipt of the half rate carer's allowance but for all lone parents who will be negatively affected and have their full payment restored. That means the cut is put on hold until the Tánaiste or a future Government delivers on the promise of a Scandinavian child care model. That was a recognition that one-parent families have a greater burden on them with the cost of child care than other families. I am not denying other families do not have a burden of child care costs but only one person earning in a household, even if it is part-time, makes meeting child care costs more difficult. Every family in low pay also has the burden of child care costs, a challenge not only to this Government but to future Governments to address.

There are other provisions in this Bill of which I am dubious. I am particularly concerned about the effect of section 3 on family carers. It has been presented as some type of benign change of a technical nature. It will have to be teased out on Committee Stage. I received a submission, as other Members did today, from the Free Legal Advice Centres and Community Law and Mediation Centre which have called for the deletion of the section, arguing it does nothing but makes it more difficult for carers to access income supports. These carers are willing to take on the care the State should actually be providing. Anything that makes it more difficult or bureaucratic for those who are actually saving the State a fortune to claim their rightful allowances should be set aside. The two bodies have described section 3 as negative law-making, introducing a presumption of ineligibility for the payment which the applicant will have to overcome rather than a presumption of eligibility which it was in the past. Whereas at present the applicant must demonstrate their entitlement and the deciding officer must make a reasonable decision from a position of neutrality and objectivity, the submission notes the outworkings of the change will see more eligible applications having to go to the appeals officer to secure more entitlements with lengthy waits and the hardship that involves. We have seen the time it takes for carer's allowance appeals and the number of them that are subsequently overturned because the system has been loaded against them. This means there is a problem at the basic initial level which needs to be addressed. It means more care, more reviews, the simple phone call to say an application is missing this or that. That needs to be addressed rather than the hardship, stress and strain and, believe it or not, the cost to the State of delayed payment in terms of social welfare officers' time and social welfare appeals.

I am not opposed to the legislation but a lot more could have been included. Every year, Sinn Féin produces an alternative budget outlining how we would approach many of these issues and none of that is captured here. I will be tabling amendments which I hope will be used by the Tánaiste and Minister for Social Protection, Deputy Burton, to try and recoup money that should be paid to the State. So far, every time I have brought up PRSI payments, the Labour Court findings and so on, she has said she will address these issues at another stage. This miscellaneous provisions Bill is the legislation to capture those positive changes that would benefit the State most of all.

The last appeal I will make is that the time between Second Stage and Committee Stage is used to reflect and to ensure the negative changes to the social welfare code in respect of one-

parent families, which come into effect on 2 July, are set aside in an amendment coming from the Minister.

**An Leas-Cheann Comhairle:** I call Deputy Boyd Barrett, who is sharing time with Deputies Collins and Pringle.

**Deputy Richard Boyd Barrett:** Much of the background context of this Bill was debated in the Dáil in the Private Members' Bill I put forward last week. This context is a staggering and unacceptable increase in the levels of deprivation, poverty and hardship for some of our most vulnerable citizens, who have suffered the cruel injustice and hardship of austerity cuts since 2008. The crisis period from 2008 to 2015 seems to have gone on forever. There are also the people who lost their jobs during that time and who have been plunged into a situation of forced dependency on State benefits of one kind or another.

The last Government and the current one have hammered the innocent victims of the economic crisis from every quarter, to the point that deprivation and poverty levels have increased to a shocking point, particularly when we look at children and lone parents, but also more generally. That is a shameful indictment of our society and it is worth underlining that, while the whole world has suffered a recession, not all countries have let poverty, child poverty and deprivation increase and some have insulated children, the vulnerable and the less well off to a large degree. Other countries have failed to do so, and we are one of those countries. We have unloaded the cost onto people who could not afford it and are already suffering and struggling. We made the choice to attack them.

Sometimes, when these points are made to her, the Minister says things like she wants to activate people; that she does not want people dependent on social welfare; that she believes people are better than that and she wants to create a social welfare system that incentivises them and gives them an opportunity to get out of social welfare traps. Although we can argue the toss on some things, I do not believe a case can be made on that basis for cutting respite care grants, child benefit, fuel allowance, telephone allowance, or the household benefits package, or for prescription charges going up. All those things are just cruel and unfair and hit the people who are vulnerable. I say this in passing. Obviously, cuts in the area of rent allowance have been extraordinarily damaging and are helping to generate one of the worst housing crises in the history of the State. There is nothing in this Bill about that, by the way.

I mentioned this last week but am going to keep banging on about it so I mention it in passing again today: jobseeker's allowance for those under 26 has been cut in half and it is disgraceful. It is one thing if people under 26 are in a position to live at home but if they are not - there are many reasons why they might not be - they are by definition consigned to homelessness. They cannot put a roof over their heads on that sort of money combined with the rent allowance cuts. All of that cruelty has been inflicted, and then this Bill comes along and the Government Deputies say they are going to try and give people a bit of an incentive to get back to work.

I just came from the launch of a book, *Complex Inequality and 'Working Mothers'* by Clare O'Hagan, an academic in the University of Limerick. I noticed one of the Ministers was over there having a read. I told Dr. O'Hagan I was about to go over to the Dáil to speak on precisely those matters, poverty traps, lone parents and so on and the changes being proposed in the social welfare system. She immediately said that what we need is a child care system like they have in Iceland or Denmark. Those are the two examples she has used in her book. That is what we need. We also need to get rid of low pay.

If the Government wants to do something about poverty traps, it should not impose cuts - sometimes they are packaged as reforms but in reality they are just cuts - in a situation where there is intersectionality, to use another academic term. Intersectionality is the crisscrossing of vulnerable groups who are oppressed and discriminated against and are hit multiply, on the double and the treble. People are hit for being a child, for being a lone parent, for being disabled, for being working class and, for some families, because of all of those things. Some families are only hit with three forms of discrimination and others are hit with two. The social welfare system is trying to cope with this and it just cannot work. This can be resolved by having a universal system of State-provided free or very cheap child care and by getting rid of low pay. If the Government does those things it will do 90% of the job. In fact, we are moving in the opposite direction.

Think about the 30,000 public sector jobs that are gone and have been replaced with Gateway schemes. Where people would have been employed by local authorities on full wages, they are now getting their dole plus 20 quid. Some people are happy to do that because they are desperate to be doing something but, in fact, they are being exploited. That is displacing properly paid jobs, and the Government should address it. We need to address low pay, jack up the minimum wage and get rid of scams like JobBridge. The number taking up JobBridge as against JobsPlus is 2,000 versus 36,000. As I said to the Minister last week, if someone asks an employer about JobsPlus, the employer will say they must be joking and ask why they would take somebody on JobsPlus as they can take them on JobBridge. It is a no-brainer. That is shown by the contrast in the figures.

I will move on to the specifics. I refer to section 3 on the carer's allowance. This change, in terms of criteria for qualification for carer's allowance, is half described as a technical measure and is justifying the unfair practices which are currently leading people to be denied carer's allowance. It is a regressive cut and not a technical measure, justifying current unfairness. How the hell can a non-medical bureaucrat - I do not mean to be unfair to the people doing the job - second-guess GPs as to who needs care and who does not? It is outrageous and it is happening all the time. People are constantly coming to me to say they have given a GP's letter and told the Department they need care but they are told a GP's letter is not good enough and that they need a consultant's letter. We are essentially legitimising and reinforcing that by saying a non-medical person can second-guess or does not have to take the word of a GP in terms of deciding.

It has also introduced a 12 month qualification, which was not in the primary legislation. If one gets cancer, undergoes treatment and needs care, although one might not have cancer for the rest of one's life because one could be cured, does that mean one cannot get care on a short-term basis? That is what the legislation seems to say.

The Minister has not come back to us on the issue of lone parents. The back to work measure will help some but lone parents working part-time will lose. The Minister simply has not addressed that. The Bill is doing the exact opposite of what she said it would do and we have had no real response from her on that score.

**Deputy Joan Collins:** This Bill is like the continuation of a battering ram in regard to lone parents and access to social welfare for people. The Minister has continuously said how good the Irish social welfare system is and how it protects the most vulnerable. Other Deputies have said social welfare payments protected people because otherwise the gap between rich and poor would be much bigger.

This Bill is a continuous attack on those people who can least afford it. Section 3 relates to carer's benefit, carer's allowance and the respite care grant. Why do we have to include a line stating that "a person shall not be regarded as requiring full-time care and attention unless" when the Social Welfare (Consolidation) Act 2005 sets out the conditions whereby a person, who is the relevant person, can receive support through a carer's payment? I do not understand that and I did not hear an explanation from the Minister as to why this is needed. As FLAC pointed out very clearly, it is a negative law-making measure. It actually puts the requirement on the person applying for the carer's allowance for the person who needs it to prove it. The person making the decision looks at that first line and the rest of it is secondary. That is what they will be working from. Will the Minister explain why she deems it necessary to include that? It does not make sense and I fully support FLAC's recommendation that it should be deleted from the Bill.

The one-parent family payment has been crucial for lone parents for the past two decades. One Family, which has been very supportive of the one-parent family payment and of lone parents, has said that 53% of lone parents are already in the labour market. The figure was 35% two years ago but it has increased over the past two years. Lone parents are not a group of people who do not want to work. They do not need incentives to work; they need supports, better access to back to education and better access to employment which allows them to carry out their responsibilities to their children. They are a one-parent family and not a couple who, even at the best of times, find it difficult to balance the family care with their work responsibilities.

Some 53% of lone parents are already in the labour market and most are working poor. What is on offer today for the majority of people parenting alone is low wages or insecure or zero hour contracts, combined with no child care. This will not take one-parent families out of poverty.

