



DÍOSPÓIREACHTAÍ PARLAIMINTE
PARLIAMENTARY DEBATES

DÁIL ÉIREANN

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

Ceisteanna - Questions	2
Priority Questions	2
Social Welfare Code	2
Employment Support Services	5
Rent Supplement Scheme Payments	6
Social Welfare Code	8
JobPath Implementation	10
Other Questions	13
Child Benefit Administration	13
One-Parent Family Payment Eligibility	15
Gender Recognition	18
Topical Issue Matters	20
Topical Issue Debate	21
Airport Promotion	21
Hospital Closures	21
School Completion Programme	24
Social and Affordable Housing Provision	27
Leaders' Questions	32
Order of Business	41
Rural Equality Bill 2015: First Stage	48
Ministerial Rota for Parliamentary Questions: Motion	49
Message from Select Sub-Committee	50
Criminal Justice (Terrorist Offences) (Amendment) Bill 2014 [Seanad]: Second Stage	50
Sale of Siteserv: Motion [Private Members]	55

DÁIL ÉIREANN

Dé Céadaoin, 6 Bealtaine 2015

Wednesday, 6 May 2015

Chuaigh an Leas-Cheann Comhairle i gceannas ar 2.30 p.m.

*Paidir.
Prayer.*

Ceisteanna - Questions

Priority Questions

Social Welfare Code

1. **Deputy Seán Ó Feargháil** asked the Tánaiste and Minister for Social Protection her plans to provide the self-employed with greater access to social welfare benefits; and if she will make a statement on the matter. [17372/15]

Deputy Seán Ó Feargháil: I have the unenviable task of standing in for the inimitable Deputy O’Dea. This question seeks to explore with the Tánaiste what plans, if any, she has to extend access to social welfare benefits to the self-employed. The question is posed against the background of all of us in this House wishing to see the indigenous sector develop. We see access to welfare benefits as part of that necessary change.

Tánaiste and Minister for Social Protection (Deputy Joan Burton): Self-employed people pay PRSI at the class S rate of 4%. This entitles them to benefits such as a State contributory pension and contributory widow’s, widower’s or surviving civil partner’s pension, contributory guardian’s payment, maternity benefit and adoptive benefit. A combined PRSI rate of 14.75% is paid in respect of employees, who can access the full range of social insurance benefits. This comprises 4% PRSI payable by employees and 10.75% by their employer, or there is an 8.5% employer PRSI rate for weekly earnings under €356.

The most recent actuarial review of the Social Insurance Fund, published in 2012, stated that the self-employed are obtaining better value for the level of their current social insurance contributions than employees. The review found that a 15% contribution rate would be needed to provide the core full-rate State contributory pension to the self-employed. This compares very

6 May 2015

favourably with the 4% rate currently paid by the self-employed. In addition, self-employed people with insufficient means can access social assistance payments such as jobseeker's allowance and disability allowance, subject to satisfying the qualifying means criteria.

In June 2011, I established the advisory group on tax and social welfare to examine a number of specific issues including the issues involved in providing social insurance cover for the self-employed. It reported back that during the three year period from 2009 to 2011 nine out of every ten self-employed people who claimed jobseeker's allowance received payment. Therefore, it was not convinced that there was a need for the extension of social insurance for the self-employed to provide cover for jobseeker's benefit. However, the group found that extending social insurance for the self-employed was warranted in cases related to long-term sickness or injuries, through the invalidity pension and the partial capacity benefit schemes. In this regard, the group recommended that the rate of contribution for class S should be increased by at least 1.5 percentage points, payable on a compulsory basis only.

At the time, some employers' groups called for the provision of social insurance benefits to the self-employed on an optional basis. This was addressed by the advisory group which considered that allowing people a facility to opt in or opt out at their own discretion could lead to the selection of bad risks. The whole principle of social insurance is social solidarity where everybody pays in and, if necessary, cover is available. Allowing people to opt in or opt out could result in a negation of the social solidarity contributory principles which underline the system. Any changes in the PRSI system for the self-employed would have to be considered in a budgetary context and, in particular, the funding position of additional entitlements. There are very valuable additional entitlements offered in the advisory group report which I accept, but the issue for self-employed people, or for their organisations, was that it would involve an additional contribution which they did not seem inclined to favour at the time.

Deputy Seán Ó Feargháil: Any of us responding to this issue accepts that for the system to work a realistic contribution has to be made. As we look to the future and to the sort of economy we want to develop, we find we are all committed to developing indigenous small and medium sized enterprises. We all accept that in order to do that successfully the safety net of a social welfare benefit system does two things, that is, secures a measure of social justice, to which the Tánaiste has alluded, but it also goes a little bit further in that it helps to reduce the level of risk that entrepreneurs are taking. We need people to take risks and we need to incentivise them to do so. Notwithstanding the advice the Tánaiste has received from the advisory group which she will take on board, if there are changes to be made I accept they would need to be made in a budgetary context. Does the Tánaiste envisage changes being made in the near future?

Deputy Joan Burton: I favour the report of the advisory committee. We have spoken in recent times of social dialogue in regard to the relationships between the Government and different groups. As the Deputy and I are aware, the numbers of people involved in self-employment, contracting and sub-contracting work and setting up their own companies, in particular younger people, has been on the increase for well over ten years as we move to a more entrepreneurial style model for many local Irish businesses. Therefore, the prospect of self-employed people getting cover for invalidity and partial capacity benefit for an extra 1.5 percentage points would be very good value. As has happened in other jurisdictions where benefits have been extended, that could be brought in over a period of time so as not to excessively impact in one year. However, it would mean that self-employed people and the organisations representing them would have to examine this. The regrettable part is that self-employed people or business owners whose businesses are very profitable can pay for private income continuance plans, while

those who are just starting out or who are just about keeping their heads above water cannot. The offer from the social insurance system is actually very valuable, a point that has been made by a number of Deputies from all sides of the House. Now that the economy is in recovery, I would welcome consideration of this by self-employed people and their representatives. If implemented, it would add very significantly to the cover available to self-employed people. At present, if somebody suffers a very serious illness, he or she is entitled to disability or invalidity payments on a means-tested basis. If the person pays an insurance contribution, there will be some cover. I welcome the Deputy's comments on the necessity of funding the contributions appropriately.

Deputy Seán Ó Feargháil: In alluding to the means test, does the Tánaiste accept that, even as things are, there needs to be a communications campaign to make people's entitlements clear? Often, people do not distinguish between jobseeker's benefit and jobseeker's allowance. For some time, the Fianna Fáil position has been that we would favour the introduction on a voluntary basis of a phased scheme whereby jobseeker's benefit and illness benefit would be payable to the self-employed. We see that as part of our commitment to developing an entrepreneurial culture. The idea that the self-employed could opt into such a scheme seems to us to be practical, although the Tánaiste is suggesting that an opt-in would not be a positive.

Deputy Joan Burton: I am going on the advice of the advisory group, which researched the matter very deeply, and also on the actuarial reviews which show that, for the 4% contribution that self-employed people currently make, they get widow's and widower's pensions, contributory retirement benefits, maternity benefit and guardian's benefit. Those are significant benefits for 4%. Many self-employed people are relatively young - for example, in the area of contracting in IT. For this reason, perhaps we should do a further campaign. I would certainly be prepared to look at that.

As regards opting in, all the studies say there has to be a contribution on a social solidarity basis, given the risk the social insurance fund and taxpayers have to cover. If it is only on an opt-in basis, instead of getting the general population, we will tend, for obvious reasons, to get the more risky element of the self-employed population, which would mean it would be very difficult to fund. Bearing in mind where we have come from in terms of our financial difficulties, and even before we had difficulties, the principle of social insurance and social solidarity has always been that people pay in and the general population are entitled to claim.

In case any self-employed people are listening, I must point out that after I became Minister for Social Protection we changed the basis of assessment significantly. Previously, people had to go to great lengths to get extensive information about their tax affairs and the performance of their businesses in earlier years, precisely when they might have been doing well. Now, for the self-employed, farmers or fisherman, if there is a catastrophic loss of income, they can go to the local Intreo office and present the information on what has happened to cause the catastrophic loss of income, and we will take it on a current basis and examine the information. This has helped many people, particularly those formerly employed in construction.

Employment Support Services

2. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Social Protection her plans to ensure that persons with disabilities will not be left behind by the State in any economic recovery or in terms of the new job activation measures that will be put in place to enable those

6 May 2015

who want to work to find work. [17374/15]

Deputy Aengus Ó Snodaigh: One of the most marginalised groups in Irish society comprises those with disabilities who were left behind during the peak years. What measures are being taken to ensure these people are not left behind in any employment and job activation measures and in any future recovery.

Minister of State at the Department of Social Protection (Deputy Kevin Humphreys): I thank the Deputy for his question. It is certainly a priority of the Government that people are not left behind. The Government is anxious to facilitate the increased participation in employment of persons with a disability. It is committed to removing barriers which prevent those persons from availing of employment opportunities and will work closely with disability representative organisations in this regard. As part of this strategy, the Department will develop the Intreo service to provide specific jobseeker supports to people with disabilities. This process has already commenced in ten pilot locations across the country for those who wish to avail of the service. Engagement with the Intreo service by people with disabilities is on a voluntary basis. The Department already manages a wide range of specific employment-related supports for people with disabilities. These include the wage subsidy scheme for employers and the EmployAbility service. EmployAbility participants are people with disability who are job ready and need the support of a job coach to obtain employment in the open labour market.

For those in receipt of invalidity pension or illness benefit for at least six months and who feel they have some capacity for work, the partial capacity benefit scheme allows them to work and retain a portion of their social welfare payment.

The Department will continue to develop its supports for persons with a disability to increasing their opportunities of participation in employment and is committed to removing barriers which prevent those persons from availing of employment opportunities. The Government expects to publish in the near future a comprehensive employment strategy for people with disabilities.

Deputy Aengus Ó Snodaigh: I thank the Minister of State for the reply and I look forward to the long-awaited and overdue comprehensive employment strategy for people with disabilities. I hope it will include proposals which are acceptable to those who have a disability and are trying to access work. In Switzerland 80% of those who have a spinal cord injury return to work but in Ireland 80% of those with a spinal cord injury are unemployed. I can provide other figures. The Disability Federation of Ireland has stated that approximately 40,000 disability allowance recipients would like to be in paid employment but at present, only 1,500 people avail of the wage subsidy scheme the Minister of State mentioned while 3,000 people avail of the EmployAbility service. There is duplication in many cases. This leaves a huge number of people who are not being supported in getting back to work. A significant job of work for the Government and any future Government is not to have laudable policies but to see them implemented so this figure is changed. What specifically will the Government do to reduce the significant number of 40,000 people with disabilities who want to go back to work but cannot do so because the supports are not in place at present?

Deputy Kevin Humphreys: I know the Deputy feels very strongly about this issue. I have been around the country and I have seen excellent services being provided by the Department of Social Protection. I recently visited the EmployAbility programme in Galway, which is successful in helping people with disabilities into work. The partial capacity scheme, which

was introduced by the Tánaiste, assists people to take up employment where they are not in a position to go back to full-time work. We are not waiting for the final report as we have the ten Intreo offices providing support and services to people with disabilities. Over the coming months, I look forward to the cross-departmental report and to implementing the measures within it. For people who find themselves unemployed, not just those with disabilities, it is important that no one is left behind unlike what happened in the 1990s and 2000s, where we had significant numbers of jobless households where no one worked. I look forward to working with the Deputy on that point. This includes people who are long-term unemployed and those with disabilities, who want to contribute. We will do everything we can to assist them in making a contribution to society.

Deputy Aengus Ó Snodaigh: Does the Minister of State accept there will be substantial changes to the existing support mechanism or new mechanisms introduced as a consequence of this comprehensive employment strategy given that the Disability Federation of Ireland says there will be no recovery without them? This is a declaration that in the past people with disabilities were left behind and were most marginalised during the boom. They continue to be marginalised since and are demanding a fair crack of the whip in advance of a recovery and into a future boom period.

Deputy Kevin Humphreys: We have extensive forums within the Department for disability groups. I will not pre-empt the report but there is a strong commitment to assisting people with disabilities into employment. The Deputy will not find me lacking in hard work or commitment on that point.

Rent Supplement Scheme Payments

3. **Deputy Joan Collins** asked the Tánaiste and Minister for Social Protection if she will ensure that the cap on rent allowance is cognisant of the recent and ongoing increases in rental rates, particularly in the Dublin area. [17540/15]

Deputy Joan Collins: This has arisen on a number of occasions in questions to the Minister of State. The Minister of State cannot control the rent situation in Dublin or elsewhere but rents have increased by 31% since 2010, particularly in Dublin and the commuter belt in Kildare, where people have been forced out of Dublin city because of high rents. Rents also affect people who do not receive rent supplement and who are paying the full lash. Will the Minister of State consider reviewing and increasing the rent supplement?

Deputy Kevin Humphreys: Rent supplement continues to play a vital role in housing families and individuals, with the scheme supporting approximately 70,000 people this year at a cost of €298 million. Over 4,700 claims have been awarded in 2015, of which 1,380 were in Dublin. There are also over 1,600 people in receipt of the new housing assistance payment. This shows that landlords are engaging with the State private rented sector schemes and that people are being accommodated under these schemes. The Department's recent review of the maximum rent limits found that increasing rent limits at this time could potentially add to further rental inflation and, in an already distressed market, affect rent supplement recipients, those on lower incomes and students. The impact of increasing limits will yield only a marginal increase in available supply, if at all, with the certainty that raising limits will increase costs disproportionately for the Exchequer with little or no new housing available. On a national basis, officers administering the rent supplement scheme continue to provide flexibility in assessing

6 May 2015

customers' accommodation needs. The Department is also working with Threshold's tenancy sustainment service in Dublin and Cork city where the shortage of accommodation is most acute. The primary objective of these initiatives is to ensure a speedy intervention for families at immediate risk of losing their tenancy through rising rents.

I am keeping this matter under review and am satisfied that this approach is the appropriate response at this time. These measures have assisted more than 1,500 households, 900 of which are in Dublin city and county, to retain their rented accommodation through increased rent supplements.

Deputy Joan Collins: I presumed the Minister of State would raise the issue of the tenancy protection service. I have the report, which states "553 tenancies were protected, including 462 who were in receipt of an uplift in payment in their rent supplement with the remaining 91 tenancies sustaining their tenancy, as a result of TPS advocacy work." However, more and more families are losing their homes and more and more families are in crisis accommodation. The Simon Community stated last week that as many as 3,500 adults and children could be in emergency accommodation by June. This is still going on and people are still losing their homes. More direct intervention is required. Government could put a cap on the rent landlords can charge and link that to an increase in rent supplement to keep people in their homes even for three years. Housing emergency legislation should be brought in. We brought in financial emergency legislation, so why should we not bring in housing emergency legislation for three years to hold rents as they are and to ease people over the next period of time in which the Government is going to build the 1,500 houses, for which it claims it has the money? These measures must all be interlinked. There must be a review of rent supplement. It cannot keep going the way it is.

Deputy Kevin Humphreys: I have talked to many people about this and not just in respect of the Dublin area. An increase in rent allowance probably will not result in a single additional unit. We are in the middle of a supply crisis. There are not enough units around the country. This is not just the case in Dublin. I was recently talking to councillors in Clonmel about the issue. There were only four three-bedroom houses up for rent in that town, which has a huge demand. The increase in rent allowance would not bring an additional unit on the market, but would inflate rent levels in the area. It is challenging. The Minister for the Environment, Community and Local Government, Deputy Kelly, will bring proposals on rent certainty. However, what we must do is to increase supply as quickly as possible. Very little has been built since 2008 and with the increase in the number of people in employment, demand has increased further, especially in the Dublin area. The focus must be on the provision of additional units. I do not believe at this stage that an increase in rent allowance would give us a single unit in the Dublin area. It would just create a false bottom for prices. A number of people who have come onto rent allowance this year have succeeded in getting rental accommodation in the Dublin area. I gave the numbers earlier, but I think it was 1,300 new claims. It is extremely stressful. I am sure Deputy Collins's clinic is like mine in that we deal with people in dire need of accommodation. What we need to do is to supply that as quickly as possible through a building programme. That is the way forward.