Some 63% of lone parents suffer deprivation. The deprivation rate for lone parents is 230% higher than for the general population and 33% higher than for those who are unemployed. Some 53% of this cohort of people are in the workplace but they suffer the highest deprivation rate in Ireland.

We have been given a breakdown of the impact on lone parents of losing the one-parent family allowance. Perhaps on Committee Stage the Minister will provide her analysis of how the cut in the one-parent family allowance, the family income supplement, FIS, and the back to work family dividend impacts on income. According to the information a number of us have, a lone parent working 20 hours per week on the minimum wage of €8.65 with FIS and the fuel allowance receives approximately €453. If working 35 hours per week, it comes to approximately €479 per week. In July 2015 after this cut is implemented, a person working 20 hours per week will earn approximately €402 which is a loss of €50 because the wages will be €173, there will be no one-parent family payment, FIS will be €199.80, there will be no fuel allowance and the back to work family dividend will be €29.80. A person working 35 hours per week will have €454.50, which is a cut of €25. That increases as we move to 2016 when the back to work family dividend will be cut again to €14.90. In 2017, when there will be no back to work family dividend, the cut will be even greater.

The Minister is creating a situation where there will be no incentive to go back to work if one is earning less than what is currently being earned. As we know, this does not affect lone parents who are not in the workplace.

I welcome the fact the Minister said she is removing the 800 lone parents getting the carer's half allowance. However, lone parents in back to education are being badly affected. I refer to an e-mail I received because people can explain best themselves how these things impact on them. The e-mail stated that while challenged by the toxic narratives employed by the Department of Social Protection in regard to lone parents, there is no such thing as a lone parent who is unemployed. It stated that Ms Burton's Department and the Government have set about systematically dismantling the supports in place for them and are calling it progressive. The e-mail further stated that an example of the Minister's stated commitment to education is the removal of non-adjacent maintenance grant entitlement, the removal of the maintenance grant for postgraduate studies, the removal of entitlement to claim the back to education allowance, the cap on the child care assistance grant and the increase in the distance for the non-adjacent grant from 36 km to 45 km and a variety of other changes.

This lone parent is saying that her MA, which she was going on to do, will become impossible for her. She will not be able to do it. We are creating another situation that discourages people from going into education and educating themselves further. The Tánaiste must reassess this. I fully agree with FLAC when it says this should be reversed. The one-parent family payment should be fully restored. FLAC further recommends that a social impact assessment of the changes to the one-parent family payment be carried out in order to determine the extent to which the changes to the scheme have had a detrimental impact on one-parent family households.

The elephant in the room is the Tánaiste's emphatic statement in 2012, when we on this side of the House persisted to get an absolute commitment from her on child care. The Tánaiste was emphatic when she stated:

That is why I am undertaking tonight that I will only proceed with the measures to reduce the upper age limit to seven years in the event that I get a credible and bankable commitment on the delivery of such a system of child care by the time of this year's budget. If this is not forthcoming, the measure will not proceed.

That is in the record of this House. The Tánaiste should stand over it. She should stand over her commitment to lone parents, abandon this change in the age limit and reintroduce the one-parent family payment. People have referred to the Minister as "the butcher of benefits" and "the ice queen" because of her approach to this. If the issue of lone parents is not dealt with, the Tánaiste will be branded with these names for the rest of her days and into history.

**Deputy Thomas Pringle:** This Bill sets out to change how the entitlements of lone parents will be dealt with after 2 July. I will deal with that in the second part of my contribution. I will focus on what are presented by the Department as technical changes relating to carer's allowance and benefit. We often see Bills coming through with technical issues in them, but they must be looked at in detail to ensure that we tease out their potential negative impacts on people on the ground. When social welfare Bills come through this House, it can often take months or even years for the full consequences of the changes made to be realised. At that stage, it is far too late for people and it is not possible to revisit the decisions made a year or two before. It is vital that we look at the technical amendments to ensure they do not impact negatively on people.

Section 3 contains the two clarifications about dealing with carer's benefit, carer's allowance and the respite care grant, as has been mentioned by other Members. One of the clarifica-

tions is to set out the circumstances under which a person will be considered to require full-time care and attention. It seems to be a shift in definition to “full-time care and attention” from the current requirement for “continual supervision and frequent assistance”. It might seem like a technical arrangement but it is a subtle change that will make a significant difference in how applications are considered by deciding officers within the Department. That is something that needs to be teased out on Committee Stage and looked at very seriously.

The other change is that the Bill clarifies that a deciding officer can take into consideration the evidence provided by the medical assessor and by the certified medical practitioner of the applicant. That seems to be another change to the emphasis. In my dealings with carer’s allowance and interactions with constituents on the matter, there was the means assessment and the medical assessment and if the medical assessor approved the application and the means were okay, the application was accepted. It seems the changes will allow the deciding officer to override the medical assessor’s decision on applications. As has been said, that is someone without a medical qualification who only has to take regard of the medical assessor’s decision, rather than taking it onboard and acting on it. That is a very dangerous development that will lead to more refusals. It also allows for a subtle change to take place within the Department, maybe an unwritten policy. This is a policy that has been implemented over the last few years. There is a presumption of refusal when an application arrives in the Department, on the basis that people are unlikely to appeal that decision. That is an emphasis within the Department. It leaves thousands of citizens without the supports to which they are entitled.

There is a great deal of work for somebody who wants to access the carer’s allowance. The medical assessment form in the application process is difficult to navigate and it is difficult to get a full medical report from a GP to ensure the application is as strong as possible. Some arbitrary decisions appear to be made within the process itself and then applicants must go further, getting psychiatric evaluations, school reports, reports from consultants, and so on, incurring costs in the process. The deciding officers are getting additional responsibility and decision-making powers over the medical assessors in the Department. That is something we have to look at seriously. I agree with FLAC that this provision should be removed completely from the Bill. This may be designed to speed up decision-making in the Department but there will be more wrong decisions as a result. In 2013 there were 56,000 applications to the Department of Social Protection that required a medical assessment, while at any one time there were only 21.8 medical assessors assessing applications. That works out at around 2,500 applications per assessor per year, which is a huge burden to place on them. That is what is slowing down the decision-making process, rather than a need to make these changes to allow deciding officers to overrule medical assessors. We need to recruit more medical assessors to ensure the proper decisions are being taken.

If one is working from a presumption of refusal at the start, one does not want to employ more medical assessors; one wants to make the technical changes included in the Bill. This is highlighted particularly by the fact that in the first ten months of 2013, 8,917 applications for carer’s allowance were refused. Of those, only 3,426 were appealed. There is a success rate of over 32% on appeals regarding carer’s allowance and carer’s benefit. That shows there is something wrong with the decision-making process within the Department. There is no way that so many applications should be successful on appeal. Based on the success rates of the appeals in 2013, almost 2,000 citizens did not get what they were entitled to from an application they made to the Department in respect of carer’s benefit and carer’s allowance alone. The overall figures in 2013 were that 55% of appeals were successful and the Department’s decision was

overturned. That shows there is something wrong in the Department. If the application system is working properly in the first instance, no appeals system should have a 55% success rate. It does not make sense.

This is something that needs to be looked at seriously. It shows that the presumption is, as has been shown in this Bill, negative at the start of the process and people must prove their entitlement on that basis. That is a shift that has taken place. If one looks even at the number of appeals and how the social welfare appeals office workload has increased significantly over the last four or five years, with the volume of appeals probably tripling, it shows that change has taken place. Now we are going to enshrine it in legislation.

*8 o'clock*

Regarding lone parent and jobseeker's transitional payments, what will happen on 2 July has been outlined succinctly by a number of Members. My reading of the situation is that only lone parents who are at work will be penalised. Lone parents who do not have jobs will be just as well off after July. I listened to the Taoiseach on Leaders' Questions last week referring to a readjustment in figures and payments. It showed that he did not have a clue about what would happen in respect of lone parents in July.

Turning to the Tánaiste, the impression has been given that people are making the lifestyle choice to join and stay on social welfare and not to bother with work. As Deputy Joan Collins outlined, however, 53% of lone parents are already in the workplace. They are the ones who will be impacted by these changes after July. In most cases, they will lose the price of their child care, which means that the changes will have the reverse effect. The Tánaiste claimed that they would encourage people into work, but they will actually put them out of work. People will not be able to afford to stay in work. What will come to pass will match the Opposition's analysis: lone parents' payments will be reduced, they will suffer under extra child care costs and they will be forced out of work.

It is sickening that, when these issues were highlighted by this side of the House in budget 2012, the now Tánaiste made the sweeping statement that the changes would not be implemented until we had a Scandinavian-type child care system. We are a long way off that, yet we will create Irish-style unemployment for lone parents by forcing them out of work through changes to the system instead of making it easier for them to stay in work by providing them with proper child care and supports within the system.

Debate adjourned.

### **Family Home Mortgage Settlement Arrangement Bill 2014: Second Stage [Private Members]**

**Deputy Michael McGrath:** I move: "That the Bill be now read a Second Time."

**Acting Chairman (Deputy Frank Feighan):** The Deputy has 20 minutes. I understand he is sharing time with Deputies Calleary and Keaveney.

**Deputy Michael McGrath:** That is correct.

On behalf of Fianna Fáil, I am delighted to move this important legislation, the Family

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Home Mortgage Settlement Arrangement Bill 2014, which was formally introduced in December. I am glad we have procured some Private Members' time to have a proper debate on it.

This Bill is all about the family home. For many families, their homes are under serious attack. Every week, hundreds of applications for the repossession of family homes are being made to the Circuit Court throughout the country. There were more than 8,000 such applications last year. Tonight, many families are staring in the face the grim but real prospect of losing the roofs over their heads. We in this House are duty bound to devise solutions to the crisis. We have identified a specific issue in the operation of the Insolvency Service of Ireland that, if addressed, would go some way towards handling the crisis.

The Insolvency Service is not working when it comes to mortgage debt. In fact, it is failing abysmally. Given the fact that some 118,000 family home mortgages are in arrears, one has the sense that the fewer than 200 personal insolvency arrangements approved to the end of December represent just a drop in the ocean.

One reason for the Insolvency Service not working is the veto power that the Government gave to the banks. That issue is at the heart of our legislation. We are seeking to bring about a rebalancing of the power that was given to the banks at the expense of borrowers.

The Acting Chairman might tell me when there are five minutes remaining, as the clock is not counting down.

**Acting Chairman (Deputy Frank Feighan):** Of course.

**Deputy Michael McGrath:** I welcome the opportunity to move Second Stage of this Bill on behalf of Fianna Fáil. We do so at a time when the scale of the mortgage arrears crisis for home owners is unprecedented. The essence of the Bill is to remove the veto that banks possess over restructuring arrangements under the Insolvency Service where a family home mortgage is involved. It is our belief that, unless decisive action is taken, we are facing an unprecedented wave of repossessions in 2015, as evidenced every week by the reality of events in the Circuit Court across the country.

Thankfully, widespread family home repossession is not a phenomenon that Ireland has experienced since Independence. However, we know that it will lead to significant social upheaval. In fact, this is already beginning to be the case. We only need to consider the impact of the *laissez-faire* approach to mortgage difficulty in the UK in the 1990s to see the devastating social consequences of potentially thousands of families losing their homes.

As it stands, in the absence of a significant legislative initiative, the 37,484 people in arrears for more than two years are at a high risk of losing their homes. That is why we are appealing to the Government to accept the legislation we are proposing to give families a fair chance to put in place a restructuring arrangement that will allow them to stay in their homes. We do this in the genuine belief that, in the majority of mortgage arrears cases, if there is will on all sides, a sustainable solution can be identified and put in place.

At the outset, I will address a couple of points made by the Taoiseach when this issue was raised by the leader of our party, Deputy Martin, in the Dáil this afternoon. The Taoiseach stated: "The solution that has been put forward by Deputy Martin's party is not a solution because it is referring all of these cases to a court of law." It is disappointing, to say the least, that the Taoiseach would engage in such a blatant diversionary tactic. The fact of the matter is that

these cases are already appearing before the Circuit Court. Under the insolvency regime, all arrangements put forward by the Insolvency Service of Ireland must be approved by the court. If the Taoiseach does not know this, he should. It beggars belief that he threw in this red herring. We have replicated this model, but minus the veto that the Government gave the banks.

Under current legislation, repossession proceedings must be commenced by means of a civil bill. In 2014, a total of 8,164 civil bills for an order of possession were lodged in the Circuit Court. Our Bill would avoid the need for an adversarial court setting and adapt the structure provided for in the Insolvency Service to deal specifically with the question of distressed mortgages. I stress again that we are discussing family home mortgages, not buy-to-let or investment properties.

The Taoiseach also stated: “Fianna Fáil’s intention, in my view, is to impose a solution from its perspective that actually is unconstitutional.” It would be useful to ascertain whether the Taoiseach sought the legal advice of the Attorney General, who is the Government’s legal adviser in these matters and guardian of the Constitution. I expect that the Minister will confirm whether this is the case. I can only assume that the basis on which the Taoiseach is claiming the Bill to be unconstitutional is Article 43’s provisions on protecting property rights. Based on the legal advice we have received, I do not believe this to be the case, as there are already legal provisions that limit property rights, including the established mortgage arrears resolution process. In fact, if property rights are as sacrosanct as the Taoiseach seems to believe, his colleague, the Minister for the Environment, Community and Local Government, Deputy Kelly, will not be in a position to introduce his proposed rent controls.

What we are seeking to do with this Bill is to introduce a bold initiative aimed at going a long way towards resolving a major social and economic crisis. If the banks have a problem with it, they are entitled to challenge it in the courts. It is my belief that the premise of the Bill is constitutionally robust.

I would like to outline some of the reasons this legislation is necessary. There is a clear strategy on the part of banks to step up legal action for repossession of family homes in cases where people have fallen into arrears on their mortgages. The banks have decisively ramped up repossession actions in recent times. The rapid increase in house prices in 2014, particularly in the greater Dublin region, has given them the opportunity to substantially reduce the losses they would face from selling a home in mortgage arrears. Having kicked the can down the road for a number of years, the banks have become emboldened by the complete lack of legislative protection and by an acquiescent Government that wants to sell the State’s holding in them at the first opportunity. Banks are using a variety of tactics, including direct court action as well as selling off parts of their loan books, a method that essentially amounts to outsourcing of repossession.

More than 15% of family home mortgage accounts are in arrears, accounting for more than 20% of the outstanding value of all family home mortgages. Mortgage arrears for family homes are in excess of €2.5 billion, more than three times higher than the figure at the end of December 2010. According to the most recent statistics from the Central Bank, a staggering 118,000 family home mortgage accounts are in arrears with almost half in arrears for one year or more. Since December 2010, the number of accounts more than 180 days in arrears has more than doubled from 31,000 to 74,000 cases, with combined arrears of €2.4 billion. The mortgage arrears crisis is so ingrained that more than 30% of accounts are in excess of 720 days in arrears and are worth €8 billion.

Repossession of a family home is a grim possibility for tens of thousands of families. At the last count, almost 1,400 residential properties were in the possession of banks, well more than double the figure in December 2010 but that is just the beginning, as an avalanche of repossessions is in train as a consequence of the coming into effect of the Land and Conveyancing Law Reform Act 2013.

**Deputy Mattie McGrath:** An eviction Act.

**Deputy Michael McGrath:** As I highlighted to the House on 4 November last, the numbers involved are simply frightening. By way of example, in the first six months of 2013, there were only 44 ejectment civil bills in Cork Circuit Court. In the second half of 2013, however, there were 246 and this figure increased to 335 for the first six months of 2014. In Cork alone, at least 100 cases per week are being brought before the courts. Such is the increase in activity by the banks in enforcement actions that additional court sittings have had to be organised. That scenario is replicated around the country. Even more worryingly, figures released by the Minister for Finance in November last show that for every home repossessed by court order, another three are voluntarily surrendered or abandoned by the owners under pressure from the banks.

Currently, only two options are available to families struggling to meet their mortgage repayments but who wish to stay in their homes. The first is to reach an agreement with their lenders to restructure their mortgages while the second is to enter a Personal Insolvency Arrangement, PIA, under the Personal Insolvency Act 2012. In both cases, however, the bank has a veto and can refuse to accept the homeowner's proposal. The bank can threaten repossession as a means to force a borrower to accept a restructuring that is not suitable for them because no other realistic option is available to the homeowner in which the bank does not have a veto. If the borrower does not accept the bank's wishes, or cannot comply with the level of repayment the bank demands, he or she faces the possibility of eviction from the family home, but also a lifetime of debt if the home is sold for less than the outstanding mortgage. The power imbalance that exists between mortgage lender and homeowner, which is the direct result of the Government's policies, is extraordinary, deeply unfair and out of place in a modern democracy. The banks hold all the cards as a result of their built-in vetoes and because the consequences for a homeowner are significant if they cannot reach an agreement with their lender.

This legislation would transform the relationship between homeowner and bank, as it would remove a lender's right to an unqualified veto over reasonable solutions proposed on behalf of homeowners who have fallen into arrears on the mortgages for their family homes. Restructuring of mortgage accounts by financial institutions has increased but too many homeowners are falling through the cracks. The Government's solution for those who have been unable to restructure with their mortgage lenders, or who have unsecured debts alongside their mortgage arrears, is a PIA but only tiny numbers have availed of this option. At a time when in excess of 100,000 family home mortgages are in arrears, only 218 people with secured debts were granted protective certificates, the first step towards a PIA, in the final quarter of 2014. An even smaller number had a PIA approved by their creditors, with 119 such arrangements approved that quarter, while almost 30% did not have a successful outcome. Less than 200 PIAs have been approved by the Insolvency Service of Ireland, ISI, since this option became available in 2013. This is based on 16 months of hard data. A total of 199 PIAs involving secured debt were approved by the ISI. This is in the context of 118,000 family home mortgages in arrears. By any measures, this Act is not working. The Government must acknowledge this and face up to the underlying reasons to deal with mortgage debt.

Such low numbers of successful arrangements show the extent of the power of veto given to secured creditors in the Government's personal insolvency legislation. In the fourth quarter of 2014, there were more bankruptcies - 147 - than successful PIAs. To put it in perspective, there were more applications for repossession in Cork Circuit Court alone in 2014 than successful PIAs nationwide.

**Deputy Mattie McGrath:** A banker's charter.

**Deputy Michael McGrath:** People are being forced into bankruptcy. Is the Government's solution for people in mortgage arrears to end in bankruptcy? That is the coded message it is sending. The banks know they have the option of bankruptcy with a three-year discharge period with another few years of debt hanging over people's heads. People in mortgage arrears should not have to become bankrupt to have their mortgage problem dealt with.

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

**Deputy Michael McGrath:** That is the overriding message. Bankruptcy is in place for people with more complicated debt arrangements, including business and related debts.