Deputy Joan Collins: The fact is that no housing will be built for at least two years. We will be facing this crisis of families losing their homes because of rent increases. I would be delighted if the Minister, Deputy Kelly, introduced rent certainty and capped rent at a certain level even for three years on an emergency basis and then looked at how people can be protected with regard to rent supplement to keep them in their homes for that time, depending on

enough housing coming on stream.

3 o'clock

Deputy Seán Ó Fearghail: Like me, Deputy Joan Collins, was a member of Dublin City Council, and she saw the number of voids across the city council area. A significant amount of money has been given to local authorities to bring those voids into use. We also have a construction programme which is badly needed, which would develop social units. I do not believe that Deputy Collins believes that if we increase the level of rent that it will provide additional units. She knows that will not happen.

Deputy Joan Collins: Support must be provided to keep people in their homes.

Deputy Kevin Humphreys: Only a certain amount of units are available and we would just inflate the cost for low and middle income families. There is no doubt many people are in a very stressful situation, and I hope now that we are coming out of the recession we will be in a position to keep ploughing investment into the area. Rent supplement was never designed as a long-term housing strategy. It did become such under the previous Administration when it stopped building social housing.

Deputy Seán Ó Fearghail: That is not true.

Deputy Kevin Humphreys: The Government has already started to build social housing. Rent supplement supports approximately 70,000 people. It was just bonkers to allow the supplement to grow into a social housing strategy by accident.

Social Welfare Code

4. **Deputy Seán Ó Fearghail** asked the Tánaiste and Minister for Social Protection her plans to alleviate food poverty; and if she will make a statement on the matter. [17373/15]

Deputy Seán Ó Fearghail: It is frightening to think that in the Ireland of today 10% of the population is experiencing food poverty. A recent study by the Vincentian Partnership for Social Justice acknowledged that after housing and child care costs, one of the biggest challenges facing the family budget is to provide food. We know that one in five children in Ireland go to bed hungry and one in six children go to school hungry, without having had their breakfast. Does the Tánaiste have a plan to address that particular challenge?

Deputy Joan Burton: The Department of Social Protection's primary role is to provide income supports to sustain an adequate standard of living and to prevent poverty. It is for that reason that the Government has protected primary weekly rates of welfare since it came into office, notwithstanding the economic difficulties. In 2013, welfare payments and other social transfers, excluding pensions, reduced the at-risk-of-poverty rate from 38.4% to 15.2%, thereby lifting almost a quarter of the population out of relative income poverty. Ireland is among the best performing EU member states in that regard.

The school meals programme provides funding towards the provision of food services to some 1,600 schools and organisations, benefiting more than 205,000 children. A total of €39 million has been provided for the scheme in 2015, which is an increase of €2 million on that provided in the previous year.

6 May 2015

A new European initiative, the Fund for European Aid to the Most Deprived, FEAD, now supports the provision of food and basic consumer products to people considered to be most at risk. A total of almost €27 million in funding is available over the period to 2020, of which 65% is for food. I expect the programme will be operational during the third quarter of this year.

Under its social inclusion initiative funding schemes, the Department supports Healthy Food for All, a national charitable organisation which works to increase access to and availability of affordable healthy food by groups of people on a low income.

Deputy Seán Ó Fearghail: Does the Tánaiste accept that food poverty has a particularly negative effect on children? It affects their health, educational attainment and their behaviour in school. I welcome the increase in the budget for the school meals programme in the current year. That needs to be continued.

Does the Tánaiste also accept that there perhaps needs to be a restructuring of the school meals programme? As I understand it, at present approximately 14% of the funding goes to breakfast clubs with the balance of the funding being spent on lunches, but studies have clearly indicated that the best outcomes for children come from having a substantial breakfast made available to them at the start of the day. That is one of the things that is not happening because of the manner in which the school meals programme is organised. Would the Minister agree that there must be an urgent restructuring of the system?

Deputy Joan Burton: The Department spends €39 million per year on the school meals programme. I have been a strong supporter of the programme as well as the Healthy Food for All initiative, which is about all of us, including schoolchildren and their parents, learning about healthy food and how to eat healthily. One of the issues with food is that sometimes a great deal of money might be spent on it, but the food might not be as nutritious as it could be.

I am a strong supporter of the breakfast clubs, and I welcome the Deputy's remarks. However, much depends on the school. The breakfast clubs and the school meals programme are available to all schools designated as DEIS schools in urban or rural areas. Interestingly, not all of the schools apply. Over the last couple of years we have been in constant contact with the schools to advertise the fact that this is available.

The other issue relates to the number of children. This year we increased child benefit by €5 to €135 per month. If a family is on social welfare it would also get almost €30 per week per child. In other words, for a family relying on a social welfare income, there is, in effect, approximately €65 per week per child, not counting other payments the family may receive. However, I agree with the Deputy and I would like if more schools availed of the breakfast clubs, but that is a choice for the schools. Not all schools open early in the morning. I have been talking about this to my colleague, the Minister for Education and Skills. To get a breakfast club the school must facilitate being open half an hour or an hour earlier. We also employ people, through different programmes, to assist with the school meals programme and they do a fantastic job. I would be delighted if more school principals and boards of management were to avail of the scheme.

The lunches that are provided are quite good but if a child has left the house without eating properly, it has an impact in terms of energy if their first meal is somewhat later. I have visited many school meals programmes throughout the country. Principals are enormously sensitive to identifying children who might have left home without getting a proper breakfast.

Deputy Seán Ó Feargháil: I chair the board of management of a school which is not in DEIS but provides a breakfast service to the children. The Minister is missing my point. The meals programme is structured to incentivise schools to provide the lunch, because the greater subsidy is available for the lunch. There must be some reconfiguration of the system to incentivise the schools to provide the breakfast. It is the provision of the breakfast that is of greatest benefit to the children and ultimately to the operation of the school. I plead with the Minister to examine that critically, look at what is happening across the country, encourage principals and boards of management to make the transition from lunch to breakfast and ensure that the system is organised to make it expedient for them to provide the breakfast.

Deputy Joan Burton: I am happy to look at that. However, in many cases, not every child in the school will want or need a breakfast because, for the most part, they will have eaten a good, nourishing breakfast at home with their family. The reason for the emphasis on lunch is that by lunchtime, when the children still have another couple of hours in school, they need food. Perhaps we should agree to move to both breakfast and lunch being provided in school where appropriate. Not every child may require a breakfast - it varies - but the option should be there, particularly for those children who most need it. Other children might choose to join breakfast clubs. I have seen principals who have done this extremely well. If a school's starting time is 9 a.m., its principal is required to be on the premises to start the breakfast at approximately 8.30 a.m. The other reason I am an extremely strong advocate of breakfast clubs is that it is a very nice social time for the children to sit down, get their breakfast and have a chat with their friends before the start of the school day. Not all boards of management are in agreement. Certainly, I would like to move to a situation where both options are available. It should not be a case of one or the other. In a tight funding situation, we have prioritised funding for the school meals programmes. I anticipate being able to improve what is on offer. It requires the permission of the board and of the principal.

JobPath Implementation

5. **Deputy Aengus Ó Snodaigh** asked the Tánaiste and Minister for Social Protection if she is aware of the concerns raised around the JobPath scheme and the reputation of the companies which have been selected to undertake it. [17375/15]

Deputy Aengus Ó Snodaigh: Last year, the Minister announced a tender to outsource the privatised job activation services under the title of JobBridge. This followed a similar failed experiment in Britain. Some of the companies that were tendering had a dubious work record. Is the Minister confident that the companies to which she has granted the tender are free from such a history and will not repeat the manoeuvring and fraud in Britain in their contracts in Ireland?

Deputy Joan Burton: JobPath is specifically designed to help those jobseekers who are most distant from the labour market to gain sustained employment. JobPath companies will engage approximately 1,000 staff to provide services for up to 400,000 jobseekers over a four-year period. Following the completion of a public procurement process, two companies were selected to provide JobPath - Turas Nua Limited and Seetec Limited. The procurement process and the selection of the successful companies had specific regard to international experience of contracted out employment services. An Irish model was designed from this. The companies will deliver services directly and will engage a range of local subcontractors, including local training companies and local employment service providers.

6 May 2015

Significant safeguards have been built into JobPath, including a service guarantee to ensure all participants receive a baseline level of service. Penalties will be imposed on the companies if service performance or quality does not meet the set standard. Most significantly, JobPath uses a payment-by-results model and all initial costs are borne by the companies. JobPath is so structured that the companies cannot recover their costs or make any profits unless and until they get people into sustainable jobs. These jobs must be for at least 30 hours per week. The rates paid to contractors are also linked to the performance of the wider economy. Automatic discounts or reductions in payments to contractors apply if employment growth exceeds our medium-term forecasts. In addition, both companies will be subject to regular on-site inspections and audits to ensure JobPath is delivered in accordance with contractual obligations.

Deputy Aengus Ó Snodaigh: Can the Minister indicate how many people she hopes to have placed in employment in the four-year period she mentioned? If that figure is achieved at an earlier stage, will that result in the termination of the JobPath programme? The Minister also mentioned that the jobs they will be placed in need to be for at least 30 hours per week, but there is no minimum pay rate apart from the minimum wage. Given that these are workers, is it expected that - in contrast what happened in Britain, where most of those placed were put in the lowest-paid jobs available, with no view to long-term sustainability - they will benefit from the payment for the private company that wins the contract?

There is a programme within the Department of Social Protection, which I have lauded, of retraining workers in the former Department of Social Protection offices, now called Intreo offices, to deliver what the Minister is employing private companies to do. What will happen to those workers if the targets I expect she has set out for those companies are achieved?

Deputy Joan Burton: The Deputy is aware that my objective as a Minister is to get this country back to full employment, and he knows from the most recent statistics that, although the live register in Ireland has fallen very dramatically, it was 343,000 or 346,000 when the figures from the end of April were published last week. The existing services of the Department are not sufficient to get as many as possible of those people back to work. Our very valuable case officers, activation officers and other officials of the Department of Social Protection will remain employed because the ratio of case officers to unemployed people is much lower than is the case internationally. They will be very busy, as are people who work in the local employment service, LES, and other local services that help people into employment and provide services to the Department.

The Deputy mentioned the United Kingdom a couple of times. I think he is aware that in general the Irish and UK models of social welfare have diverged very widely in recent years. The Irish JobPath model was designed following a review of contracting parties internationally, including in the Netherlands, the United States, Germany, Sweden, France, the UK, and, in particular, Australia. The Irish model, I am happy to say, will now be partially adopted by the Australians based on the work we have done, and a range of national and international experts are assisting in implementing a system under which people are supported in finding a job and getting back to work. That is what it is all about. It is overseen by people such as John Sweeney of the National Economic and Social Council, NESCC, and is composed of a social partnership involving unions, the Government, employers and civil society, including Professor Philip O'Connell of University College Dublin, Aedín Doris from NUI Maynooth, and John Martin, the former director of employment, labour and social affairs at the Organisation for Economic Co-operation and Development, OECD. The Deputy is obviously an expert on the English and Northern Ireland model, but our social welfare system is very different. I know the Deputy

probably favours it, but I do not.

Deputy Aengus Ó Snodaigh: I will ignore that last remark because it is not worth responding to. The point I was making was that a model similar to this one was introduced twice in Great Britain, first under the new deal and then under the Conservatives. In the past, it was found that some of the companies, including one engaged by the Department of Social Protection, have appeared before the House of Commons committees that deal with wholesale fraud. What are the standards and punishments for any company awarded a four-year tender by the Government to deliver a public service? Will the Government end a company's tender if it is found to be engaged in wholesale fraud, as happened in Great Britain? Examples of such fraud have included forging documents and signatures of participants in a scheme similar to that spoken about by the Minister. In such instances, disabled people were called "lying, thieving bastards" by one of the companies with which the Minister hopes to have working links. What steps will she take to ensure that what happened in Great Britain does not happen here and that if it does happen, the contract ends?

Deputy Joan Burton: Our model is a payment by results model. I am sure the Deputy is aware that it does not have anything to do with people with a disability. It concerns people who are receiving unemployment payments. It has nothing to do with people with a disability or invalidity, although I note that a few minutes ago, the Deputy seemed to be rightly concerned in calling for more opportunities for people with a disability.

Deputy Aengus Ó Snodaigh: I was talking about the attitude of the company.

Acting Chairman (Deputy Derek Keating): One speaker please.

Deputy Joan Burton: We have designed an Irish model for Ireland. That may upset the Deputy because he is tied into the Northern Ireland model and has a vested interest-----

(Interruptions).

Acting Chairman (Deputy Derek Keating): One speaker please. The Tánaiste has the floor.

Deputy Joan Burton: Deputy Ó Snodaigh has a vested interest in the British model.

(Interruptions).

Acting Chairman (Deputy Derek Keating): The Tánaiste has the floor. Deputy Ó Snodaigh had his opportunity to speak.

Deputy Joan Burton: We want to get all of the people who are unemployed in Ireland back to work. A significant number of people are working in the Department and a number of companies like the local employment services are working with us. Those resources are not sufficient to help all those who want to go back to work to get back to work. We have looked at best practice around the world to see how we get the best value. We have looked at countries like Sweden, the Netherlands and Australia to see how we get a system that works to the benefit of people who are unemployed and gets them back into work for at least 30 hours per week. The companies do not get payments unless they get results.

In his ignorance, the Deputy talks about people with a disability. This has nothing to do with people with a disability. It relates to people who are unemployed. Our system is an IT-based

6 May 2015

system. We have had a look at different schemes around the world. My understanding is that during the period in Great Britain referred to by the Deputy, the system was paper-based and was unable to track. We also have a feedback system from the people who are our clients and who participate in any of these programmes. This feedback system is very important to us. Our IT system is designed to tell us when somebody gets a job because if they get a job, they will, of course, appear in the Revenue Commissioners' data as being at work because they will have a commencement notice with the Revenue Commissioners in respect of starting work. We actually have a very elaborate system of verifying what the companies are doing. If the companies do not produce results that are positive for our customers they will not be paid.

Other Questions

Child Benefit Administration

6. **Deputy Denis Naughten** asked the Tánaiste and Minister for Social Protection the steps she will take to ensure that children in receipt of child benefit meet the statutory requirement of attending school up to 16 years of age; and if she will make a statement on the matter. [17237/15]

Deputy Denis Naughten: Every year the Department of Social Protection issues more than 600,000 letter to parents asking them to verify whether their children are in this country. One of the conditions of the child benefit scheme is that children up to the age of 16 must receive an appropriate education. However, there is no link-up in this regard between the Department of Social Protection and the education welfare officers who are in charge of school attendance. Can we break down the silo thinking and instead have joined-up thinking across the two Departments so that where children are missing from school this is linked with child benefit payments?

Deputy Joan Burton: Child benefit is the main policy instrument for assisting families in Ireland with the cost of raising children. It is a universal payment paid in respect of all qualified children up to the age of 16 years, or to the age of 18 if the child is in full-time education or has a disability. It is paid to more than 615,000 families in respect of almost 1.2 million children, at a cost of €1.9 billion. It is one of the biggest payments in our social welfare system.