Those who have been able to persuade their secured creditors to approve their PIA proposal have been forced to accept surprisingly small write-offs of secured debts to ensure their proposal is approved by their creditors, with the average write-off of secured debt being only 16%. In some cases, there has been no write-off of secured debt, with the PIA used to reduce unsecured debt only. The extent of the failure of the PIA route to deal with family home mortgage arrears is evidenced by the fact that less than 40% of the debt in cases currently with the ISI relates to family mortgages.

Banks should not be able to act as judge and jury when dealing with homeowners who seek to restructure their mortgages to avoid repossession of their family homes. Where a sustainable solution cannot be agreed between a lender and borrower in respect of a family home, the matter should be dealt with by an independent judge, who can hear from both sides equally and mandate a fair solution that is beneficial to both parties, not just the bank. That is the essence of what we propose. The Bill provides that homeowners who satisfy the eligibility criteria set out in the legislation may propose a family home mortgage settlement arrangement to their lenders in respect of their mortgages. To be eligible to make such a proposal, they must have engaged in the Mortgage Arrears Resolution Process, MARP, under the Central Bank's Code of Conduct on Mortgage Arrears and exhausted the appeals process set out in the code of conduct.

A proposal could be made only by a licensed personal insolvency practitioner, PIP, who would assist the homeowner in completing a prescribed standard financial statement and ensure it is accurate. A proposal for a family home mortgage settlement arrangement would be possible only where the PIP believes there is a reasonable prospect that an arrangement would facilitate the homeowner to pay off the arrears on the mortgage and there would be no prospect of him or her being solvent within five years without such an arrangement. After a thorough review of the homeowner's financial circumstances, the ISI would issue the necessary certificate to the Circuit Court, which could, in turn, issue a protective certificate. The borrower would be protected by the certificate from the lender commencing or progressing legal proceedings or taking any step to repossess his or her home for a period of 180 days. During that time, the personal insolvency practitioner would prepare a proposal for a family home mortgage settlement arrangement which could include any of a range of 14 options set out in the Bill, includ-

ing paying interest only for a period, permanently or temporarily reducing the interest rate, extending the term of the mortgage, changing the type of the mortgage, having a split mortgage and reducing the principal sum, etc. They are all laid out in the Bill. The Circuit Court would consider the proposal and all associated documentation at a private hearing at which both sides could be heard.

The Bill contains a number of important safeguards to ensure this legislation is not misused. It provides that a homeowner may enter a family home mortgage settlement arrangement just once. It also provides that when an arrangement is under way, the lender can apply to the court to terminate the arrangement in limited circumstances, for example if the borrower has failed to comply with his or her obligations under the arrangement or has fallen into arrears of 12 months in respect of payments under the arrangement. The court would have the option of terminating or varying the arrangement in those circumstances.

Tens of thousands of families are currently in a position in which they must comply with the demands of their banks or face eviction from their family homes. They potentially face having to take on crippling debt if there is a significant shortfall when their homes are sold for less than the amount of their mortgages. The solutions that are available at present are totally focused on the banks. They give lenders a complete veto over any proposals made by home owners. If this legislation is enacted, it will rebalance the relationship between banks and home owners by allowing the Circuit Court, on the recommendation of the insolvency service, to put in place a fair, equitable and sustainable solution that would allow a family to remain in the family home while paying a sustainable monthly mortgage payment.

If our proposal were adopted, I do not doubt there would be a considerable improvement in the current situation, with a much higher proportion of successful restructuring arrangements being implemented. It would put the interests of the mortgage holder at the centre of the process. It would act to dilute the control that the banks currently have over the process. I honestly believe that if the Government were genuine in its efforts to deal with this ever-growing crisis, it would accept this Bill, imperfect and all as it might be. It should accept the broad principle of this Bill, which is that the bank veto that currently operates in the insolvency service when it comes to family home mortgages should be removed.

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

**Deputy Michael McGrath:** The Government should allow this Bill to be teased out in much greater detail on Committee and Report Stages. There is a fundamental flaw in the insolvency service as it is constituted. We have to accept that it is not working. The overarching State response to the mortgage crisis was the establishment of an independent statutory insolvency service. That service is not functioning because both of its hands are tied behind its back.

**Deputy Mattie McGrath:** It is a bankers' charter.

**Deputy Michael McGrath:** At the end of the day, the Government allows the banks to call all the shots. It is allowing the banks to dress up threatening legal letters as so-called "solutions" under the mortgage arrears targets programme. The banks are sending threatening legal letters in order to claim they have fulfilled their responsibility to offer a sustainable solution. The Government is allowing the banks to use a veto. When Bank of Ireland and Ulster Bank came before the Joint Committee on Finance, Public Expenditure and Reform - a number of Deputies in the Chamber tonight were present for those hearings - they publicly said they would

veto any proposal put before the insolvency service that involved a write-down of mortgage debt. That is not acceptable. If the Minister had any sense, he would at least allow this Bill to pass Second Stage and thereby let the threat of its enactment, and the consequent dilution of their power, hang over the banks if they do not cop on and stop thwarting the work of the insolvency service

**Deputy Dara Calleary:** I commend Deputy Michael McGrath on proposing this Bill. Members of this House are often accused of reacting to problems and being behind the curve when problems develop. It is suggested that too frequently, emergency legislation has to be rushed through to solve such problems. Inevitably, that legislation turns out to be deficient when issues arise. In such circumstances, we are challenged by judges in the courts to come back and do our jobs. Since 2011, it has been a constant refrain of Deputy Michael McGrath that the family home needs greater legal protection. One of the first Bills that was proposed in this Dáil and in the Seanad, the aim of which was to protect the family home, was turned down. During the pre-legislative hearings into the insolvency Bill, all of the organisations that are at the coal face of this problem and deal with it on a day-to-day basis, including the Free Legal Advice Centres and the Money Advice and Budgeting Service, pointed out that the bank veto would present a difficulty. They said it would cause problems and would result in the welcome ambition of the Bill not being fulfilled. They said it would result in the personal insolvency service basically parking up. I think Deputy Michael McGrath has this evening presented an illusion of a service that has so much to offer but is absolutely handcuffed by the banks having this veto.

Last Friday, I had somebody with me who was previously a very successful business person, having done well in the so-called boom times. We all meet many such people. This person made investments that did not work out and is now having to deal with the personal insolvency service, the personal insolvency practitioner and everything else. He was highly complimentary of the service and of the advice and encouragement he got from the personal insolvency practitioner. He got agreement from all the unsecured creditors, one of which was one of the pillar banks, but when it came to the family home debt, which is secured by another pillar bank, the deal was vetoed by that bank. I will name the bank - it was Bank of Ireland. This gentleman and his family are now in limbo land as they await the inevitable calling in of that loan by Bank of Ireland. When he went through the situation with me, he said it is absolutely ridiculous that after he has been pursued for this debt and evicted from his home, Bank of Ireland or any other bank will then be able to offer a mortgage to somebody to buy that house for what is now the market price, which is a lot less than the value of the mortgage. He is in no position to pay the outstanding value of the full mortgage. He could pay a mortgage on the current value of the house. If he were allowed to do so, he could stay in his house and avoid going onto the housing list. That would give him a chance to get on his feet again. That is not going to happen, however. Instead, the bank is going to pursue him. As Deputy Michael McGrath said, bankruptcy is the inevitable consequence of that. I am talking about somebody who did what he was advised by going through the insolvency service. He went through the tiller with the service and made all sorts of commitments with it. The service and the payment schedule that was agreed with the personal insolvency practitioner would have addressed many of these issues, but it was vetoed.

When this man and many others like him see that various companies and corporate entities are coming away from the pillar banks with very significant write-downs on corporate loans, and are still trading at big profits and announcing bigger profits as the years go on, it seems to them that there is one rule in terms of write-downs for corporate Ireland and a separate rule for

people's family homes. The rule that applies to such people seems to be much more cruel and cut-throat. It seems to be about the ability of the bank to issue new business, while at the same time pursuing somebody for something he or she cannot have. That will continue, and will get worse, as long as we continue with the circumstances this Bill seeks to address. The continuing increases in house prices are exacerbating the situation because the banks think they will finally be able to get a greater value of the loan. I hope house prices will reach a plateau at some stage soon. As that happens, banks will start using the provisions of the Land and Conveyancing Law Reform Acts to start addressing their problems by putting people on the streets. What will we do with those people? We do not have houses or spare accommodation for them. The irony is that the buy-to-let sector, which we do not include in this legislation because it is confined to the family home, will be called in to respond. That sector will face another kind of situation.

The Government will come in here tomorrow night and vote against this legislation. The Taoiseach's advice to people who are in difficulties with their banks is to engage with and talk to their banks and they will be fine. Many people have done that and they are not fine. There are 118,000 families in arrears on their mortgages tonight. Some 60,000 of them are in arrears of more than a year. As Deputy Michael McGrath has outlined, they are in more serious situations. They have engaged with and talked to their banks. The rising property prices, and the bottom line of the banks' balance sheets in advance of their sale, seem to outweigh the importance of the family home. By any measure, the insolvency service is not working despite the best efforts of its staff. I suggest that the Minister should examine another model that this Government brought in which initially did not work. I refer to Microfinance Ireland, which was given a shake-up and a shake-down and had new management put in. I congratulate Mr. Michael Johnson, the Minister, Deputy Bruton, and the Minister of State, Deputy Nash, on the work they have done in this regard. While it is beginning to work, tough decisions had to be made about its remit and the expansion and examination of that remit. What was initially intended did not work and the same must be done to the Insolvency Service of Ireland. What was initially intended is not working if only 119 people have managed to go through the service successfully in 16 months. Comparing that to where we are in terms of outstanding liabilities, no one can say the service is fulfilling its remit. We have some time to re-engage it, redesign it and refocus it on family homes to stop the avalanche that is about to happen.

It is extraordinary that the document of the people, the Constitution, Bunreacht na hÉireann, is being used against family home owners and small property owners when in the view of the Attorney General, upward-only rents are protected by the Constitution that is supposed to stand up for people. There are property rights for pension funds but not for small family homeowners or small-business people. That Land and Conveyancing Law Reform Act has made the situation more inevitable and made it easier for banks to foreclose on the family home and take the door, literally, from under people.

When it comes to introducing competition into the banking market, there is no willingness and no encouragement to do so. When we get funding from Europe, we invest it in the two pillar banks in mortgages or the small business finance market. It is extraordinary that we are not seeking to empower the most local and the most democratic of all financial institutions, the credit unions, with an ability to deal with the situation. Those options, including the many options in this Bill, offer a reasonable solution and one that is practicable and does not require extra cost. What the Taoiseach said today was off the ball. We are saying that we should empower the Insolvency Service of Ireland with extra powers and resources to do the job outlined in the Bill, which it was originally intended to do in February 2012 when the pre-legislative

stage started. The promise of the service, in terms of the problems that existed, could have been much greater.

Most of the 118,000 family home mortgages will not have RTE outside their doors for the six o'clock news in the evening to protect them if the bank comes after them. One must have a big house in south County Dublin to get that. Tonight, families across the island are not sleeping; they do not know where they will be sleeping and are looking to us as legislators, and coming into our offices every day looking for assistance and a solution to keep them in the family homes. This is not to get a free pass on debt, as 95% want to co-operate with the Insolvency Service of Ireland and come to some arrangement on debt. There is a willingness to do this but the service is not being given the tools to do so. I ask the Minister not to allow another opportunity to protect family homes of the people on this island to pass.

**Deputy Colm Keaveney:** The Government parties had an opportunity to address the serious issue of family home repossessions when they introduced the Land and Conveyancing Law Reform Bill in the spring of 2013. They were warned by the Opposition Deputies about what was eventually enacted, which was described as a missed opportunity to rebalance the debt resolution process to provide equality of arms between debtors and creditors. My colleague, Deputy Billy Kelleher, specifically predicted that when families in arrears with their mortgages found their homes appreciating in value to the point where they were out on negative equity, they would then face the full onslaught of the banks seeking to repossess their homes. I will borrow the words of Deputy Kelleher:

My concern is that banks will cherry-pick those houses where there is some equity or value, even though people are in massive mortgage arrears. There are properties whose values have halved and whose owners are in very difficult circumstances and are incapable of making any meaningful repayment. [...] The Minister knows as well as I do that in every banking institution in the State, there are those who were previously flogging mortgages and selling credit cards, personal loans, holiday loans and car loans. They are all members of the nutting squad now, bringing people in to talk to the banks. The bottom line is that they want to get their pound of flesh now and there should be oversight in this area. With the best will in the world, this is flawed legislation from start to finish. Whatever happens between now and the passing of the Bill, the Minister will have to at least listen to our suggestions. The Minister [it was then Deputy Alan Shatter] visited Meath East during the by-election and no doubt met some of the staggering number of people who are shattered and who do not see any light at the end of the tunnel. People in those circumstances have almost written off their own hopes and aspirations, but their main concern is no longer their own hope; it is hope for their children.

This is devastating the lives of people and, as Deputy Kelleher pointed out, the lives of people, their hopes and aspirations are now dependent on banks deciding what was a reasonable offer for a borrower. Deputy Kelleher put his finger on the central problem with the debt resolution process, namely, the failure of the Government to remove the veto power of banks over the process of debt resolution. By doing so, the Government left the banks, the very people who had lent recklessly in the first place, holding the whip hand over families in a distressed situation.

As with much else, this Government did not see families as individuals struggling or suffering, did not see that they could become homeless, that the elderly living with dignity in their community could be lying on a trolley in an accident and emergency unit tonight. It did not see

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that these people had rights. They were all people in society going through difficult circumstances but they were going to have their homes repossessed. The Government parties could see only pounds, shillings and pence and the cost to individuals was lost in that legislation.

In response to warnings from the Opposition benches that families would face repossessions, the then Minister for Justice and Equality, Deputy Shatter stated:

We cannot sustain an ongoing lack of certainty with regard to the legal position on mortgages. We cannot sustain a situation in which, on the one hand, banks are expected to lend money by way of mortgages and, on the other hand, there is lack of certainty about the exercise of their legal rights when it comes to major default by a borrower. It is simply an unsustainable legal position to maintain.

I have stated on a number of occasions that repossession of family homes is intended to be a last resort.

This is dry legalise stripped of any sense of social good or the necessity to have equality and equity in the right to have a house in this country. Deputy Shatter went on to deny specifically that there would be an opening of the floodgates with respect to family home repossessions. He was not alone. In contributions on the Bill on 1 May 2013, Deputy Joanna Tuffy responded to claims of widespread repossessions when she stated:

There has been considerable scaremongering about the Bill, some of which is opportunist, populist and disingenuous. All of the Opposition speakers I have heard in the past hour and 35 minutes I have been here have been guilty of that.

Deputy Michael McNamara stated, "I do not accept there is a rush by banks to repossess."

We are standing here today debating the reality that more than 15% of mortgage accounts for family homes are now in arrears - that is 117,000 dwelling houses - and almost 60,000 of those are in arrears of more than one year. Since the Government came into office, the number in arrears for more than 180 days has more than doubled to 74,000 in less than four years. The mortgage arrears crisis is now ingrained in our economy, with more than 30% of accounts more than 720 days in arrears. At the last count, almost 1,400 residential properties were repossessed by banks, more than double the figure in December 2010.

The *Sunday Independent* recently described how repossessions through the Circuit Court were achieving an unstoppable momentum, as the banks moved to seize and get their hands on the positive equity of those properties. More worryingly, the number of repossession cases before the courts may only be the tip of the iceberg. Recent figures from the Department of Finance show that for every family home repossessed, at least three others were voluntarily surrendered to the banks.

What we are trying to achieve by means of the motion is to encourage the Government to recognise the scale of the problem. The former Minister, Deputy Alan Shatter, was only concerned with attacking Fianna Fáil. When commenting on this matter, he stated the Government, which has now been in power for four years, would not obsess about this issue and that the shape society would take in the future would not be decided in these Houses. The Government has been asleep at the wheel in this matter. There are two crises, namely, the increasing level of homelessness and the growing number of family homes being repossessed. These crises are interlinked and we are now on the cusp of a what can be described as a societal crisis. This

will have consequences for the next 30 years in the context of people's mental health, the level of homelessness and childhood deprivation and the consequent poor educational and health outcomes.

I appeal to the Minister and those on the Government benches to listen and pay heed to what we are proposing and listen to struggling families and individuals who need support. Those to whom I refer elected those in government to serve in these Houses and are depending on them to restore some order in how we control the debt resolution process. We must remove the whip from the hands of those in the banks. The Minister can achieve this by accepting the Bill.

**Acting Chairman (Deputy Frank Feighan):** I call the Minister who, I understand, is sharing time with Deputy Tom Barry.

**Minister for Justice and Equality (Deputy Frances Fitzgerald):** I thank Deputy Michael McGrath for raising this important issue. There is not a Member of this House who does not understand how serious the issue of personal indebtedness has been for families throughout the country in recent years. It requires a systemic, multifaceted response. The Government has undertaken to make such a response, which continues to evolve on an ongoing basis. While we are no way near the end point and while we are certainly examining the introduction of further innovations, a matter to which I will return, I am satisfied that we are beginning to see progress. I welcome the tangible evidence to the effect there has been a significant increase in bilateral engagement between banks and customers in debt distress. Figures from the Central Bank show that the number of private dwelling home mortgage accounts in arrears declined by over 25,000 in 2014. In addition, I welcome the figures from the Department of Finance which show that almost 115,000 restructure agreements have been reached between borrowers and lenders. This is an important figure to note. While I acknowledge that there is a huge amount of work still to be done, particularly on the issue of long-term mortgage arrears, it is clear that the mortgage arrears resolution strategy is progressing.

It is no coincidence that there has been a significant increase in bilateral deals between the banks and their customers as the Government has in recent years introduced a suite of measures to assist distressed borrowers to keep their homes, including the establishment of the Insolvency Service of Ireland and the reform of the bankruptcy laws. The Land and Conveyancing Law Reform Act 2013 includes provisions which have been put in place to protect the principal private residences of borrowers in mortgage arrears and the revised code of conduct on mortgage arrears provides a strong protection framework for co-operating borrowers who are in such arrears in respect of their principal primary residence. The Personal Insolvency Act 2012 modernised the State's insolvency laws, established the Insolvency Service of Ireland and put in place new debt resolution mechanisms including a debt relief notice, DRN, which allows for the write-off of debt up to €20,000 subject to a three-year supervision period; a debt settlement arrangement, DSA, for the agreed settlement of unsecured debt, with no limit involved, normally over five years; and a personal insolvency arrangement, PIA, for the agreed settlement of secured debt up to €3 million, although this can be increased, and unsecured debt with no limit involved, normally over six years. A number of other initiatives have been put in place to provide information and guidance for those in mortgage arrears. These include the mortgage information and advice service which was launched by the Minister for Social Protection in September 2012; a website maintained by the Citizens Information Board which offers detailed information to distressed mortgage holders; and a mortgage arrears information helpline which has been operational since July 2012.