School attendance up to the age of 16 years is a statutory requirement under the Education (Welfare) Act 2000. Consequently, all recipients of child benefit are legally required to attend school up to this age. There is a national monitoring system for statutory school attendance via the National Educational Welfare Board, which is now part of Tusla, the Child and Family Agency. Policy responsibility for school attendance rests with the Department of Children and Youth Affairs.

For children over 16 years and less than 18 years, continued payment of child benefit is dependent on the children attending school for these two years. Parents with children aged 16 and 17 years must, in respect of these two years, return to the Department of Social Protection on an annual basis a form confirming school attendance, signed by the principal of the school. If the Deputy has specific concerns about school absenteeism, the competent authorities to address these are the National Educational Welfare Board and Child and Family Agency.

I am satisfied with the existing steps that require children in receipt of child benefit to attend school up to 16 or 18 years of age, under both education and social protection policies. As I said, parents of children aged 16 and 17 years must provide confirmation from their school principal that the children are in attendance at school.

Deputy Denis Naughten: One in ten primary school children and one in six secondary school children miss more than 20 days per year in school, which equates to one eighth of the secondary school year. Almost 1,500 children left primary school last year and never turned up in secondary school. We are storing up a very serious social problem for the future. The Department of Social Protection will have to foot the bill for these people when they come out of the education system. Today I am asking the Tánaiste, as I have done on numerous other occasions, if, rather than stating that this is not her problem but is a matter for the Department of Children and Youth Affairs, she will ensure that the IT system of the Department of Social Protection is linked with that of the National Education Welfare Board.

As I said earlier, it is a condition of the child benefit scheme that children receive an appropriate education up to the age of 16 years. The Department of Social Protection issues more than 600,000 letters annually asking parents to verify that children are in the country. All I am asking is that the two systems be linked so that where children are not attending school parents are issued with a notification indicating that if their children do not continue to attend school their child benefit payment will be under threat.

Deputy Joan Burton: The Deputy is rightly concerned about the welfare of children attending school. The point I am making is that school attendance is not the province of the Department of Social Protection. I politely suggest to the Deputy that this question would probably be more appropriately taken up with the Minister for Education and Skills.

As Deputy Naughten pointed out, the Minister for Education and Skills and that Department have a series of policies designed to monitor, report and assess attendance at school and a series of programmes to improve school completion rates in both primary and secondary schools. The Deputy will know that the country has progressed enormously in that respect. I share his concern that every child should attend school, but I am not clear as to why he would suggest that it become the responsibility of the Department of Social Protection rather than the responsibility of the Department of Education and Skills. The welfare element is dealt with in the Department of Children and Youth Affairs. In many cases where children do not attend school there may be welfare issues or family issues, but that is not within the remit of my Department.

Deputy Denis Naughten: We have heard from Ministers of this Government on numerous occasions that an issue is not the responsibility of one Department but rather that of another Department. The Tánaiste is the deputy leader of this Government and she is washing her hands of this issue. All I ask is that she link up the two IT systems so that where a child has, without good reason, missed school for 20 days, she can enforce the law under the child benefit scheme, under which a child must receive an appropriate education, by issuing a notification to the parent that if the child does not attend school his or her child benefit will be jeopardised. It would make far more sense to send such letters than to send out 650,000 letters a year asking parents to verify that their children are in the country. That is enough to wallpaper the pitch at Croke Park two and a half times.

The reason I bring this issue to the Minister's attention is that teachers the length and breadth of the country have told me that some parents lack the motivation to ensure that their children

6 May 2015

attend school. I have given the Minister examples of instances in which a threat to the payment of child benefit has motivated parents to ensure that their children attend school. Even if it gives one child a chance, is it not worth doing?

Deputy Joan Burton: The Deputy and I share a common ground with regard to children or their parents who have problems with attending school, which is that those children and their parents should be encouraged in so far as possible to enable the child to attend school fully. However, the Deputy is in effect suggesting that a family which may already be on a low income or experiencing unemployment should have its child benefit removed-----

Deputy Denis Naughten: I am talking about threatening to remove it.

Deputy Joan Burton: I ask the Deputy to bear with me. We had a discussion earlier about the necessity of children's attendance at school. I refer to the small number of children who for some reason may not have had a proper breakfast before leaving home. Several agencies and the Department of Education and Skills are dealing with those issues. The Deputy is correct in his concern for the children, but I am not sure that his solution, which is baldly to eliminate part of the family's income, is the appropriate solution-----

Deputy Denis Naughten: It has to be part of the toolkit.

Deputy Joan Burton: -----because, in my view, the appropriate solution is for the teachers to work with those families and with the parents and, if appropriate, to involve the education and welfare service and Tusla. It is important that every child goes to school, but I would not suggest that the arbitrary cutting off of child benefit is necessarily the solution to the problem the Deputy has identified.

Deputy Denis Naughten: It is a threat.

One-Parent Family Payment Eligibility

7. **Deputy Paul Murphy** asked the Tánaiste and Minister for Social Protection if she will consider reversing the planned cuts to eligibility for the one-parent family payment; and if she will make a statement on the matter. [17324/15]

Deputy Paul Murphy: The results are now available regarding the changes in eligibility for the one-parent family payment which the Minister implemented. Rather than supposedly supporting a return to work, the payment represents one of the most regressive swingeing anti-woman policies implemented by this Government. Would the Tánaiste agree, therefore, that instead of continuing with the transference of another 40,000 parents - overwhelmingly women - from this payment in July of this year, the cut should be reversed?

Deputy Joan Burton: Social transfers have provided a hugely important buffer in reducing poverty. Expenditure on this scheme is estimated at €607 million in 2015 with almost 70,000 recipients. The problem is that despite a major investment in the past in respect of lone parents and their children, lone parents remain particularly at risk of poverty.

The first phase of the one-parent family payment scheme age change reforms will take place this July, when the maximum age limit of the youngest child at which a one-parent family payment recipient's payment ceases will be seven years of age. Approximately 29,400 lone parents

will transition from the scheme at that date. Then, if the child is between the age of seven and 14 years, lone parents will transfer to a jobseeker's transitional payment. They will get exactly the same amount of money, but all our services in education, training, work experience and community participation will become available if the lone parents want to take them up. We will be talking to them to encourage them, where appropriate, to take it up.

That is why lone parents are being provided, when their youngest child is seven years of age, with intensive support from the Department. They will be supported to produce a personal development plan through one-to-one meetings with case officers. They will have enhanced access to education, training and employment supports. For example, if they take up employment, they will have the back-to-work family dividend and their employer will have the option of JobsPlus. The back-to-work family dividend will give them an additional €30 per week in addition to the family income supplement - a significant payment - if they get employment in excess of 19.5 hours.

Deputy Paul Murphy: I note the Tánaiste referred to intensive support for lone parents. In 2012 with a similar line she said that this cut would not go ahead unless she got a credible and bankable commitment on investment in a system of child care and that if this was not forthcoming, it would not proceed. The Tánaiste would have to admit that such an investment in child care has not taken place. The result is that we have a back to work family dividend, which is €120 over the course of a month, while the average monthly cost of child care is €659, a cost that is simply unachievable for many.

This is the point about the idea of a specific payment for lone parents. We need to treat lone parents and the specific problems they have in terms of child care in a particular way as opposed to lumping them in with all others who are unemployed. In particular, I call on the Tánaiste to comment on those who are currently in part-time work and who would have been able to avail of the payment in advance of the threshold dropping to €90. That has meant a cut for some poorly-paid lone parents of approximately €200.

Deputy Joan Burton: Currently there are lone parents throughout the country calling into their local Intreo offices, which are provided by the Department of Social Protection, and looking at how they can significantly increase their income. In particular, if they move to 19.5 hours or more they will qualify for the family income supplement which, depending on the number of children they have, is an extremely attractive payment, for which we have very significantly increased the funding. That is important.

I notice the Deputy did not deny that, notwithstanding the amount of money the State pays to help give lone parents an income, there is a problem with lone parents being at risk of poverty. Over an extended period of time, our social welfare system anticipated that many lone parents, having had a child or children in their 20s, would stay on social welfare for up to 22 years in respect of each child. What we are doing now is offering lone parents a very specific opportunity, when their youngest child is between seven and 14 years of age, to get enhanced support, particularly in regard to education and training but also in regard to going back into employment, if that is a possibility for them. Some 17,000 lone parents have transited up to now and the feedback and the experience is extremely positive, unlike what the Deputy is suggesting. At the end of the day, the best way out of poverty is to get a qualification, because people who have qualifications tend to get better paid jobs, and then to get employment, because being in employment is generally significantly better than having an income that is entirely made up of social welfare only.

6 May 2015

Deputy Paul Murphy: I do not at all deny the fact that lone parents are the social group most at risk of poverty. They have the highest deprivation rate at 63% and the highest consistent poverty rate at 23%. That is partly as a result of successive cuts by this Government and previous Governments, including cuts to child benefit, rent allowance and maternity allowance. The answer to this poverty, however, is not more cuts and more attacks, which is what the Government is proposing. It follows a Thatcherite logic that says the way to get people out to work is to say they will be cut unless they go to do it. The logic is that those who do not go onto transitional allowance but go onto regular jobseeker's allowance, and whose youngest child is over 13, can now be faced with a situation where, if they refuse, for example, to engage in JobBridge or in Gateway, which would cost them huge amounts of money in terms of child care but yield them very little in terms of income, they can face a penalty rate cut in their social welfare. Is that not the case?

With regard to the evidence, I would take the evidence of the group One Family, which says that of the 95,000 parents in receipt of the one-parent family payment when reform was announced, none has benefited from the reform, approximately 10% are worse off financially as a direct result of being activated and all are worse off due to the cuts. The calls total to One Family's "Ask One Family" helpline is approaching an increase of 50% in the past 15 months. Is that a success?

Deputy Joan Burton: The Deputy answered his own question when he said that lone parents had a higher risk of poverty. Unfortunately, that is true for them and their children. My objective is to end that situation for lone parents and to move them out of the category of being at risk of poverty, and particularly to remove their children from that risk. This will be achieved by first giving them opportunities in regard to education, training and qualification so that, when they do take up employment, whether full-time or part-time, particularly when their children are over 14 and settled in school, they will then be in a position to earn an income that can support them and their children.

The irony is that during the Celtic tiger years, when this country was doing very well and we pretty much had full employment, unfortunately, because our social welfare system seemed to require people to stay on social welfare for up to 22 years for each child, as the Deputy is suggesting, the result was that we had more lone parents and their children at risk of poverty than we do now. We are now going to put a significant additional amount of public funding from our taxes and PRSI into, for example, the back to work family dividend, where if a lone parent does take up employment he or she will get to keep all of the child welfare payments of up to €30 a week that they receive in respect of each child for a year, and 50% for the next year.

Acting Chairman (Deputy Derek Keating): As the Minister has not arrived for the next business, I will take one final question from Deputy Joan Collins.

Deputy Joan Collins: We have got through just eight questions and mine has just been dumped into the last few minutes because the Minister is not here. We should be getting through at least 12 or 14 questions in the time provided. Members have been sitting waiting in the Chamber.

Acting Chairman (Deputy Derek Keating): First, the Deputy's question was not dumped in; her question is being taken. Second, my role as Chair is to remind Members when their speaking time is up. If they do not adhere to that, and I think everybody is guilty of that at some stage, it is very difficult to control at times. However, I take the Deputy's point and I will pass

that point on to the Ceann Comhairle.

Deputy Joan Collins: People have put a lot of time and effort into these questions.

Acting Chairman (Deputy Derek Keating): Indeed.

Gender Recognition

8. **Deputy Joan Collins** asked the Tánaiste and Minister for Social Protection her views on the upcoming Gender Recognition Bill; that the proposed criteria for 16 and 17 year olds to access the legislation is onerous, as it requires parental consent, letters from two physicians and a court order; that it will also leave transsexual and intersex individuals under the age of 16 in legal limbo; and her plans to deal with these issues. [17347/15]

Deputy Joan Collins: Since the Gender Recognition Bill has been put on hold in regard to discussions with GPs on the medical aspect, is the Minister of State linking in with the opinions of transgender young people on this Bill? I do not think we have adequately dealt with the under-16s or the 16 to 18 year olds and how they are recognised. The Irish Human Rights and Equality Commission has called for this and has said there should be more leniency on this issue.

Minister of State at the Department of Social Protection (Deputy Kevin Humphreys): I am deeply conscious of the sensitive issues which arise in regard to transgender children. The purpose of the Gender Recognition Bill 2014 is to provide that a person's preferred gender will be fully recognised by the State for all purposes. This is a significant step and one which requires that the applicant is sufficiently mature to understand the implications of securing such formal legal recognition. The provisions contained in the Bill in regard to transgender children have been arrived at following extensive consideration of the issues involved, including pre-legislative scrutiny by the joint Oireachtas committee. They reflect the requirement on the State to legislate to protect the best interests of all children.

The provisions in the Bill to provide for the granting of a gender recognition certificate to a person aged between 16 and 18 go beyond what is available in most countries currently. I have also brought forward an amendment to the Bill which provides for a formal review of its provisions after two years. As I have already said in the Seanad and the Dáil, and have made clear at every stage, that review is not just a tick-box process. This is one of the very positive suggestions made in the Seanad. It is such a sensitive Bill that it should be reviewed within two years. The appropriateness of the measures contained in regard to children, and the specific safeguards in place in regard to 16 and 17 year olds, will be assessed under that review.

Separately, I am pleased that my colleague, the Minister for Education and Skills, has committed to taking steps, in consultation with the transgender community and other stakeholders within the education system, to explore the policy options available to address the needs of transgender children within the school system.

Deputy Joan Collins: We, including the Minister of State, have an opportunity to review the three key areas that have been particularly raised by the transgender community. The fact a 16 to 18 year old has to get two medical consultants, convince his or her parents and go before a judge before getting a certificate is too onerous, and we should seriously look at accepting the

self-certification of 16 to 18 year olds. The fact those under 16 are not even recognised means they are going to be a hidden group of young children who have no opportunity to be recognised, even where their parents recognise they are transgender and would like to get a certificate for them, or even a half-way passport or something of that nature.

If they are not recognised, they do not get services. What if a transgender child is in State care? How does a person looking after that child deal with the issues the child has in regard to their gender? If the services are not being matched with recognition, they are not going to be really adjusted. It is the same with regard to disability. When a disability was legally recognised, the Government then had to link in services for the group of people who needed them.

Deputy Kevin Humphreys: It is hoped that Committee Stage of the Bill will be taken shortly and we can debate the matter much more fully. It is a very sensitive matter. As the Deputy made her contribution, several contributions were made in the Seanad on this matter. That shows there is a lack of in-depth research on this area. One country has recently reviewed its policies and while it has self-certification, it has not allowed anything for those under 18 years of age. In contrast, we have a very limited process for those aged under 16 years.

It is very important that we continue the engagement on this issue once the Bill has been passed. There has to be an ongoing debate and discussion because this does not just concern birth certificates. Rather, it is about how transgender people and children are dealt with at all stages of their development. It goes far beyond the right to a birth certificate and how we treat and interact with our citizens.

We have gained a better understanding of the issue since the Bill came before the House. The Government and I have approached the issue with openness in listening to the concerns of different groups and taking the views on board. The two year review is significant and we have put it on hold because we listened to other contributions in the House over two sessions.

I am looking forward to dealing with Committee Stage. There is an onus and responsibility on us to try to make sure that the Bill is passed this year under the current Administration, and I and the Tánaiste are committed to getting the Bill through as soon as possible. I thank the Deputy for her contribution.

Deputy Joan Collins: Has the Minister of State or Department engaged with children aged under 16 years who have declared themselves to be transgender or with intersex children to get their feedback? When does the Minister of State think Committee Stage of the Bill will be dealt with?