I note the valuable work done by the Joint Committee on Finance, Public Expenditure and Reform in its report on mortgage arrears last July. There are four recommendations contained in the report which relate to personal insolvency and bankruptcy. The recommendation on engagement by financial institutions has been fully taken into account in my Department's review and forms an important part of the issues I am considering.

Deputies will be familiar with the fact that, on the issue of costs, I have taken some immediate measures. On insolvency fees, I have provided for a complete waiver of all fees payable to the Insolvency Service of Ireland and the courts on insolvency applications with effect from last October. That was an important recommendation. It was clear from my discussions with the service and its director that they felt this measure could make a major difference and improve matters for those who wanted to use the service.

As regards bankruptcy costs, I have provided for a waiver of all fees payable to the courts on bankruptcy applications and a substantial reduction in the costs of entering bankruptcy. The effect is that the fees and charges payable to the courts and the official assignee in bankruptcy by a debtor entering bankruptcy have been reduced from nearly €1,400 in early 2013 to in the region of €935 early last year to approximately €275 since 31 December 2014. This compares to an equivalent cost for entering bankruptcy in England and Wales of approximately €900. Further, in response to the joint committee's recommendations, the Insolvency Service of Ireland is providing support of €750 on a temporary basis to defray the expense of a personal insolvency practitioner in any case in which creditors reject a reasonable DSA or PIA proposal. In this context, the word "reasonable" refers to a proposal which offers a better outcome to creditors than bankruptcy. The Insolvency Service of Ireland will be reporting on the outcome of this initiative during the coming year.

In addition, the Insolvency service of Ireland launched the major "Back on Track" information campaign towards the end of last year, which I supported. This campaign is targeted to reach those most in need more effectively and already appears to be delivering results. However, I take the opportunity to add that there may be a need for an even more targeted information campaign focused on those in long-term arrears who have not engaged to date. Part of the problem clearly lies in the fact that some those whose mortgages are in arrears, perhaps out of fear or as a result of wanting to keep their heads down, are not engaging with their lenders. I appeal to them to engage. I can understand how difficult it is for many people who are frightened because of the situation in which they find themselves and who cannot even take the first step.

**Deputy Peter Mathews:** The banks will not engage with me.

**Deputy Frances Fitzgerald:** I have met individuals who have discussed with me their fear about beginning the process of engagement. That is why the information campaign being run by the Insolvency Service of Ireland is extremely important. People will be offered hope only if they begin to engage.

Following on from the very practical and immediate measures I have outlined, towards the end of last year there was a marked increase in both the number of applications for personal insolvency deals and the number of such deals agreed. The Insolvency Service of Ireland concluded almost 1,000 solutions for individuals in unsustainable debt last year, with 547 insolvency deals agreed and 448 bankruptcy adjudications. The number of new applications for protective certificates - the first stage in the process - rose by 50% from quarter 3 to quarter 4. The number of personal insolvency arrangements approved during quarter 4 of last year increased

by 148% over the number in the third quarter and exceeded the numbers for the previous three quarters of 2014 combined. From the experience in other jurisdictions, we know that it takes time for insolvency services to bed in and begin to work effectively in increasing the numbers of solutions reached. It shows that the changes recommended by the Insolvency Service to make it easier for people to access it have shown results in the last quarter of last year. These substantial increases should continue into 2015 as the cost reductions package takes effect and the service's Back on Track information campaign continues, with targeted local meetings around the country to inform people about the possibilities open to them.

However, I would like to see a more substantial increase in the overall number of solutions reached under the Personal Insolvency Act 2012. I want to see more people engaging with the ISI and I want to see more financial institutions co-operating with the arrangements. People who are struggling with unsustainable debt must be able to benefit directly from the statutory debt solutions already introduced. Saying that however, I do not exclude taking further measures to ensure that this is the case. I am currently considering the outcomes of the review of the personal insolvency legislation promised under the statement of Government priorities 2014-16, with specific attention to ensuring that the legislation can work as effectively as possible to support families who are willing to work their way through their debt problems. Any necessary legislative changes to the 2012 Act will, subject to the views of the Attorney General and the approval of the Government, be designed to address the problems faced by families in mortgage arrears. I accept there are concerns about financial institutions' approaches to personal insolvency arrangements, PIAs. Securing increased and accelerated engagement by financial institution with PIAs is a priority for me and for the Government. This issue was specifically addressed in the recent meeting which the Taoiseach, the Tánaiste and I held with personal insolvency practitioners. I assure the House this general matter is being examined in the context of the review under way. I am engaging with my colleague, the Minister for Finance, on proposals to ensure the insolvency legislation can work effectively to support people trapped in unsustainable debt in arriving at sustainable solutions. The Government and I hope to make further announcements on proposals in the near future. During our debates on Second and Committee Stages of the Personal Insolvency (Amendment) Bill 2014 I updated Deputies on the review and informed them of my intention to bring forward proposals to address this and other personal insolvency issues.

At the heart of Deputy Michael McGrath's Bill is a concern about whether banks are engaging with the personal insolvency arrangements, given the small numbers of applications and approvals to date relative to the number heavily indebted households. There is a view that banks are refusing to enter into PIAs, even regarding family homes. The banks argue that the personal insolvency is still new and all stakeholders need more time for it to bed down. I accept these are very different views. My view is that it will be necessary for the measures which are brought forward by Government following the review completed under the statement of Government priorities to include actions on this issue.

This Bill essentially proposes to introduce what it terms a family home mortgage settlement arrangement into personal insolvency legislation. I have a number of concerns regarding the proposal for this new type of debt solution arrangement. The Bill proposes a fundamental shift in the manner in which debt solutions are formulated from a position where creditors voluntarily enter into an arrangement with debtors, which is the basis for a personal insolvency arrangement or a debt settlement arrangement under the 2012 Act, to a court imposed arrangement. In approaching the problem in this manner, the Bill ignores the fundamental importance of strik-

ing a carefully measured balance between the interests of people who are in arrears of mortgage repayments on their family homes and the property rights of secured creditors. It would require the courts to adjudicate on these issues without providing any criteria to guide their decisions, while at the same time introducing sweeping new powers for the courts to impose debt solutions on secured creditors. In addition, there is no provision setting out a right of appeal. I note that the Bill does not define a “family home”. This risks a lack of clarity as to whether the home of a single person, a cohabiting couple or siblings, or a property which is the family home of a person other than the mortgagor, such as a tenant in private rental accommodation, is covered.

Section 4 outlines proposed criteria which the mortgagor must meet to be eligible for a settlement arrangement. I note that a mortgagor can only be considered eligible for a settlement arrangement where he or she has engaged with a mortgagee under the Central Bank’s code of conduct on mortgage arrears, CCMA, and has exhausted all avenues under that code, including appeals processes. It is a fact that the majority of those in long-term mortgage arrears, that is arrears of longer than 720 days, are considered by the Central Bank as unco-operative borrowers in that they have not engaged with their lender in any meaningful way under the CCMA. This means that the proportion of family home borrowers in long-term arrears meeting the criteria advanced by Deputy McGrath would be very low.

Section 7 proposes that a protective certificate issued under the proposed settlement arrangement would subsist for 180 days. This is much longer than the time period provided for under a PIA, which is currently 90 days. No reason for the proposed extension of the time period is advanced and the Bill also provides for a further extension of unspecified duration. Section 9 of the proposed Bill relates to the formulation of a settlement arrangement by the PIP and its subsequent consideration by the mortgagee. It differs quite starkly from the current provisions under a PIA. Under a PIA, the debt solution is voluntary in nature. A PIA must be agreed by both the debtors and creditors and provisions have been put in place in the 2012 Act to enable this process. The Bill as drafted does not provide that the settlement arrangement should be agreed by the mortgagee and would allow the property rights of a secured creditor to be impaired without consent. While this would require a court order, it also places the Circuit Court in the difficult position of performing a highly delicate and sensitive adjudication which may engage constitutionally protected rights without indicating any criteria to guide its decision. The risk also arises that introducing such provisions could incentivise delinquent behaviour by some mortgagors and reduce the numbers of mortgagors engaging with their lenders on mortgage arrears.

It is my belief that the approach proposed in the Bill would discourage lending for house purchase purposes and risks exerting a negative impact on a recovering housing market. I believe further that the Bill would result in legal uncertainty and lead to a high risk of legal challenge. Existing personal insolvency legislation already provides a mechanism whereby mortgage arrears on family homes can be taken into account when formulating a proposal for personal insolvency. A personal insolvency arrangement can include secured debts, such as a mortgage on a family home, as well as unsecured debts. Any of the options proposed for a settlement arrangement under this Bill are already possible under a PIA. The distinction is that a PIA has to be approved by a majority of creditors, while a the proposed settlement arrangement would allow the Circuit Court to impose the arrangement on the mortgagee. I have already outlined my concern that the Bill takes this substantial step without satisfactory definitions of which homes would be protected or of who can apply, without any criteria to guide the court, without hearing other parties or other creditors who might be affected by such a measure

and without providing for any right of appeal. Such an approach would, I believe, be open to legal challenge.

The Bill as presented risks creating a range of serious negative effects for borrowers struggling with mortgage arrears, mortgage lending institutions, the courts, the continuing operation of the personal insolvency system and quite possibly for new applicants for mortgages, especially mortgages on a principal private residence. The drafting of the Bill is such that it would not be possible to accept it as it is currently configured. It is in that context that the Government is declining to accept the Bill. However, I appreciate the spirit in which the Bill has been put forward. In that context I propose to refer the matters raised by Deputy Michael McGrath to the Joint Committee on Justice, Equality and Defence for further consideration. I accept that engagement with the insolvency system by some lending institutions needs to be accelerated. I intend to bring proposals to Government in early course which will address the issue in a more appropriate and effective manner.

*9 o'clock*

**Deputy Tom Barry:** I welcome the opportunity to speak on the Bill. It is a very emotive and serious issue. The dreadful fear and worry of being in a position where one may lose the family home is very hard to define. One almost has to be there to understand how serious it is. We must be careful, however, about any solutions we reach relating to very different times. A unique situation occurred in this country that caused this problem to occur on such a large scale. Any solution we put in place must be one that works for the future, not just the specific problems we have at the moment. We could create an uneven playing field in the future if we get this wrong. The cost of future mortgages could increase as banks or other lending institutions sought to protect themselves against the risk of default and court-defined settlements.

It is important to define what is a family home. Some people believe that what is necessary in a family home is a palatial mansion while others consider a standard house to be adequate to meet their needs. When we refer to keeping a person in a family home, we must look at what we are asking for and what is the definition of that. For most reasonable people, that should not be an issue, but there are cases with which we are all familiar where it is contended otherwise.

As Deputy Michael McGrath said, there must be a commitment from both parties to a loan. As the Minister has said, some institutions need to move a little further than others. Others have done quite well. There was a lack of expertise in the early days and as banks were trying to sort out their own messes, they were not in a position to sort out everyone else's. That has moved swiftly. I have dealt with many cases and can say that certain institutions have done very well, which needs to be recognised.

Shortfalls in repayments were mentioned. If a repayment is €1,500 per month and there is a shortfall of €1,400 per month, it is quite a shortfall. Practicality needs to come into play here. We need to define what constitutes a shortfall in payment and what people can afford. Rebalancing the arrangement was mentioned by Deputy Michael McGrath and the Minister put her finger on it when she said it needs to be a measured balance. We cannot rebalance it so that the scales tilt completely to one side. We need to be very careful here as we do not want property rights in other sectors to be affected by a precedent in this area. It is very easy to say something populist but this is a serious situation where we need to be careful.

I am all for sustainable mortgage arrangements. It is only this week that three separate peo-

ple arrived into my constituency office who wanted sustainable mortgage arrangements. Other Deputies will have seen the same at their offices. Section 9(2) of the Bill refers to principal write-off as one of the solutions. That is not something we should do.

**Deputy Peter Mathews:** It is the correct thing to do.

**Deputy Tom Barry:** I am all for some of the other items listed and would even discuss the split mortgage option. I have put forward many recommendations in the past and the Keane report has referred to it. If a person is in debt to the extent of €300,000 and can afford interest and principal on €150,000 while the balance is parked, inflation means that whoever inherits that house will have a property with a mortgage of only 30% to 40%. He or she will have received a very valuable asset. Perhaps we need to discuss that, but writing off the debt means the money is gone from the State forever. While we might discuss whether interest can be written off or other arrangements entered into, we owe it to our society to ensure that we have a situation that is sustainable. Crystallising debt losses at the expense of the taxpayer is something we must look at seriously.

**Deputy Michael McGrath:** That can happen already.

**Deputy Tom Barry:** All I am saying is that if one wants to put something into legislation, one must be careful. I agree that there are banks which have written down while others have not. That variability is causing frustration. I saw one bank this week which handed out an annual statement to one of its customers with the debit and credit sides but which gave no total for a full year. The person asked me a simple question about whether he was making an impact on his debt. We had to write back to the bank to find out what was the balance at the start of the year and what it was at the end of the year. As such, some banks are not engaging properly. Non-pillar banks which are not our mainstay are hell bent on going the route of causing most trouble, which is a concern.

We cannot forget that huge work has been done here. For all its wrongs, the Personal Insolvency Act is in place. Debt relief notices, debt settlement arrangements and personal insolvency arrangements are all available and they are good things that have happened. I welcomed the Minister's openness in saying she was not excluding further measures. That is important as this is an evolving situation. We have learned a great deal since the financial meltdown occurred. It has been difficult for everybody. I doubt there is anyone in this country who has not got an iron in the fire. Everybody made some small mistake during the so-called "boom times" which he or she wishes he or she had not made. Hindsight is great sight.

I welcome the work that has been done to date and I certainly welcome the discussion on this important topic. I hope people will deal with this in a sensible, measured and constructive fashion. Scaremongering here, which politically at times we might be accused of, can cause undue distress and hardship to people. The message that should go out is that work is being done in this area to try to bring about sustainable solutions for people. I encourage people who find themselves not only in arrears but in pre-arrears to engage. If they can see that some financial impediment is coming down the tracks, they should go to the bank, which cannot read their minds, and state it early. Go in early. I have been in business for 20 years and we have had many ups and downs. One thing I have learned is that one must go in early and define the problem. One cannot expect a bank to read one's mind. A problem shared is a problem halved in some respects. I believe that firmly whatever the views of others. I will not be deviated from that point.

As we have seen, the numbers entering into sustainable arrangements have increased, which is a sign that things are starting to work. In all of these issues, the most important thing is that both parties enter into and commit to the spirit of the scheme. If they do not enter into the true spirit of arrangements that are sustainable for both parties, it will not work. I welcome the Bill and congratulate Deputy Michael McGrath on the work he has put into it. It is something about which I feel strongly and I look forward to seeing the reviews in the future and how this plays out.

**Deputy Pearse Doherty:** It was very interesting to listen to the Minister and to Deputy Barry's words of wisdom to the rest of us that we need to learn for the future. His suggestion that everyone had an iron in the fire and that there is no one who did not make a mistake during the crisis period, is untrue. It is part of the narrative that we all partied but the reality is very different; many people are suffering the consequences of austerity brought to them by Deputy Barry and his allies in Fine Gael and the Labour Party, who did not-----

**Deputy Dara Murphy:** He never used the word, "party".

**Deputy Pearse Doherty:** Deputy Murphy should have a bit of respect.

**Deputy Dara Murphy:** Deputy Doherty should quote him accurately.

**An Leas-Cheann Comhairle:** Deputy Doherty has the floor, please.

**Deputy Pearse Doherty:** I did not quote him as using the word, "party". I am saying it comes from the same gene pool as the phrase, "We all partied". It seems to be touching a raw nerve because this is the reality of what he said, the suggestion that we all partied. Indeed, the Minister of State's party leader made those comments when he was in green fields in Davos-----

**Deputy Peter Mathews:** In Davos.

**Deputy Pearse Doherty:** The Minister of State should not try to lecture me from the Government benches.

Deputy Barry wanted to lecture the rest of us. He said we have to be careful in terms of the long-term consequences because of the misery that this could cause. What about the misery that people are enduring at the moment? I refer to the misery that tens of thousands of families are enduring. They are waiting for this Government which is not in its first, second or third week in office but which has been in office for its fifth year, and it has still left so many tens of thousands of families in mortgage distress which is not only harming them and their mental health but also harming the economy and the community. Deputy Barry said that at all costs we should not agree with Deputy Michael McGrath's proposal along with others in these benches, which is that one of the solutions should be a debt write-down.

**Deputy Peter Mathews:** Hear, hear.

**Deputy Pearse Doherty:** Deputy Barry suggested this should not happen. Does he not understand what he was talking about when he referred to the Personal Insolvency Act? What does he think happens in these arrangements put forward by the personal insolvency practitioners, PIPs? Does he think that no debt is written down as part of these arrangements? Does he think that no debts are written down in cases of bankruptcy? Honest to God, it is very difficult to listen to a Government Deputy coming in here to strike down a Bill. Deputy McGrath is to be commended because the Bill is a genuine effort to deal with a crisis in Irish society. It is

important that Members bring forward initiatives to deal with this systemic issue. The figures for long-term arrears speak for themselves. We are not even talking about the 90-day category; we are now talking about the two-year category and 37,000 families are in that situation with each of them wondering when the letter will drop through the letter box.

**Deputy Peter Mathews:** That is 150,000 people.

**Deputy Pearse Doherty:** They wonder if they will have a home in a year's time or in two year's time. For many of those 37,000 people in arrears of two years or more, the letters have already arrived. When this Government took office, repossessions were not happening because of the Gunn judgment. However, one of the first actions of the Government was to bow down to the banks and unleash them to move on repossessions. The Central Bank figures show that as of last September, the accounts in arrears of more than 720 days constitute 31.8% of all accounts in arrears and 73% of all outstanding arrears. As we sit here and decide to do a bit more marketing, as the Minister says, 37,484 family homes are in the most serious of arrears and each is potentially facing legal action. When these figures were first published in September 2012, a total of 20,000 were in that category. That is the record of this Government. The Minister and Deputy Barry tell us that we should not be scare-mongering but rather we should give the message that we are doing something about it. The Government is adding to the number of people who are in long-term arrears of two years and more.

Last April I brought forward the Land and Conveyancing Reform (Amendment) Bill on behalf of Sinn Féin. Like tonight and tomorrow, at that time we heard the Government's reasons for rejecting the Bill. Then, like tonight, there was no logic as to the reason it was rejected and then, like now, I was told that the problem was under control and firm action was being taken. The truth is that the Government does not want to rock the boat. The repossession agenda of the banks is part of a deal made with this Government. The banks are being allowed to unwind the mortgages any way they like and the Government will not intervene.

**Deputy Peter Mathews:** Shame on them.

**Deputy Pearse Doherty:** It is as simple as that. They own the banks but they will not tell the banks that they cannot repossess family homes at will. That is what is happening and it should be admitted by the Government.