Deputy Kevin Humphreys: I hope the Bill comes back before the House as soon as possible. We are in discussions with the Royal College of Physicians. I understand the HSE is in contact with the IMO, but I will update the Deputy as soon as I have additional information. Subject to the ongoing consultation, I would hope to deal with Committee Stage as soon as possible.

I have met almost everybody who has requested a meeting. I have had ongoing meetings with TENI and, as soon as I have finished discussions with the Royal College of Physicians, I intend to consult it again. I have also met parents. It is an extremely sensitive issue and everybody in this House is trying to do their best to do the right thing as much as possible. We may not always agree on this, but we have a responsibility to make sure that we do our utmost to protect children.

The Deputy has seen my efforts in this House to go as far as I can. The Dáil and Seanad have been extremely open in regard to the Bill. There is an onus and responsibility on us to get legislation on the Statute Book this year and then carry out the review in a very consultative and informative way.

Written Answers follow Adjournment.

Topical Issue Matters

Acting Chairman (Deputy Olivia Mitchell): 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 Jim Daly - the need to establish a marketing fund to promote Cork airport as a destination for EU visitors; (2) Deputy Brendan Griffin - the need to prevent future wild fires in Killarney National Park and Sliabh Mish in view of recent damage;

(3) Deputy Pádraig Mac Lochlainn - the removal of school transport to Carndonagh Community School, County Donegal, under the terms of the post-primary school transport scheme; (4) Deputy Shane Ross - to ask the Minister for Finance the reason for his votes in favour of all board resolutions at the recent AIB and Bank of Ireland AGMs; (5) Deputy Michael McNamara - the closure of St. Joseph's rehabilitation unit, Ennis, County Clare; (6) Deputy Dara Calleary - the need to ensure a GP service in rural areas, in particular in Bangor Erris, County Mayo, and full payment of the rural practice allowance; (7) Deputy Maureen O'Sullivan - the implications for Moore Street, Dublin 1, of the proposed sale by NAMA of assets of Chartered Land;

(8) Deputy Thomas P. Broughan - the need for improved communications and collaboration between relevant Departments, the Road Safety Authority, the Garda and the Courts Service regarding penalty points;

(9) Deputy Bernard J. Durkan - the need to prevent personal threats and intimidation of An Garda Síochána by criminal gangs and to deploy additional resources, as required, including in north-west Kildare, to combat the issue; (10) Deputy Charlie McConalogue - the need to address concerns regarding the adequacy of resources for, and governance of, the school completion programme; (11) Deputy Dessie Ellis - the use of revenue raised from motor tax to fund Irish Water and other projects not relating to roads; (12) Deputy Jerry Buttimer - the need to resolve industrial relations issues at Tyndall Institute, Cork; (13) Deputies Barry Cowen, Martin Ferris and Brian Stanley - concerns over the adequacy of recently announced social housing plans for reducing social housing waiting lists across local authorities; (14) Deputy Clare Daly - concerns raised at the GRA conference, with particular reference to calls for access to greater repressive apparatus and the implications for the development of a modern police service; (15) Deputy Mary Mitchell O'Connor - the need to freeze the local property tax once the moratorium ends in 2016; (16) Deputy Richard Boyd Barrett - plans to legislate for attachment orders for wages, social welfare and pensions in the case of unpaid debt; and (17) Deputy Billy Kelleher - the need to address concerns following the statements on World Health Organisation's latest obesity report.

The matters raised by Deputies Jim Daly; Michael McNamara; Charlie McConalogue; and Barry Cowen, Martin Ferris and Brian Stanley have been selected for discussion.

6 May 2015

Topical Issue Debate

Airport Promotion

Deputy Jim Daly: Is the Minister not coming to the House?

Minister of State at the Department of the Environment, Community and Local Government (Deputy Paudie Coffey): I am taking the matter.

Deputy Jim Daly: With due respect to my colleague, I ask that my Topical Issue be deferred until such time as the Minister is available.

Acting Chairman (Deputy Olivia Mitchell): That is agreeable. I realise it is a very specialist topic.

Hospital Closures

Deputy Michael McNamara: Is the Minister of State, Deputy Coffey, rather than the Minister for Health, taking my Topical Issue?

Acting Chairman (Deputy Olivia Mitchell): He is, yes.

Deputy Michael McNamara: I thought line Ministers would come to the House to be responsible to the Dáil. It was one of the reforms the Government included in the programme for Government.

Acting Chairman (Deputy Olivia Mitchell): As the Deputy knows, if they are available they come to the House.

Deputy Michael McNamara: I appreciate the Minister of State, Deputy Coffey, coming before the House, but he is not responsible for health issues.

I wanted to raise the fact that last week, without any notice to patients, staff or anybody else, the rehabilitation ward was closed in St. Joseph's Hospital in Ennis, County Clare. It primarily provides services to elderly people in County Clare. There are equivalent hospitals in Limerick and Newcastle West, St. Ita's and St. Camillus's, respectively. I raised the issue with the Health Service Executive, HSE, when I found out about it and I was told there had been an incidence of mumps and on that basis one member of staff had to stop working temporarily lest he or she transmit it to patients.

I understand the term "cohort" was used. The HSE used many different words and assigned new meanings to words. I was told patients would have to be moved around the hospital, but there would be no reduction in services. A week later I visited the hospital and there was a padlock on the rehabilitation unit. Most of the patients had been moved to other units which were, to my non-informed eye, grossly overcrowded. Staff morale was low. It is entirely unacceptable that this happened in a week when the Government suspended the business of the Dáil for three days to congratulate itself on having saved the country, if not the world.

I appreciate that the country was in a very difficult financial situation and one cannot be in

such a situation without a loss in services. As we are now coming out of that and the country's finances are improving, various tax cuts are being discussed. However, our services need to be addressed. I am not raising this issue in the Dáil to criticise the HSE or the director of nursing for the decision taken because I assume she took the only decision available to her, namely, to close the particular ward for reasons of patient safety. There simply are not enough staff on duty in St. Joseph's to keep the ward open. I speak as somebody who has had a family member in that ward in the past 12 months.

I know the service that is provided there and how essential rehabilitation is to people, in particular the elderly who have had accidents. The service is indispensable to their progress and their ability to leave acute hospitals and return to their homes. The patients have been dispersed to other wards and are now in with long stay patients and people who are in receipt of respite care. It is having an impact across the hospital. The fact that it is closed at present is unacceptable, as are the nature and timing of the closure. It is not good enough in 2015 to announce one morning that a ward is to be temporarily closed, transfer the patients to other units and put a padlock on the door. Even now, nobody can say for sure when it is going to reopen.

Deputy Paudie Coffey: I thank the Deputy for raising this matter, which I am taking on behalf of the Minister for Health.

The overarching policy of the Government is to support older people to live in dignity and independence in their homes and communities for as long as possible. This is clearly what older people want and only those in genuine need of residential care should go down that route. Short-term beds, including rehabilitation beds, contribute to the provision of an integrated model of care for older people enabling them to return home following a period of hospital care or postponing admission to long stay residential care.

The Health Service Executive is responsible for the delivery of health and personal social services, including those at facilities such as St. Joseph's Hospital in Ennis. St. Joseph's is registered with the Health Information and Quality Authority. The hospital has a total potential capacity of 142 beds. This includes four separate residential units, a day hospital and a short stay rehabilitation unit. The rehabilitation unit comprises 22 beds which are consultant led. The occupancy levels of the unit are variable and quite often there are vacancies. As of 30 April the occupancy of the rehabilitation unit was 14 patients.

In recent days, in addition to the routine staffing pressures and limited agency availability, the HSE was presented with a significant additional staffing challenge at St. Joseph's. Unfortunately this has resulted in a number of staff being unavailable for duty in the short-term. As a result of this development, the director of nursing decided to temporarily move the 14 patients from the rehabilitation unit to other long stay units in St. Joseph's Hospital. The patients will continue to receive their rehabilitation in these units. This move will assist in providing appropriate levels of care to them, particularly at night. It is important to stress that this is not a closure of the rehabilitation unit but only a temporary measure for the shortest period of time possible which will not affect the patients receiving their rehabilitation care. The HSE expects the situation to be resolved within the next fortnight. It will continue to monitor and review the situation and any decisions made will be to ensure the best possible care for all of the residents currently in the facility.

The House will be aware that the management of resources and service planning is a matter for the HSE in the first instance. Quality care and patient safety come first and the director of

6 May 2015

nursing is obligated in discharging her duties to take the appropriate steps for the management of patient profile and the staffing resources available to her. The HSE has confirmed there is no intention to close services at St. Joseph's and this temporary cohorting of patients was considered in the best interest of their care. The Minister for Health will continue to monitor this situation carefully and has asked the HSE to keep him updated on progress.

Deputy Michael McNamara: I thank the Minister of State for his response, although it is a pity that a Minister with responsibility for health or with more than a passing interest in health has not come in. I wish to pick up on two points from the Minister of State's response. He said the House will be aware that the management of resources and service planning is a matter for the HSE in the first instance and that quality care and patient safety come first and the director of nursing is obligated in discharging her duties. I have no problem whatsoever with the director of nursing and commend her for the difficult job she does given the resources available.

This House allocates Exchequer funding and has a responsibility to maintain a level of decency in health care. What I saw in St. Joseph's last night does not reflect that level of decency. Like many services, St. Joseph's was not founded as a hospital but as a care facility. It did not look like a hospital to me last night, such was the level of overcrowding. I have argued in this House that the HIQA requirement that everybody be accommodated in one-bed or two-bed units is unnecessary. I am still of the view that there are many patients who do not want to be accommodated in one-bed and two-bed units. However, the level of overcrowding last night is certainly not what patients or the staff who care for them want, nor is it permitting the level of service staff were trained and wish to provide.

The Minister of State also referred to the overarching policy of the Government to support older people to live in dignity and independence in their own homes and communities. There are 2.7 hours of home help allocated in Limerick and north Tipperary for every person over 65, but only 1.6 hours in County Clare. Is there a difference? Are Clare people expected to be more resilient? Does it simply reflect politics? There is a Cabinet Minister in Limerick and one in north Tipperary and that is how we allocate resources in this House. It is simply not good enough. The people I am very proud to represent have exactly the same rights and expectations as those in north Tipperary or Limerick. There is a whole of baloney about how much the Government believes in equality but why not provide equality for the over 65s? I am sorry the Minister of State, Deputy Coffey, had to come into the House because I appreciate he is not the line Minister responsible. Let us have a little bit of equality for the over-65s in the mid-west. Let us have the same number of home help hours allocated to the people of County Clare as are allocated in Limerick and north Tipperary. Since there is no Minister in County Clare, there is nobody to demand it. That is how politics works in Ireland - so much for reform.

Deputy Paudie Coffey: While I certainly recognise the Deputy's concerns, I can assure him that all Ministers, including myself, certainly take more than a passing interest in health. I have come to the House to relay the information given directly to me by the Minister for Health, who is unavoidably absent. I am sure he would be happy to engage with the Deputy further. I wish to reiterate that there are genuine reasons for the decision taken by the director of nursing who, in law, is obligated to take decisions in the best interests of patients. That is what she did in this instance. The HSE has informed the Minister that it expects the situation to be resolved in the next fortnight. It is a staffing issue and the approach of the director of nursing is a responsible one.

School Completion Programme

Deputy Charlie McConalogue: I thank the Ceann Comhairle for selecting this matter and the Minister for Health for coming in to respond.

Minister for Children and Youth Affairs (Deputy James Reilly): I am the Minister for Children and Youth Affairs.

Deputy Charlie McConalogue: I beg the Minister's pardon.

The school completion programme, first introduced by a Fianna Fáil Government in 2002, has been identified as a model of best practice by the EU and the OECD as a targeted programme that increases retention rates in schools and reduces educational disadvantage. Unfortunately, under the current Government the programme has not received adequate recognition, support or funding. It was moved from the Department of Education and Skills, where it was initially set up within the social inclusion unit as part of the DEIS programme, to the Department of Children and Youth Affairs when that Department was established. Since then it has been moved to Tusla, very much removed from the Department under whose remit it should be, as an educational intervention, and in which it could be properly co-ordinated.

As the Minister is aware, the aim of the programme is to retain young people in the formal education system to complete senior cycle and to improve attendance and participation rates throughout primary and secondary school. It is involved with 124 projects across the country in 470 primary schools and 220 post-primary schools, which is almost one third of our secondary schools. Over the last number of years, the programme has seen a 25% reduction in its budget. That has put significant pressure on school completion programmes as regards continuing the range of activities they had been providing and ensuring they are well placed to continue making inroads into school completion and educational outcomes. Many of the key extra-curricular programmes, including those at holiday times, have had to be curtailed. There is much concern at this stage about the future plans for the school completion programme within Tusla. There is no certainty about what the budget will be for the next academic year starting in September. The plans normally issued in February have not yet been issued by Tusla for submission by the school completion programmes. A real issue of concern is what the plans are for next year and subsequent years.

I ask the Minister for a number of commitments. Will he commit, as Minister for Children and Youth Affairs, to enter discussions with the Minister for Education and Skills with a view to putting the school completion programme back where it is best served and best placed, which is the Department of Education and Skills? Will he also commit to supporting the expansion of the programme? It has been identified as being successful, most recently in an ESRI review of the DEIS programme. Will he commit to expanding further this successful model? Will he also commit to implementing no further cuts to the school completion programme in the academic year starting this coming September?

Deputy James Reilly: I thank the Deputy for his question. The school completion programme aims to retain young people in the formal education system to completion of senior cycle, and to improve the school attendance, participation and retention of its target cohort. It is a targeted intervention aimed at school communities identified through the DEIS action plan of the Department of Education and Skills. It involves 124 projects and related initiatives operating in 470 primary and 224 post-primary schools.

6 May 2015

These projects provide a range of supports and interventions designed to support approximately 36,000 children identified by local management committees as being at risk of educational disadvantage. Typically, projects offer homework clubs, breakfast clubs, mentoring programmes, learning support, social and personal development programmes, out-of-school supports including music, art and sports, and a range of activities during holiday periods.

Since 1 January 2014, the Child and Family Agency has had operational responsibility for the school completion programme, including the allocation of funds to local projects. In 2014, an allocation of €24.756 million was provided for the school completion programme, and the agency has indicated a similar allocation for the programme in 2015. It has also approved the plans of local school retention projects for the 2014-15 academic year. The first two instalments of 2014-15 funding have issued to local projects, with a third instalment planned this month.

The Deputy may be aware that a review of the school completion programme by the ESRI is almost complete. The review is an important initiative for planning for the future development of the school completion programme. It will assist in identifying the reforms necessary to consolidate the programme on a suitable footing for the future. The review is being overseen by a steering committee involving officials of the Child and Family Agency, my Department and the Department of Education and Skills. It will, among other things, examine the school completion programme structures and their fitness for purpose to support an integrated approach to address early school leaving. It will analyse the interventions provided and make recommendations for evidence-informed supports designed to secure the best educational outcomes for young people. It is envisaged that its final report will be delivered very shortly. The Minister for Education and Skills recently published an evaluation of the DEIS programme, which was also prepared by the ESRI and which refers to the school completion programme as an integral support within DEIS in improving attendance and engagement in education.

I have advised Tusla of my commitment to ensuring there is no diminution in the services provided by the school completion programme, which is an important constituent part of the agency's educational welfare services. As the Deputy and many other Deputies on all sides of the House before him have pointed out, it is a highly regarded programme and, as such, is a key method of securing improved educational outcomes for children and young people at risk of early school leaving. We all know that the outcome of early school leaving is reduced opportunities in later life.