The Minister gave a critique of Deputy McGrath's Bill. I have studied the Bill and I, too, have some doubts about aspects of it and how it will work in practice. However, unlike the Government, Sinn Féin recognises the Bill as a genuine effort and all these issues can be dealt with on Committee Stage. We can deal with the issues raised by the Government, such as the constitutional red herring or any of the other issues such as the definition of a family home. From the point of view of Sinn Féin, the process outlined in the legislation has a couple of weaknesses. For example, there is the question of at what point and on what grounds other than correctly filed paperwork, can the Insolvency Service of Ireland or the courts refuse an application even in justified circumstances. This question is not adequately answered. The other question is how can the Insolvency Service of Ireland not find that an application is an attempt to frustrate the efforts of a mortgagee to recover debts due to him or her. In my view, the whole point of the process is to frustrate that effort to stop the repossession of the family home. This can be further debated on Committee Stage. One should not throw out the baby with the bath water.

The Bill I brought forward last April was similar to this Bill but it was stronger legislation because it also dealt with issues such as residual debt and it placed the cost of the process on the banks. Nevertheless, I recognise that this Bill is a genuine attempt to make the Government face this issue and that is very welcome.

We know that this Government will not face the issue. We know the Government has its own narrative agenda; it wants to focus on headline economic growth figures, despite the debatable nature of that growth. It does not wish to engage with issues such as people losing their family home or the banks bullying or intimidating the very people who bailed them out. The stories of families across the State who are waking up every morning in fear of losing their homes does not fit in with the Fine Gael narrative but it is a reality for far too many families.

It is the reality that this Government has created. It came to power four years ago and promised to deal with the mortgage crisis. Just like its attempt to deal with the banking debt, it has failed miserably. Today the Greek Parliament has passed a similar Bill even the Greek Government is not in power for four weeks, never mind four years. That Bill is designed to protect family homes from repossession. This has shown us that there are choices. By contrast, this Government removed the block on repossession of family homes. The Labour Party and Fine Gael have sided with the banks in this crisis, and that was the deal they struck.

Since March 2011, there has been a definite pattern of facilitating the banks to do whatever they wanted, including repossession of family homes. We have seen revision of the code of conduct on mortgage arrears after a so-called consultation period, when civic society and those who worked with those in mortgage debt called for greater protections. They have seen so many people under pressure and they can foresee what will happen when the protections are relaxed. The Central Bank, without a whimper of protest from the Labour Party, stripped down the protections given to struggling homeowners. It was a cold and calculated decision to let the banks off the leash. To complement this decision, the Government had to go further. It needed a legal move in the form of the Land and Conveyancing Law Reform Act, the most shameful of a long list of shameful actions taken by this Government. The Gunn judgment was the one legal stop holding back the banks and it was removed. The inevitable results are now before us in the hundreds and thousands of repossessions each week in the courts. On RTE radio today, Mr. Ross Maguire of New Beginning indicated that there are 218 cases in Limerick, 131 in Ennis, 58 in Naas and 100 in Dublin every week. In my county of Donegal, there are 271 cases. So extreme is the situation that the courts have had to create their own lists and sittings to deal with it.

If this crisis is not addressed, we will have seen nothing yet. The problem is only going to get greater, the banks will get bolder and the repossessions will continue. Yet we are told not to worry, that the troika, Government and Central Bank are happy, and the banks are meeting their targets and back making a profit. What we are not told is that those targets are being met because the Central Bank, with the Government's full support no matter how much it claims otherwise, has allowed repossessions and legal actions to count as solutions under those targets. The European Commission has indicated that half of the arrangements involve legal proceedings and the courts are straining under the pressure.

We are told the recession is over and we should stop being negative. That is the mantra from Government. I apologise for delivering a dose of reality to the Minister by showing that the repossession crisis is real and escalating. Moreover, the Government has facilitated that crisis and ignored those who warned it was coming. Only one month ago, at a meeting of the

justice committee where the Personal Insolvency (Amendment) Bill 2014 was being examined on Committee Stage, our party spokesperson on justice, Deputy Pádraig Mac Lochlainn, was the only member to put forward an amendment to remove the banks' veto. That proposal was rejected by the Government. We have an Administration in denial about this issue. I attended meetings of the finance committee with other Members who are here today where bank CEOs told us they would use their veto in every single circumstance over an insolvency arrangement if it involved the writing down of mortgage debt held by them.

**Deputy Peter Mathews:** Shame.

**Deputy Pearse Doherty:** The Taoiseach says he wishes the banks would do more. If only he were Head of Government, perhaps it would all be sorted. The banks only wish for the Taoiseach to leave them alone. It is likely, given the Government's response tonight, that this is exactly what will happen until such time as a new Administration is elected. Unfortunately for hundreds of families, that will be too late.

The insolvency service has had a miserable take-up, as is clear from its own figures. That is not down to poor marketing or lack of public awareness; it is because people are not fools. The public knows the banks hold all the cards in this game. When the insolvency legislation was being debated, this point was made by Sinn Féin and those who work with people in debt. However, removing the banks' veto would inconvenience those institutions, and this Government was never going to do that.

All members of the finance committee signed off on a report outlining good, sensible suggestions on how to tackle this crisis. No sooner was that report launched than Government Members started to run for cover. They washed their hands of it and the Government carried on facilitating the banks in whatever way they could.

**Deputy Peter Mathews:** Shameful.

**Deputy Pearse Doherty:** I have met with far too many families whose mortgages were sold to vulture funds by this Government. The legislation to protect those families is still meandering through the process while the vultures move swiftly to cash in.

I commend Deputy Michael McGrath's Bill as a genuine effort to deal with the crisis, just as we put forward our Bill last April. I condemn the Government for its inaction and the approach it has taken. Mr. Ross Maguire raised the question today of how Irish society will deal with those in long-term mortgage arrears. Some 37,000 people have not been in a position to pay their mortgage in full for more than two years. Are we to evict them all? Should we evict half of them or some other fraction? The Minister has no answer to that question. The Government is in office for four years and it still has not given a pathway to families out of the debt under which they are suffering.

**An Leas-Cheann Comhairle:** Deputies Finian McGrath and Thomas Pringle have agreed to share time.

**Deputy Finian McGrath:** I am pleased to have an opportunity to speak on this legislation. The bottom line is that we all have a duty to assist families in mortgage arrears. Turning our backs on these people is not an option. Throwing families out of their homes is not a realistic solution to the problem. The Government must up its game and take on board the solutions put forward during this debate. We need to tackle the bank veto and limit home repossessions.

Only today I heard about a family with a child with autism who were turfed out of their home by a bank. Now they are forced to live in a hotel room. Do the members of this Government know what it is like, first, for a family with a child with autism and, second, for a family to have to live in a hotel bedroom with a child with a disability? The Government must get real. When sensible legislation like this comes before the House, we all should support it.

Families throughout this country are in pain and they need our support. Let there be common sense and compassion. Most people want to repay their debts, but we must help them to do so rather than letting the banks throw them onto the streets. In tonight's debate, I am focusing on family homes and those who have lost their jobs or suffered huge reductions in pay in the past eight years. They are the people I am concerned about, not the fat cats in our society. Many of the latter played a part in wrecking our country, along with senior banks and other greedy individuals. What planet are Ministers living on when they oversee an insolvency service under which only 199 cases were approved by personal insolvency practitioners? There are 118,000 families in need of support immediately. We must assist those who wish to avail of the mortgage to rent option. Some 3,500 families need that assistance now and the banks must get involved.

Let us deal in sensible solutions and support this Bill. The Irish people bailed out the banks; now it is time to assist families with major mortgage difficulties. That is what this Bill is about and I commend Deputy Michael McGrath on bringing it forward. We have to listen constantly to Ministers claiming the Opposition has no policies and no solutions. This proposal offers a solution that will help people. I urge all Deputies to support these sensible provisions at 9 p.m. tomorrow.

**Deputy Thomas Pringle:** I welcome the opportunity to contribute to the debate and commend Deputy Michael McGrath on bringing forward the legislation. It is important to keep this issue on the agenda. It seems Private Members' business is the only means by which that can be done, because it does not seem to be on the Government's agenda. This is a crisis that was foreseen. In May 2011, the Technical Group presented a Private Members' motion which, for the first time in the life of this Dáil, raised the mortgage crisis. Like all other such motions, and as will happen tomorrow night, it was voted down by the Government.

When that motion was defeated, I thought perhaps the crisis had not fully materialised and the Government was holding off to see the extent of the problem. Four years later, the problem keeps getting bigger and the Government is doing less and less. Any action it has taken was in favour of lenders. Even the changes made by the Central Bank recently in regard to the deposits required for first-time buyers place the onus on them to be prudent and not to get into difficulty. This reinforces the idea that the crisis is all our own fault and we partied too much. Why is the onus not being put on lenders to act responsibly? Why is no onus being placed on banks to ensure customers do not overextend themselves? Why do we not consider allowing people to avail of non-recourse mortgages? That would put the full onus on banks to ensure the money they lent was dealt with sensibly. That would do more to prevent a property bubble than putting false onerous deposit and other requirements on people who simply will find ways to get around them. In addition, an entire insurance market will be created in which people will be able to insure the level of deposits above the 10% required. That relates to a future issue with which Members probably will be obliged to deal in years to come.

As mentioned in the House, on 16 February there were 271 repossession cases before the Circuit Court in County Donegal. In one case involving a family with six children facing re-

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possession the husband had been obliged to emigrate to find work to try to keep the family in their home. These are the people who are coming before the courts. There is already a housing crisis and one simply will add to it by making sure people will lose their homes and end up on the social housing list. Unless this issue is dealt with once and for all, it will continue to spiral out of control.

Debate adjourned.

The Dáil adjourned at 9.30 p.m. until 9.30 a.m. on Wednesday, 4 March 2015.