Deputy Charlie McConalogue: Some of the language used in the Minister's response concerns me. On the ESRI review to be published shortly, the Minister indicated that he hoped it would assist in identifying the reforms necessary to consolidate the programme on a sustainable footing for the future. This is certainly not the language of someone who plans to expand the programme and bring the positive impact it has had in communities where it has been delivered into other areas where similar interventions are required. The language of consolidation, unfortunately, is very different from the language of expansion, which is what we need to do with this programme. As I mentioned, the ESRI report into the effectiveness of DEIS has shown that intervention in vulnerable communities with children at risk of falling out of the education system actually works, and this should be continued. I hope the ESRI review, which we cannot prejudge, will back up the fact that the school completion programme has been an important element in this regard.

In his reply, will the Minister comment on his personal view of the place of the school completion programme and its effectiveness and contribution to radically improving outcomes

and retention rates in schools? Will he also comment on the suitability of its current placement in Tusla? Does he agree that it should be put back where it started and where it is best placed, which is under the Department of Education Skills and the DEIS programme? Will the Minister also give assurance that the templates for the school completion programme plans for this coming September will be issued promptly? We he also give an assurance on funding for these programmes for the coming September and the new academic year?

Acting Chairman (Deputy Olivia Mitchell): The Minister has two minutes to answer all of those questions.

Deputy James Reilly: With due respect, there were many “alsos” at the end. In his earlier contribution, the Deputy asked me to commit to talking to the Minister for Education and Skills about the appropriate location for the programme and about sending it back to that Department. He then asked me to commit to expanding the funding. There is a little contradiction in that.

Deputy Charlie McConalogue: Both can be achieved.

Deputy James Reilly: If it is gone from the Department I can hardly influence it.

With regard to the current location of the programme, I do not have a closed mind, but it is a very important programme and one that I strongly support. Its value is very much proven. I await the ESRI report, which I hope will vindicate my sense, and that of many Deputies in the House, of its value. Education is critical for opportunities in later life and we want to encourage children to stay the course and stay in school until they reach their 18th birthday at least.

Different things appeal to different children, and this programme has been very good at identifying those interests and using them to lead children back into the education system. The Deputy may feel the programme properly belongs in the Department of Education and Skills, but I point out that learning support, mentoring programmes, personal development programmes, social programmes and out-of-school supports all sit well where they are, and there is a huge amount of combined action with Foróige and Youthreach with regard to how these children are supported in staying in school. I do not have a closed mind, as I stated, but I certainly believe the programme should continue, and it needs to be expanded to wherever it is required and needed. This year, we had no further cuts in our services in the Department of Children and Youth Affairs. The reason these programmes had to be cut was the financial disaster that befell this country.

Deputy Charlie McConalogue: The Minister chose to do so. The Minister is going off topic.

Deputy James Reilly: I did not interrupt Deputy Charlie McConalogue. That he does not like what he hears does not make it less of a fact.

Acting Chairman (Deputy Olivia Mitchell): The next topic is shared between Deputies Barry Cowen, Martin Ferris and Stanley.

Social and Affordable Housing Provision

Deputy Barry Cowen: Housing is a national crisis, if not a scandal. I do not want to rain on the parade of the Minister of State and his colleagues after yesterday’s announcement, which is

6 May 2015

the fourth such announcement since October. It seeks to promise the delivery of social housing units. In the time allocated to me, there is not enough time to go through the dismal record of house construction under this Government. Figures supplied to me in answer to a parliamentary question indicate why the crisis has become a scandal. Waterford has had one unit over the past four years, Offaly received none, north Tipperary received none and there were 60 out of 100 in Dublin last year. It makes dismal reading and I would have thought the Minister would have a more holistic approach to this crisis before now. Even at this late stage, I would have thought the Minister would combine private sector and empowerment initiatives to assist that sector through the use of the strategic investment fund to fund developers, get house building going and address the difficulties, given the lack of houses available, the increasing crisis in mortgage arrears and the construction aspect of providing homes. The Minister made no effort to address those issues when I thought he would.

The specific issue raised here relates to previous Government announcements by the front-line Minister. In particular, capital funding for 7,500 units, including new builds, acquisitions, refurbishments and voids, was promised over a period of three years. At a committee meeting a couple of months ago and in responses to parliamentary questions, we were informed that 1,400 would be new builds completed by the end of this year. The announcement yesterday says it will be 1,700 by the end of 2017. Will 300 be built in 2016 and 2017, with 1,400 this year?

On foot of the announcement last yesterday and notwithstanding the difficulties arising from the management of the crisis over the past four years and the fact that it developed into a scandal involving 1,000 children living in emergency accommodation in Dublin, were the Minister and his colleagues convinced that 1,400 units were to be built this year? What has changed in two months leading to the announcement yesterday of 1,700 over three years?

Deputy Martin Ferris: Every week for the past number of years, Opposition Deputies have highlighted the housing crisis, with over 90,000 people on the waiting list. Breaking it down by county, the announcement as part of the spring economic statement for my county involved 40 houses between now and the end of 2017. There are 12 for Killarney, 12 for Tralee, four for Lixnaw, and 12 single rural cottages. This amounts to 40 houses. There are 4,000 people on the housing list waiting across the county, with 2,000 on the waiting list in the town of Tralee. That puts things in perspective when the State is paying out €6 million per year on rent supplement to private landlords in the county of Kerry. A substantial number of former local authority houses are for sale. I have asked the council to consider purchasing them. It depends on what will come from the Exchequer to help.

The people looking for transfers include those with disabilities living in upstairs apartments. They are waiting to be housed and cannot get transfers from council apartments. It is a shambles. The Minister of State will argue that this is what he inherited from the previous Government and the crisis in the economy. Having said that, there is an urgent need for this and I cannot understand why the Government pays €6 million a year to private landlords for rental accommodation when a substantial amount of that money could be spent providing local authority housing for 2,000 people on the housing list in the county.

Deputy Brian Stanley: I welcome the opportunity to address this matter but I was disappointed at the announcement by the Minister today. There were multiple announcements over the past six months since the budget. Many of the announcements were of housing building programmes, and at this stage I was expecting to see concrete being poured and hundreds of houses under way. That is not what we see. I have summed up the reams of paper on the back

of a postage stamp, where I wrote out the housing programme. Over 2015 to 2017, over three years, there will be €312 million spent and 1,700 units built. Some 49 houses will be built in Laois, 57 in Kildare and 33 in Offaly. In County Kildare, almost 8,000 people are on the housing waiting list and almost 1,700 households are on the waiting list in Laois. I have summed up the programme on the back of a postage stamp. It is not nearly enough and I am concerned and disappointed. The Minister of State and the Minister, Deputy Kelly, told the House about the massive house building programme. However, the reality is that the needs of 98% of the people on the housing waiting list are not being addressed and the house building programme that fits on the back of the postage stamp will only address the needs of 2% of the households on the waiting list. It is far too little too late. In Dublin, in the middle of the crisis, 183 houses were built in 2013. In three years from 2015 to 2017, the Labour Party and Fine Gael proposed building 167 houses over three years. This is the answer to the housing crisis. It is not enough and I want to know what other measures will be put in place to address the crisis.

Deputy Paudie Coffey: I thank the Deputies for raising the important issue. They miss the point. Yesterday's announcement is but one strand of the Government's response under the social housing strategy. The figures quoted are the direct builds by local authorities proposed by the same local authorities through the Department. They have received the green light but it is only the first phase of direct building. I expect the support of all Deputies in all of those projects. The figures quoted do not take account of forthcoming proposals under the capital assistance scheme, CAS, under which voluntary housing bodies will provide a number of units, nor do they take account of the number of voids, vacant and boarded-up local authority units for which additional funding has been provided. Over 2,000 units have been turned around and put back into beneficial use over the past year. Further funding for 1,000 additional units will be provided to put them back into beneficial use. It does not take account of the number of acquisition units, where local authorities from all over the country propose to the Department to buy units from the market at good value for money. The announcement yesterday does not include that but the Deputies chose to ignore this fact. Nor do they allow for the rental accommodation scheme or the housing assistance payment schemes that are up and running in local authorities around the country. The HAP scheme has now been expanded into a further 12 local authorities. The social housing strategy is targeted at providing over 110,000 social housing units through the delivery of 35,000 new social housing units and meeting the housing needs of some 75,000 households through the HAP and rental accommodation schemes. In total, €3.8 billion is being ring-fenced for the strategy. This marks a fresh strategy in terms of the provision of social housing. I find it hard to take lectures from those opposite, especially those in Fianna Fáil. It abdicated its responsibility in terms of direct build social housing in local authorities for over a decade. Some 15,000 units were built in the previous four years.

Deputy Barry Cowen: Four years is nothing. Compare and contrast what was built in the previous four years.

Deputy Paudie Coffey: For over ten years, Fianna Fáil failed. On top of that, it propagated a property bubble with Part V-----

Deputy Timmy Dooley: Fine Gael has not even built a henhouse in the last four years.

Acting Chairman (Deputy Olivia Mitchell): Deputy Dooley should let the Minister of State speak. It is his four minutes.

Deputy Paudie Coffey: -----provision that delivered no houses over a five-year term. I

6 May 2015

will take no lectures in this House from Fianna Fáil regarding the provision of social housing. Likewise with Sinn Féin-----

Deputy Micheál Martin: Get on with it.

Deputy Timmy Dooley: Will the Minister of State read the rest of his notes?

Deputy Paudie Coffey: I am not reading. I am telling Deputy Dooley straight.

Deputy Timmy Dooley: Read the notes.

Deputy Barry Cowen: There was nothing built in Waterford over the last four years. Not one house.

Acting Chairman (Deputy Olivia Mitchell): Deputy Cowen should behave himself.

Deputy Paudie Coffey: Sinn Féin provided in its budget for 2016 an allocation-----

Deputy Brian Stanley: 6,000.

Deputy Paudie Coffey: -----of €1 billion over 18 months, which it said would provide 6,000 units by direct build. That is less ambitious than what the Government has set out in its social housing strategy. The Government has committed over €4 billion over the next few years-----

Deputy Martin Ferris: Waffle. Where is the substance?

Deputy Paudie Coffey: -----for the provision of social housing. The Deputies should know, as former councillors, that one cannot build houses overnight. They must go through Part VIII in councils, tendering and then the construction must start. Yesterday we announced green lights for projects all over this country that will deliver housing units and over 3,000 jobs in the construction sector. This Government is treating social housing as a top priority. Unfortunately, we are picking up the pieces of the mess that was left. We are now addressing it and giving it its full priority. The Deputies will-----

Deputy Timmy Dooley: Four years later.

Deputy Paudie Coffey: -----see further phases and announcements over the coming months that will address the shortfall in housing at the moment.

Acting Chairman (Deputy Olivia Mitchell): Deputy Cowen has one minute. Please allow him to speak.

Deputy Barry Cowen: I know we are only dealing with one strand. My question only dealt with one strand.

Deputy Paudie Coffey: The Deputy did not say that.

Deputy Barry Cowen: That strand is the direct build sector. The Minister of State has the authority to direct local authorities to provide for the 90,000 applications. It could be 200,000 people. If he wants to compare and contrast what was built in the last four years with what went before, the Government built nothing in Waterford, for example, nor in Laois nor North Tipperary. I have the list here. I can go through them.

Deputy Paudie Coffey: We will build them this year.

Deputy Barry Cowen: If the Minister of State wants to play that game, he will lose.

Deputy Paudie Coffey: God, we will not.

Deputy Barry Cowen: I will ask him now what I asked him earlier. Why did his senior Minister tell me two months ago that 1,400 new direct build units would be provided by this Government and local authorities throughout the country this year? That was two months ago. The Government rushes to make so many announcements that it forgets what was said in the previous one. That is what was said two months ago. Yesterday it was back to 1,700 over three years. Can the Minister of State confirm that it will be 1,400 this year and 300 in the next two years? Is that the divide? Why was I told 1,400 would be built two months ago when yesterday he told the country only 1,700 would be built over three years? People do not trust the Government anymore. They do not believe-----

Acting Chairman (Deputy Olivia Mitchell): I thank the Deputy.

Deputy Barry Cowen: -----and they see in black and white the disregard-----

Acting Chairman (Deputy Olivia Mitchell): Deputy Ferris has one minute.

Deputy Barry Cowen: -----for the housing provision element of local authorities.

Acting Chairman (Deputy Olivia Mitchell): Deputy Cowen should take his seat.

Deputy Barry Cowen: There are more zeros here than anything else.

Acting Chairman (Deputy Olivia Mitchell): The Taoiseach is waiting for Leader's Questions. Deputy Cowen is using his colleague's time.

Deputy Barry Cowen: They are not euro, they are duck eggs. Nothing has been built and nothing has been provided. The Government has no interest in sorting out the housing crisis.

Acting Chairman (Deputy Olivia Mitchell): Deputy Cowen is taking his colleagues' time.

Deputy Barry Cowen: It has been allowed to develop into an absolute scandal.

Deputy Martin Ferris: There is no doubt that the Minister of State is very good at spin and waffle. There is no better man at waffle than him.

Deputy Timmy Dooley: With the exception of the senior Minister.

Deputy Martin Ferris: There is no doubt that he is well able to waffle. This Government is paying out €6 million each year to private landlords while there are 2,000 people on the housing waiting list in my county, Kerry. The Minister of State is proposing to build 40 houses over the next two and a half years. How will that facilitate the thousands of people who are crying out to be housed in this State? How can the Minister of State say that to people with disabilities who are living in upstairs apartments and must be helped up and down the stairs while this Government has done absolutely nothing for four years? This Government has done nothing for this country in the last four years regarding providing housing. It is an absolute disgrace to stand here today and lecture people across here with the record it has.

Deputy Michael Healy-Rae: There are 1,000 people in Killarney alone.

6 May 2015

Deputy Brian Stanley: The Minister of State has given the impression that huge money is there for voids, empty council houses. Turning around empty council houses is welcome but in County Laois there are not three voids at the moment. That will not solve the housing crisis. New builds are needed. We are directly addressing the local authority house building programme for the next three years. The busiest industry since the last budget has been the offices of the Minister of State and the Minister, churning out press releases and papers, which I have summarised on the back of this postage stamp. The Taoiseach's house-building programme fits on the back of a stamp. It is 1,700 units over three years. That is the reality when one strips away the billions. What is happening here is that the money the Minister of State is announcing has been taken from the Department of Social Protection. He has brought it over to the Department of the Environment, Community and Local Government and called it housing assistance payment, HAP, which some people are calling "hapless". That is how he is calculating his billions. He is not dealing with the housing crisis. There is a serious housing crisis out there. There are homeless people in Laois, Offaly and Kildare and there are 1,000 children in temporary accommodation at the moment-----

Acting Chairman (Deputy Olivia Mitchell): I thank the Deputy.

Deputy Brian Stanley: That issue needs to be addressed. The Government is not addressing it.

Acting Chairman (Deputy Olivia Mitchell): Deputy Stanley should take his seat. Would the Minister of State like to respond briefly?

Deputy Brian Stanley: We cannot continue to go on about the past. The Government is here now. It is in the driving seat. We are supposed to have this great recovery. The Government must address the housing issue.

Deputy Paudie Coffey: Deputy Cowen asked about the number of units being delivered this year. He is not taking account of the €68 million that was provided for in last year's budget-----

Deputy Barry Cowen: I asked the Minister of State that.

Deputy Paudie Coffey: -----for the commencement of over 50 construction projects, which are now coming on stream this year. Yesterday's announcement is in addition to that.

Deputy Barry Cowen: There are 1,400 this year, then.

Deputy Paudie Coffey: They are direct build projects in local authority areas all over the country, including in Deputy Cowen's constituency.

Deputy Barry Cowen: There are 1,400 this year, and one in Kilbeggan, I hear.

Deputy Joe Carey: It takes time.

Deputy Barry Cowen: There are 1,400 this year.

Deputy Paudie Coffey: Deputy Cowen and his party destroyed the social housing provision in this country.

(Interruptions).

Acting Chairman (Deputy Olivia Mitchell): Deputy Healy-Rae cannot wander in here and make a scene. He should sit down and let the Minister of State finish.

Deputy Paudie Coffey: This Government is working towards a sustainable construction sector, which would provide houses for all our people into the future. In response to Deputy Stanley, huge progress has been made in terms of the turnaround of voids in this country. He has already acknowledged that directly to the Minister, Deputy Kelly, and me in committee. Some 2,000 voids and boarded up houses have been turned around in the past year-----

Deputy Barry Cowen: They should not have been allowed to develop into the voids.

Deputy Paudie Coffey: -----and another 1,000 will be turned around in the coming year. He is not taking account of the voluntary housing bodies, which will be announced very shortly.

Deputy Barry Cowen: No, we are not. We are dealing with the direct build.

Deputy Paudie Coffey: They will also contribute to the housing demand that is out there at the moment.

Deputy Micheál Martin: One press release after another.

Deputy Paudie Coffey: He is not taking account of the acquisitions local authorities can make all over the country.

Deputy Barry Cowen: We can wait for another press release next week or the week after.

Deputy Paudie Coffey: This Government is taking housing as a top priority and cleaning up the mess Fianna Fáil made.

Deputy Róisín Shortall: How many thousand are on the waiting list? The Minister of State should cop on.

Leaders' Questions

An Ceann Comhairle: Are we all settled down now?

Deputy Barry Cowen: We are only getting warmed up.

Deputy Róisín Shortall: It is only tokenism. The Government must get real.

Deputy Patrick O'Donovan: Gran Canaria.

Deputy Barry Cowen: The Government will not win any election on housing.

Deputy Michael Healy-Rae: The Ceann Comhairle has a very calming effect. We all went quiet.

Deputy Micheál Martin: Four years ago Deputy Michael McGrath proposed legislation to set up an independent mortgage resolution office to provide a proper intermediary force between the banks and people in mortgage distress and to ensure the banks would not have a veto over the resolution of mortgage arrears and agreements. He ignored it and month after month since then he has ignored pleas from the Opposition to change the relationship between

6 May 2015

the banks and people in mortgage arrears and to change the veto the banks have over any debt resolution agreement resulting from any process. There have been up to 586 repossessions since January. That is a 500% increase on this time last year. The majority of these are homes, not investment properties. The Taoiseach will recall that it was Government legislation in 2013 circumventing the Dunne judgment that allowed the repossession train to start. Research has already shown that 1,000 homes have been repossessed. It is now estimated that there are up to 8,000 civil bills before the Circuit Court relating to repossessions. We are facing a major crisis because of Government inaction in relation to people in mortgage arrears and the anxiety and distress that has happened as a result. That is on top of the homelessness crisis and the appalling fact that up to 1,000 children are in emergency accommodation in this city alone.

An Ceann Comhairle: Could the Deputy ask a question, please?

Deputy Micheál Martin: I put it to the Taoiseach that he has ignored the genuine calls from this side of the House for an end to the bank veto, and various legislative propositions we have made. When will the Government remove the veto the banks currently have on debt resolution mechanisms? The Personal Insolvency Act has been very ineffective, and it has failed. We hear leaks via the media that something will happen four years from the time Deputy Michael McGrath first tabled Private Member's legislation, which if the Government had accepted, would have paved the way for a far more reasonable approach to the issue. It is a shocking indictment of what the Government has been doing for the past four years.

The Taoiseach: We have dealt with the issue on a number of occasions already.

Deputy Robert Troy: No, the Government has not. That is the problem.

The Taoiseach: The number of mortgage accounts in arrears, that is, all arrears from one day past due, stood at 84,717 at the end of February this year. That is a decline of more than 3,000 compared to the January 2015 figure. The total number of mortgage accounts that have been restructured stood at 106,402 at the end of February. That means people were able to sit down and discuss the distress of the mortgage involved and in 106,402 cases, a sustainable solution for the future was arrived at. The number of mortgage accounts in arrears of greater than 90 days continues to fall, decreasing by 1,730 to 59,138, with a decrease of 482 mortgage accounts in arrears of greater than 720 days, which stood at 28,900 at the end of this year. The numbers in very long-term arrears is a matter of major concern. It is important to note that the latest Central Bank data show the number in arrears for more than 720 days drop for the banks in quarter 4 of 2014 for the first time. The Government wants the maximum number of mortgage holders in very long-term arrears to be able to afford their mortgage, to retain ownership of their houses where they can afford it, and if they cannot, to have viable and easily accessible options available to either stay in the house or to have access to alternative housing.

Deputy Martin mentioned repossessions. The Government does not see repossessions as a policy solution, and every action that has been taken since coming to office has been designed to ensure that the maximum number of people and families can continue to live in their houses. According to the Central Bank report from the final quarter of 2014, of the 429 properties that were taken into possession by the banks, less than one third, or 123, were repossessed as a result of a court order, while the remaining two thirds were voluntarily surrendered or were abandoned. As Deputy Martin is aware, there has been much coverage of the increase in civil bills being lodged by financial institutions. It is important to say that the commencement of the court process is not a signal or an end in itself that repossession will occur. The Minister for

Finance has stated that it may often be the case that the process prompts borrowers to re-engage with the lender in the first place to find a solution. Often, those cases are adjourned. I listened to a commentary on the news recently on actual cases which allows both parties time to find a solution and to remove the bank and the borrower from the legal process. It is fair to say that while there are a number of options available involving, for example, the Money Advice & Budgeting Service, MABS, or the insolvency agency, such solutions do not work in a number of cases, and accordingly, the Government has committed to bring forward a number of further solutions that will deal with the question of really distressed mortgages where the option can be had for another alternative in respect of those borrowers so that in the vast majority of cases, the option will be there for families or tenants to remain in a house on foot of a variety of solutions.

Deputy Martin mentioned the issue of the veto. The further options that will be brought forward by the Government next week will deal with cases involving serious distress that are outside the scope of the discussions that have taken place to date, following which more than 100,000 cases have been sorted out. However, we remain concerned about the long-term mortgage indebtedness in those cases.

Deputy Micheál Martin: I did not just mention bank repossessions and the bank veto, they were the main part of the question I put to the Taoiseach, but he chose to ignore them until the very end of his reply. The statistics revealed yesterday showed there were more than 586 repossessions since January, and 383 of those related to homes. We know from research by Mr. Seamus Coffey in UCC that 1,000 court-enforced repossessions have taken place already. We also know that 8,000 civil bills are before the courts as we speak. It is not good enough to say that the banks only take people to court so that they will engage in the process. Banks take people to court because they load the trigger and they can pull the trigger whenever they want. It puts the person who holds the mortgage in an impossible position and causes enormous distress and anxiety. I have dealt with cases where people had engaged. The Taoiseach takes the side of the banks at all times, as does the Minister for Finance. The Taoiseach is doing it again today.

Deputy Mattie McGrath: It is a bankers' charter.

Deputy Micheál Martin: The Taoiseach said the banks bring people to court because they have not engaged prior to that, but many people engage before they get any legal letter, and they still get the legal letters, with all the anxiety that goes with that.

An Ceann Comhairle: Could Deputy Martin ask a question, please?

Deputy Micheál Martin: For four years the Taoiseach has been asked to end the veto the banks have over the entire process. The Bill that introduced personal insolvency practitioners did not work. The Taoiseach called them in to hear from them approximately six months ago. Something must happen to change the *status quo*. Is the Taoiseach going to change the veto the banks have over the entire process - "Yes" or "No"?

The Taoiseach: I reject Deputy Martin's assertion that the Government continually takes the side of the banks.

Deputy Mattie McGrath: The people know it.

The Taoiseach: That is entirely false. It is beneath Deputy Martin to say that.

Deputy Micheál Martin: How is it beneath me?

6 May 2015

The Taoiseach: Be that as it may-----

Deputy Robert Troy: The Government's record speaks for itself.

The Taoiseach: That is Deputy Martin's usual populist line. I remind Deputy Martin above all people, when he speaks of four years ago, that the mess he left behind was the cause of all of this.

Deputy Bernard J. Durkan: Deny, deny, deny.

The Taoiseach: People should not be allowed to forget that. When Deputy Martin is in Carlow and Kilkenny he should tell them that his Government put €34 billion into Anglo Irish Bank.

Deputy Barry Cowen: They voted for two elections four years ago. Did they?

The Taoiseach: That money is lost and Deputy Martin was the cause of losing it.

Deputy Barry Cowen: Did the Taoiseach get a ten-year term?

Deputy Billy Kelleher: The Taoiseach voted for it.

The Taoiseach: Part of that was responsible for the total collapse of the construction sector. That relates to the questions Deputy Cowen asked of the Minister of State, Deputy Coffey, just before I came into the Chamber.

Deputy Barry Cowen: The Taoiseach has not dealt with them anyway. I can tell him that. There was one in Mayo in three years.

An Ceann Comhairle: I am sorry.

Deputy Micheál Martin: I asked the Taoiseach about the bank veto.

Deputy Barry Cowen: The Taoiseach should look after his own back yard.

The Taoiseach: I reject Deputy Martin's assertion that I am an advocate for the banks.

Deputy Barry Cowen: The Taoiseach is digging.

The Taoiseach: My comments all along in respect of banks and the way they have treated people have been that it is not satisfactory, but it requires-----

Deputy Micheál Martin: The Taoiseach did not say that earlier.

Deputy Timmy Dooley: The Taoiseach sounds like the Leader of the Opposition.

The Taoiseach: -----in the 109,000 cases that were sorted out that people were able to sit across a table and work out an agreed solution to those cases where mortgage distress applied.

Deputy Mattie McGrath: They have a big stick over their heads.

Deputy Barry Cowen: The people on the housing list are bunched.

The Taoiseach: I said to Deputy Martin that the Government will introduce a number of further options next week to deal with distressed cases, in particular those that are in long-term

arrears, such as I have pointed out. I will not give the Deputy the details now as the Government will announce them next week.

Deputy Micheál Martin: Why not? Why could the Taoiseach not announce them last week?

An Ceann Comhairle: I call Deputy Adams.

The Taoiseach: Because I had other things to do.

Deputy Micheál Martin: It is just all spinning. It is not because the Taoiseach had other things to do.

Deputy Barry Cowen: The Taoiseach thinks it might get him out of a hole in the Carlow-Kilkenny by-election.

Deputy Bernard J. Durkan: If the economy-----

Deputy Micheál Martin: It is more news management. It is all spinning.

An Ceann Comhairle: Would Deputy Durkan listen? I called Deputy Adams. Would Deputy Durkan stay quiet?

Deputy Bernard J. Durkan: I am sorry. I could not help it.

Deputy Patrick O'Donovan: Is the Kilkenny man back on board? Is he canvassing?

Deputy Gerry Adams: Go raibh maith agat, a-----

An Ceann Comhairle: I call on Deputy Durkan's neighbour to stay quiet as well.

Deputy Patrick O'Donovan: I am sorry, a Cheann Comhairle. I was just inquiring about Deputy McGuinness.

A Deputy: He is back from Lanzarote.

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

Deputy Micheál Martin: He is far more popular in Kilkenny than Phil Hogan is.

Deputy Gerry Adams: I note the absence again of the Labour Party.

Deputy Patrick O'Donovan: Or than Deputy Martin is in Fianna Fáil.

Deputy Gerry Adams: I do not know whether the Labour Party has taken up an abstentionist policy on Leaders' Questions, or perhaps its members are embarrassed. The sorry saga of the Taoiseach's efforts to impose an additional water tax on households and his establishment of the now totally discredited Irish Water is a metaphor for how this Government functions, or indeed does not function. There was no need to impose an additional water charge in the first instance, but the Government did so. There was no need to pay €85 million of taxpayers' money to consultants but the Government did that as well. The Government could have listened to suggestions from these benches, but instead it forced through the Water Services Bill. Back then, the Government threatened to reduce household supplies to a trickle. Popular anger grew and the protests got bigger, so the Government did a partial U-turn. It also failed with that. In

6 May 2015

the meantime, in the background the Siteserv scandal was being covered up by the Government and a subsidiary of Siteserv was given a lucrative contract for installing water meters across the State. All of this happened on the Taoiseach's watch.

Now we learn from the media that the Government is discussing draconian and unprecedented new powers to deduct water charges from citizens' wages, pensions and social welfare payments. Is it not time to go back to the drawing board? Will the Taoiseach now, belatedly, scrap the water charges?

The Taoiseach: I have replied to the Deputy on this question on a number of occasions. The Government does not intend to drop the establishment of Irish Water, with its capacity to borrow for investment to fix the many problems that have been associated with the water supply and wastewater throughout the country over a long period. The Government has a requirement. I recall the Deputy stating in public that he intended, as a legislator and a citizen, to pay his water charges. He was very straightforward about that. However, for whatever reason, he then changed his mind and said he would not pay it.

It is about time the country confronted a situation that has been inadequate for many years. We must deal with it. There is a lack of water of sufficient quality in many places and a lack of investment to deal with wastewater. There is clearly a difference between those who can pay but say they will not pay, and those who cannot pay. The Government clearly recognises that. We cannot have a situation in which huge numbers of citizens understand that they must make a contribution for the water supply, which is now very moderate at €1.15 or €3 per week, for which they register and pay and for which they will be in receipt of support from the Department of Social Protection, while others who receive the same water supply say they will not pay when they clearly can. There will be a compliance regime to deal with that. It is grossly unfair to expect one neighbour to pay while the other neighbour takes the view that he or she should not pay. Again, I distinguish between those who can pay but will not and those who cannot pay. The compliance regime will be in place to deal with that, so everybody can invest and contribute to having a country that has high-quality water supplies and high-grade capability to deal with wastewater, which is affecting our reputation in many places.

Deputy Gerry Adams: The Taoiseach's compliance regime, as he christens it, will penalise ordinary hard-working families, pensioners and vulnerable citizens, who have already borne the brunt of the Government's austerity policies. The latest plan, concocted by a Labour Party Minister who is greatly concerned about his legacy, also sets a very dangerous precedent. If a company such as Irish Water can take money from people's private bank accounts or pensions, where will this end? Will this legislation apply to Bord Gáis, the ESB and Eircom? What will stop a private company such as a car dealership from seeking an attachment order?

This latest contortion in the long-running efforts to impose water charges is a direct contrast with the Government's compliant and subservient attitude to the banks, which refuse point blank to deal fairly with families in mortgage distress. The Taoiseach refuses to introduce legislation to oblige them to do so.

An Ceann Comhairle: A question, please.

Deputy Gerry Adams: He has no problem with legislating for a compliance regime for pensioners, social welfare recipients or workers, but not for the banks. He is prepared to introduce this unprecedented, pocket-picking legislation against those citizens, but he refuses to leg-

islate to protect citizens against the banks or to safeguard taxpayers' money. Will the Taoiseach explain that? Tá mé críochnaithe anois. Will the Taoiseach explain the two sets of values? Is Fine Gael the bankers' party? Is this Government the bankers' party? Will the Taoiseach explain why there is one set of values for dealing with ordinary citizens, for which he is prepared to legislate in the way he has put forward, although he refuses to do that in respect of the veto he has given to, and copperfastened for, the banks?

The Taoiseach: As I told Deputy Martin, the Government will introduce a number of further options next week to deal with banks and distressed mortgage holders, where clearly there has been a problem for some time. The Government's priority is to ensure that the vast majority of people hold onto their homes and have the opportunity to remain in their homes by following a number of options, which will be presented next week.

On the Deputy's question regarding vulnerable citizens, one of the first actions of this Government was to reverse the decrease in the minimum wage which was introduced by the previous Administration. We have exempted 420,000 people from USC payments entirely-----

Deputy Ruth Coppinger: Stick with the topic.

The Taoiseach: -----and we will increase that to 500,000 this year, and we have reduced the USC requirement at the lower levels. Also, with regard to reducing the tax burden, the Government has started to provide that whatever flexibility people have won will go to the most vulnerable categories of citizen.

The difference between water and essential services such as gas, electricity and telecommunications is that the latter can be cut off, but the Government has legislated to provide that the water supply cannot and will not be cut off. Every citizen will get a water supply. There is a requirement to pay for it, however, as well as for the investment to create it and maintain it and the investment necessary for future services. That is the reason the Government listened carefully to people and that the rates are now €3 or €1.15 per week. The Government understands that there are vulnerable people who cannot pay-----

Deputy Mary Lou McDonald: They do not have it. That is what being vulnerable means. They do not have €3 or €1.

The Taoiseach: -----but there are many people who say they will not pay when they can pay. That is the difference, and there will be a compliance regime to ensure that everybody is compliant.

Deputy Paul Murphy: Empty threats.

The Taoiseach: The legislation provides that the water cannot be cut off. It is an essential and important service for life, but clearly a contribution is necessary.

Deputy Mary Lou McDonald: So the Taoiseach picks their pockets.

The Taoiseach: Where it can be paid, it will be paid.

Deputy Maureen O'Sullivan: The annual commemoration of the Easter Rising was held this morning at Arbour Hill, and with its centenary approaching there will be much discussion and debate on its values and ideals. One principle from the Proclamation is worth mentioning: that the Irish Republic is a sovereign, independent State. It says, "We declare the right of the

6 May 2015

people of Ireland to the ownership of Ireland and to the unfettered control of Irish destinies ...". We have had many threats to our sovereignty in the past, but I wish to mention a threat to our sovereignty today, the Transatlantic Trade and Investment Partnership, TTIP. It has been presented to us in glowing terms and we have been told it will raise EU GDP and create hundreds of thousands of jobs. However, grave concerns are being raised by politicians, trade unions, civil society and non-governmental organisations, NGOs, throughout Europe and elsewhere. The aim of TTIP is to remove any regulatory barrier to profits and the profit-making potential of multinational and transnational companies. It will have massive implications for workers' rights, food safety, banking, the environment, and agriculture, to mention a few areas. However, I wish to focus on education. Including education in TTIP has the potential to do irreparable damage to the education system in Ireland. The investor-state dispute settlement, ISDS, mechanism will give foreign investors a right to sue a sovereign state, with a democratically elected government, for a loss of profit resulting from public policy decisions. Secret decisions made in boardrooms overseas would have more control over our education system than the Minister or the Department of Education and Skills. It will open the door to a proliferation of private and for-profit schools and colleges.

5 o'clock

An American congressional report on the for-profit education sector found that there was a 64% student drop-out rate. It also found that 17% of funding in the area of education was spent on instruction. We know there is considerable pressure to expand the scope of the education commitments in the TTIP. I ask the Taoiseach to ensure that education is excluded from the agreement. I wonder whether he has had any discussions with the Minister for Education and Skills on this matter.

The Taoiseach: The TTIP is currently under negotiation. The opportunity that exists for Europe and the United States, which are the two biggest trading blocs on the planet, to reach a series of trade agreements is nothing new. It has been talked about for over 20 years. If agreement can be reached, the opportunity exists to create approximately 2 million jobs on either side of the Atlantic and to set down the standards for world trade for many years to come. This is not without difficulty. Obviously, each side has a number of concerns that are very close to its individual policy positions. Each side is finding it difficult to change or deal with those concerns, which have been outlined by various European countries and by the United States. My feeling is that if TTIP is not dealt with by the end of this year, it is unlikely that it will be concluded in the lifetime of the Obama Administration. There are two good teams working on this across a whole range of sectors. The perception that Europe was afraid to table the difficult issues and the United States was afraid to table the difficult issues is not actually true. Issues such as tariffs and procurement are being tabled and new offers are being made. Quite a number of chapters of TTIP remain to be considered. I would say, in respect of the education system, that we have a unique advantage in this country. When one speaks to investors from abroad, one hears that one of the outstanding qualities of Ireland's attractiveness is the flexibility of our education system-----

Deputy Seán Crowe: What about the language schools?

The Taoiseach: -----and the creativity and ingenuity of our young people. That is exemplified by Science Foundation Ireland's investment in so many areas that measure up to challenges that other countries have not been able to meet. I think that is an endorsement of the confidence of our young people and, indeed, of the tutors, teachers, parents and students in our education

system. I would not like our public education system, which has stood by this country for a very long time and has turned out exemplary students of exceptionally high quality in so many cases, to be a victim of the TTIP negotiations. Ireland wants to maintain its system of education, which is able to measure up to these issues. Obviously, the team negotiating the different elements of TTIP will have to give consideration to the point raised by Deputy Maureen O'Sullivan. Ireland will be very vigilant in ensuring that nothing that would in any way damage our capacity to continue to operate at the highest level of educational standards will be tabled and agreed.

Deputy Maureen O'Sullivan: Under similar trade agreements, countries have been sued for massive amounts of money by particular multinational and transnational companies. I was in the education system as a teacher for many years, so I know what our education system is about. I think we have to be concerned about the possibility of increasing commercialisation and privatisation of our education system if TTIP includes education. Approximately two weeks ago, I attended a seminar organised by the Irish Federation of University Teachers and the Teachers' Union of Ireland at which the topic of higher education as a public good was discussed. Concern was expressed at the seminar, and the feeling was that our colleges, institutions of education and universities have to be independent in order to encourage, enable and facilitate independent, challenging and innovative thinking. That will be threatened and undermined if education is part of TTIP, because the ability of the Government to frame public education policy in a way that ensures the public good would be limited. We are all public representatives. Surely our driving force is to serve the public good. How can we possibly be involved in concluding a trade agreement that undermines and jeopardises the public good? At the very least, can the Taoiseach allow for a debate in this Chamber on all the implications of TTIP? Some presentations were made at the Joint Committee on Foreign Affairs and Trade, but there is a need for a full debate here. I am asking for that to happen.

The Taoiseach: The Government will not stand for a situation whereby the education system in this country is privatised. It is clear that there are private schools operating among this country's universities, colleges of technology, colleges of further education and secondary and primary school systems, and that is perfectly allowable.

Deputy Seán Crowe: They are subsidised by the State.

The Taoiseach: We have no intention of going along with any proposition that would privatise the education system. We have been served very well in difficult times over the years by an education system that has been capable of changing direction to deal with new challenges as required. There will be an even greater requirement for that in the future because of the rate of change in so many areas at present. As someone who is involved in the system, Deputy O'Sullivan will understand that the confidence and capacity of our education system and students to deal with those changes is second to none. I am very optimistic and pleased about the response I see on a regular basis from students who meet and beat these challenges in terms of their peers around the world. No proposition with any potential to privatise the Irish education system has crossed the Government's desk. This Government will not stand for that.

Deputy Maureen O'Sullivan: What about the debate?

The Taoiseach: Of course I will allow a debate.

6 May 2015

Order of Business

The Taoiseach: It is proposed to take No. 12, motion re ministerial rota for parliamentary questions; and No. 1, Criminal Justice (Terrorist Offences)(Amendment) Bill 2014 [*Seanad*] - Second Stage. It is proposed, notwithstanding anything in Standing Orders, that No. 12 shall be decided without debate, and that Private Members' business, which shall be No. 187, motion re the sale of Siteserv, shall take place at 6 p.m. and shall, if not previously concluded, be brought to a conclusion at 9 p.m.

Tomorrow's business after oral questions shall be No. 34, statements on challenges facing the European Union. It is proposed, notwithstanding anything in Standing Orders, that the following arrangements shall apply: the statement of a Minister or Minister of State and of the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, shall not exceed ten minutes in each case, and such Members may share their time, the statement of each other Member called upon shall not exceed ten minutes in each case, and such Members may share their time, and a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed five minutes.

An Ceann Comhairle: There are three proposals to be put to the House. Is the proposal for dealing with No. 12, motion re ministerial rota for parliamentary questions, without debate agreed to? Agreed. Is the proposal for dealing with Private Members' business agreed to? Agreed. Is the proposal for dealing with No. 34, statements on challenges facing the European Union, tomorrow agreed to? Agreed.

Deputy Micheál Martin: The HSE's financial deficit more than doubled in February to €56 million. It is now predicted that there will be an overrun of hundreds of millions of euro by the end of the year. It looks like the first-quarter financial deficit - that is, the deficit built up by the end of March - will be €100 million. The Minister told a Cabinet sub-committee last week that the HSE will exceed its allocation before the end of the year, or alternatively will have to face introducing cuts to patient services. He also said it was drawing up measures to punish hospitals that have exceeded their allocations. The House has long accepted the fraudulent presentation of financial figures in relation to health. Over €500 million was produced at the end of last year. The same thing happened the year before. Will the Taoiseach confirm honestly that there will be a significant Supplementary Estimate this year to cover the undoubted overruns that will occur in the health sector because of the fraudulent set of figures that were provided, yet again, in last year's budget for the health services? If one travels out of this House and goes into the hospitals, one will see that morale is at an all-time low in the health services. Staff are fed up with the lack of leadership and direction from the Government. They do not know whether they are coming or going. It seems this House does not know what the financial situation is in relation to health. Can the Taoiseach confirm that a Supplementary Estimate for health will be brought before the House?

The Taoiseach: The Minister for Health and the Government are very much aware of the situation in the Department of Health and the Health Service Executive, HSE. The claim for demand-led schemes is unknown.

Deputy Micheál Martin: It is known. It is only one third; it is only €18 million of the €56 million.

The Taoiseach: The Minister reported on the expenditure flow for the first two months of

the year and is very conscious of that and has already made his comments about management and everybody concerned dealing with expenditure effectively in the patients' interests. I will not comment on any requirement that might or might not be necessary later in the year but I will confirm that the HSE, the Department, the Minister and the Government are very much aware of the requirement for the effective operation of the health system. The Government made €500 million available last year to cover a shortfall there and added a modest amount to that for 2015. That is being closely monitored at the moment.

Deputy Micheál Martin: Does that mean the Taoiseach is not ruling out a Supplementary Estimate?

An Ceann Comhairle: We cannot have a debate about it now.

Deputy Billy Kelleher: The Minister has already said there will be one.

Deputy Micheál Martin: Is the Taoiseach saying there has to be one?

The Taoiseach: That is what Deputy Martin is saying.

Deputy Micheál Martin: What is the Taoiseach saying?

The Taoiseach: I am saying the Minister will monitor the situation.

Deputy Micheál Martin: Can he monitor it?

The Taoiseach: He will monitor it very carefully.

Deputy Billy Kelleher: The Minister told us already that there would be one.

An Ceann Comhairle: We are not having a chat across the Chamber. This is the Order of Business.

Deputy Billy Kelleher: We might as well at this stage.

Deputy Micheál Martin: We are trying to get some clarity.

Deputy Gerry Adams: Early last year, the Taoiseach volunteered to bring forward an all-party Oireachtas motion in support of the Ballymurphy families and although we did not ask for this, I very much welcomed it. When I asked him about it some months later, because it had not been brought forward, on 1 July, he said the Government was working on a comprehensive motion which would be discussed with Deputies Martin and Adams shortly. Again, time passed but níor tharla rud ar bith ó shin. In February of this year, he said he would have it in March. It is now May and we still do not have this. I would like a debate on the North.

On 24 March of this year, the Taoiseach agreed to hold a debate on the North. As he should know, in recent weeks there has been a sustained and concerted attack on Sinn Féin representatives. There have been four attacks on the homes and property of Sinn Féin councillors and members. There have been seven death threats. The cars belonging to two Derry Sinn Féin councillors were destroyed last night outside their homes and the car of another activist, Sean McMonagle, was burned. The Taoiseach knows that Frank McCabe junior, son of a Sinn Féin member, Frank McCabe in south Armagh, was blinded in one eye by a booby trap bomb on the family property. The home of the Deputy First Minister, Martin McGuinness, was paint-bombed last week. There were death threats yesterday and bomb alerts at the homes of Martina

6 May 2015

Anderson MEP, and Raymond McCartney, MLA. This morning, when I was on my way to the 1916 commemoration at Arbour Hill, there was a bomb alert at my home. I got word that police sniffer dogs were there and they were checking out the precincts of the house.

We need to discuss all of these matters, particularly in the light of tomorrow's election and its likely repercussions if the Tories get in because of their commitment to leave the EU but also their adherence to austerity and so on. Will the Taoiseach set a date for the debate as soon as possible so that we can discuss all of these very important issues? The silence on these attacks from the Government and others in this Chamber, who are sometimes very loud in making one-sided remarks about the North, is deafening. Will the Taoiseach let us know the Government's position on these threats and attacks?

The Taoiseach: I condemn unreservedly these threats to members of all political parties where a number of people on the Government benches have received threats of one sort or another and several offices have been bombed, graffitied or damaged and, of course, in respect of the cases the Deputy mentioned. I deplore the paint-bombing of the home of the Deputy First Minister a couple of days ago, which I heard and read comment about, no more than the outrageous murder yesterday of a community worker on the streets of Belfast. These are not matters that should be carried out where politics is concerned. People can argue and have differences of opinion but democracy means that they can discuss these things and the electorate makes its decision. That is the Government's position: we condemn these things unreservedly.

In respect of Ballymurphy, I spoke to the Deputy about this before and he will recall that I wanted to meet the people there and the relatives of those who were shot dead in order that I would hear their views of a potential all-party motion. The text is ready and I will circulate it to the party leaders for their consideration. If they agree with that, or can agree on changes to an all-party motion in respect of Ballymurphy, I will be happy to go with it. As soon as that is done we can arrange for a debate on Northern Ireland and the very serious issues arising from what is happening, and has happened in recent past there. Nobody wants to see a return to that sort of an era. There is a lot of opportunity and optimism opening up for Northern Ireland. Who knows what the outcome of the election will be tomorrow and, in respect of those elected from Northern Ireland, what place or position they may have following the outcome of the election. If the Deputy can work with us on the all-party motion, we can arrange with the Whips for a decent debate on Northern Ireland and all the issues that affect us North and South.

Deputy Róisín Shortall: When I raised the long-promised proposal to introduce a deposit protection scheme recently, the Taoiseach very kindly got the Minister of State at the Department of the Environment, Community and Local Government, Deputy Coffey, to reply to me and to say the legislation would be back here within weeks and the intention was to have it passed before the summer. I was surprised to hear media reports this morning to the effect that the Government was going to introduce legislation to allow landlords withhold outstanding water charges from a deposit. Is there a change in that plan or does the Government still intend to introduce the deposit protection scheme?

A second matter relating to that legislation is the need for some kind of controls on rents. The Minister for the Environment, Community and Local Government has spoken about the need for rent certainty. Others would say there is an absolutely urgent need for rent controls. Is it intended to provide for such rent controls in that upcoming Bill, which is due back from the Seanad very shortly?

The Taoiseach: The Residential Tenancies (Amendment) (No.2) Bill 2012 is still going through the Seanad and will make its way here. On the question about landlords and tenants and water charges, that is a matter the Government is considering as part of the overall options in regard to compliance with the water charges. Landlords are required to register and to give details of their tenancies.

The Government does not intend to legislate for rent control. In respect of rent subsidy, where tenants are notified of an intention to have them removed from private tenancies the opportunity is there under the existing scheme to have that subsidy increased on a case-by-case basis so that the tenancy can be extended in order that housing can be provided for those tenants under a different scheme.

Deputy Róisín Shortall: Does the Taoiseach intend to go ahead with the deposit protection scheme, as the Minister of State, Deputy Coffey, said last week?

The Taoiseach: He did not say that.

Deputy Róisín Shortall: In that event, the issue of landlords retaining money for outstanding water charges would not arise.

An Ceann Comhairle: We cannot have a debate on this issue.

Deputy Róisín Shortall: What is the intention in respect of the deposit protection scheme?

The Taoiseach: I do not want to give any detail of what has not yet been decided by the Government. The Bill is making its way through the Seanad. The Minister will deal with a number of issues relating to water compliance and they will be announced shortly.

Deputy Michael Healy-Rae: Will the Taoiseach outline whether the Government will allow an exemption for one-off houses and building extensions from the new building regulations as they are having a very negative effect on the construction industry? I believe the Minister for the Environment, Community and Local Government made some sort of rumblings about this earlier this week but could the Taoiseach-----

An Ceann Comhairle: Is there promised legislation here?

Deputy Michael Healy-Rae: Yes, there is. It is the planning and development (No. 1) Bill, whose purpose is to support actions in the construction industry. If our construction industry is to flourish, one-off buildings and extensions should be exempt from these building regulations because they impose a very large additional cost on these builds.

The Taoiseach: The urban regeneration and housing Bill is due this session. The building regulations referred to by the Deputy are out for public consultation and review by the Minister and the Minister of State, Deputy Coffey. I think the closing date for that consultation is 15 May 2015.

Deputy Mattie McGrath: The Taoiseach accepts that we are all political practitioners here and go about our election campaigns without fear or favour. We were promised an electoral commission Bill. I have a dossier here about posters being taken down from Donegal to Tipperary by the "Yes" campaign in the marriage referendum campaign. Will gardaí take any action or are they tied up? The Garda has always looked after elections without fear or favour. This is terrible behaviour.

6 May 2015

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

Deputy Mattie McGrath: Will the Taoiseach ask the Minister for Justice and Equality to talk to the Garda-----

(Interruptions).

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

Deputy Mattie McGrath: There are pictures of people on Facebook who think they can act with impunity after the intervention of the Garda Representative Association. It is disgraceful.

An Ceann Comhairle: It may be disgraceful. It is not on the Order of Business.

Deputy Mattie McGrath: I am asking about this legislation. We will hardly get it before the referendum.

An Ceann Comhairle: What legislation?

Deputy Mattie McGrath: It is the electoral commission legislation. Will the Taoiseach ask the Minister for Justice and Equality to talk to the Garda?

(Interruptions).

Deputy Mattie McGrath: It is not very funny. Deputies would not like it if it happened to them.

An Ceann Comhairle: It is not very funny but this is the Order of Business.

Deputy Mattie McGrath: I asked about the legislation.

The Taoiseach: I do not have a date for the introduction of the electoral commission Bill. One does not need an electoral commission to know that posters should not be taken down. It is an offence to do so.

Deputy Paul Murphy: When we were on the verge of the water charges bills being sent out a number of weeks ago, the media was full of stories with dramatic headlines giving the impression that water charges would be taken directly from people's wages and social welfare benefits. Over 200,000 bills should have been paid by this stage. Irish Water refuses to give the figures.

An Ceann Comhairle: Where are we going?

Deputy Paul Murphy: I am asking about legislation. Irish Water is refusing to give the figures. Again, the same stories are emerging from the Government. Is the legislation that is being talked about the long-promised water services Bill or is it another piece of legislation? Can the Taoiseach confirm that contrary to the threats, this is not a revenue tax but rather a utilities bill and any attachment orders will relate to something after a court case? Therefore, we are talking about hundreds of thousands of court cases after the general election.

An Ceann Comhairle: That is not on the Order of Business.

The Taoiseach: We are reforming a Victorian-era piece of legislation where people were sent to jail for very small amounts. The details of that will be announced by the Government

very shortly.

Deputy Ruth Coppinger: I also wanted to ask about the forthcoming legislation. When will the Government bring forward the water services Bill to address outstanding issues reflected in the Government's water package in November 2014? It has been six months since that motion was put before us. Deputy after Deputy has asked the Taoiseach about the landlord issue. The Government is obviously having problems with that because it has not been able to come up with something for six months. Today, the newspapers are full of threats against pensioners, lone parents, workers and the unemployed. The threats are that through legislation - it is a lie - the Government will be able to deduct money from their wages and welfare payments and that anything it does will involve-----

An Ceann Comhairle: We cannot have a debate on the Order of Business.

Deputy Ruth Coppinger: Can the Taoiseach clarify that any law the Government brings in will involve an individual going in front of a judge and an attachment order being put against them and that the idea of half a million or a million people being brought before a judge and having such orders placed against them is absolute lunacy?

An Ceann Comhairle: Will the Deputy please adhere to the Chair? We have already dealt with the Bill in question.

Deputy Ruth Coppinger: Why did the Taoiseach not bring in the same law against the bankers and developers who brought this country to ruin?

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

Deputy Ruth Coppinger: Can I have an answer?

An Ceann Comhairle: The Deputy got the answer the last time. The water services Bill-----

Deputy Ruth Coppinger: It is about the water services Bill. It is on the list of legislation.

An Ceann Comhairle: It has already been answered.

The Taoiseach: There is a difference between those who cannot pay and those who will not pay.

An Ceann Comhairle: We are not going into that - just the Bill.

The Taoiseach: It is unfair that those who do pay should be isolated. The Minister will shortly bring forward the compliance measures for dealing with Irish Water.

Deputy Ruth Coppinger: Will the Taoiseach clarify-----

An Ceann Comhairle: I call Deputy McLoughlin.

Deputy Tony McLoughlin: As I am sure the Taoiseach is aware, it is important that the old laws governing both landlords and tenants are reformed and updated by the Government. We have been hearing about this since 2011. When can we expect the landlord and tenant reform Bill to be brought before the House for debate?

The Taoiseach: I do not have a date but I will advise him of the update in respect of the

preparation of the Bill.

Deputy Joan Collins: It was indicated today that water charges will be included in the new legislation on the non-payment of general debts. When will this legislation come before the House? Do we need separate legislation to look into the issue of tenants who refuse to pay water charges?

The Taoiseach: I said in response to Deputy Copping that the Minister will bring forward the compliance measures for Irish Water very shortly.

Deputy Paul Murphy: Which Minister?

Deputy Joan Collins: When?

The Taoiseach: Very shortly.

Deputy Billy Kelleher: I raised this issue last Thursday on the Order of Business when the Minister for Communications, Energy and Natural Resources was representing the Government. It relates to universal health insurance. I have gone through the legislative programme for this summer session and I cannot find any reference in it to universal health insurance. I know the ESRI has been charged with bringing about a costing model for this but in view of the fact that it is a central plank of Government policy on how it funds health services in the years ahead, when can we expect to see the legislation published so that we can have an informed debate on this issue prior to the general election? Is it ever going to happen? Are we going to pretend here week in and week out that the Government is pursuing a policy that will never see the light of day?

The Taoiseach: Universal health insurance will not be introduced during the lifetime of this Government. The Minister for Health said that he would bring forward a paper on the costings for that. Universal health insurance will be delivered during the lifetime of the next Government.

Deputy Micheál Martin: The Taoiseach promised this 15 years ago.

The Taoiseach: The Deputy should not open his mouth about health issues.

(Interruptions).

Deputy Bernard J. Durkan: The road traffic Bill proposes to detect and prevent driving under the influence of drugs. When is it proposed to bring it before the House, have the heads been cleared and will we have it before the end of this session? In respect of the ongoing threats and violence against members of An Garda Síochána and their families by those engaged in illegal activities such as drug barons, is the Garda Síochána (compensation for malicious injuries) Bill likely to come before the House soon to give Members an opportunity to discuss the issue?

The Taoiseach: The heads of the road traffic Bill were cleared on 10 February 2015 so work is proceeding and it will be taken in the second half of the year. The heads of the Garda Síochána (compensation for malicious injuries) Bill were also cleared and the Bill is due for the latter part of the year.

Rural Equality Bill 2015: First Stage

Deputy Martin Ferris: I move:

That leave be granted to introduce a Bill entitled an Act Bill to provide that regard be had by public bodies to the desirability of reducing socio-economic and other inequalities suffered by those in rural Ireland, to provide for the carrying out of rural impact assessments in respect of measures that are likely to have a significant socio-economic impact or effect on rural Ireland and to provide for related matters.

Everybody in this Chamber, particularly rural Deputies, makes reference to the terrible economic situation of rural Ireland.

The purpose of this Bill is, in part, to deal with the unequal treatment of people in rural areas and to put in place legislation to protect rural communities. There is much talk about attention to rural areas and the country people of Ireland but precious little funding, resources or care are being provided to areas of this country located outside of the cities. Every day, we hear of further cuts to, or the abolition of, services in rural areas and of the effect this is having on communities. Deputy Durkan referred earlier to the isolation and fear factor among people living in rural areas as a consequence of the closure of rural Garda stations. The actions of successive Governments, in terms of the closure of Garda stations, shows a lack of understanding on their part of the effect of this measure on the most vulnerable in our society. Last night, I attended an IFA meeting in Kilkenny, during which a member of the audience spoke of how on three occasions his house had been broken into and he had been terrorised. He made the point that all of this came about because there was no Garda presence in his area.

We are all aware of the impact of the closure of post offices on people in rural communities. I have heard several Deputies from the Government and Opposition benches speak about the social consequences of the closure of rural post offices, which are often the only point of connection in a community for elderly people, on the grounds that they are not viable and so forth. With a little imagination, rural-proofing and political will, all of these issues could be dealt with.

Also of concern is the lack of transport in rural communities, which again impacts on the most vulnerable, including the many young people trying to get work in the morning who are not in a position to afford a car. For many elderly people, their only mode of connecting with the community was through rural transport but it has now been taken from them. The most affected areas in terms of a lack of rural transport, post office and Garda station closures and so on are coastal communities, including west Mayo in the Taoiseach's county. This has led to emigration and the closure of almost all of the small shops in rural areas. Again with a little imagination and rural-proofing, this could be reversed.

The purpose of this Bill is to initiate debate on the need to ensure protection of our rural communities and to bring about equality for people living in rural Ireland. I am sure the Taoiseach is so concerned about rural Ireland he will be only too glad to support this Bill.

An Ceann Comhairle: Is the Bill opposed?

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

Question put and agreed to.

6 May 2015

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

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

Question put and agreed to.

Ministerial Rota for Parliamentary Questions: Motion

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

That, notwithstanding anything in the Order of the Dáil of 25 September 2014, setting out the rota in which Questions to members of the Government are to be asked, Questions for oral answer, following those next set down to the Minister for Agriculture, Food and the Marine, shall be set down to Ministers in the following temporary sequence:

Minister for Foreign Affairs and Trade

Minister for Justice and Equality

Minister for Children and Youth Affairs

Minister for Health

Minister for Defence

whereupon the sequence established by the Order of 25 September 2014, shall continue with Questions to the Minister for Education and Skills.

Question put and agreed to.

Message from Select Sub-Committee

An Ceann Comhairle: The Select Sub-Committee on Public Expenditure and Reform has completed its consideration of the Statute Law Revision Bill 2015 and has made amendments thereto.

Criminal Justice (Terrorist Offences) (Amendment) Bill 2014 [Seanad]: Second Stage

Minister for Justice and Equality (Deputy Frances Fitzgerald): I move: "That the Bill be now read a Second Time."

I am pleased to have this opportunity to introduce the Criminal Justice (Terrorist Offences) (Amendment) Bill 2014 to this House. The Bill was initiated in the Seanad and completed its passage through that House on 5 November last. I am glad to say that it received general, cross-party support there. There is no doubt that this is significant and timely legislation, particularly in view of the deplorable terrorist acts witnessed in Europe and beyond in recent times.

The Bill creates three new offences in relation to terrorist activity, builds on an existing

body of Irish legislation on counter-terrorism and focuses on preparatory terrorist activities. The three new offences are public provocation to commit a terrorist offence; recruitment for terrorism; and training for terrorism. These new offences are particularly relevant to the nature of the current threat posed to Europe by international terrorism. There are many who, while playing no part in actual acts of terrorism, encourage others to do so. It is important to ensure that Ireland is not seen as a haven for such activities and that we have strong laws in place to deal with this threat.

This Bill shows the Government's commitment to combat terrorism in all its forms. The scourge of terrorism is, unfortunately, more evident in the world than ever. I am sure that Deputies will appreciate the importance of tackling it at source so as to be able to deal, when necessary, with incitement, recruitment and training for terrorist activities. From a broader legal standpoint, the Bill has two main objectives. The first is to amend the Criminal Justice (Terrorist Offences) (Amendment) Act 2005 to give effect to Council Framework Decision 2008/919/JHA, which amended Council Framework Decision 2002/475/JHA on combating terrorism. The framework decision is covered by the Lisbon treaty and is required to be transposed into Irish law. Second, the Bill will facilitate ratification of the Council of Europe Convention on the Prevention of Terrorism which has already been signed by Ireland. Both the amending framework decision and the Council of Europe convention cover the three new offences in relation to terrorist activity which are prescribed in this Bill.

The Council of Europe is currently working on an additional protocol to the prevention of terrorism convention, which aims to focus on dealing with the "foreign terrorist fighters" phenomenon. The protocol will encompass key measures identified in UN Security Council Resolution 2178 adopted last September in relation to foreign terrorist fighters. The resolution places considerable emphasis on criminalising and facilitating the prosecution of recruitment and training for terrorism. The protocol being developed by the Council of Europe will have regard to the UN resolution with a view to ensuring a co-ordinated approach between the two international organisations. The need for any additional measures in this jurisdiction, legislative or otherwise, will be kept under review in light of developments internationally. Terrorism is a global phenomenon and the need for international co-ordination and co-operation in combating it is paramount.

Terrorism is a constant threat to the fundamental values of freedom, democracy and the rule of law. There is considerable concern across Europe and elsewhere at the phenomenon of individuals travelling to conflict areas in the Middle East and the potential threat they may present on their return from conflict areas. The recent horrific events in France, Belgium and Denmark have illustrated the serious threat posed by violent extremists in a European context. The number of European foreign fighters is currently estimated to be in the region of 3,500 to 4,000, although some have put it at a much higher figure than that, and the current focus of attention is on the conflict zones in Syria and Iraq. The compilation of accurate statistics on the numbers of actual foreign fighters is problematic due to the secretive nature of those travelling and the many and circuitous routes some individuals take to reach their destination of choice. The rise and popularity of Islamic State, ISIS, has greatly exacerbated the threat posed. It is estimated that 80% of European foreign fighters are aligned with ISIS. The events in France, Belgium and Denmark demonstrate the vulnerability of states to attack and highlight the challenges faced in countering terrorist attacks, even with sophisticated security and intelligence infrastructures.

These terrorist attacks have moved the issues of counter-terrorism and the security of the EU and its member states to the top of the EU agenda. The importance of having an internationally

6 May 2015

coherent and co-ordinated approach is essential. The terrorist threat is multidimensional and it is necessary to adopt a multifaceted approach in dealing with it. There are different aspects to terrorism and foreign fighters: some people engage in preparatory activities such as recruitment and training, while others are actually carrying out terrorist activities or engaging in foreign fighting, returning to their countries of origin in a radicalised state and encouraging others into extremist actions. In order to break this cycle of terrorism, it is important to deal with each of its component elements.

Strong, harmonised counter-terrorism legislation is one component. This Bill implements a shared EU legal instrument. Prevention is another element. Online radicalisation must be dealt with, in co-operation with Internet service providers. Those who would seek to destroy our democratic societies have not been slow to exploit the opportunities offered by modern means of communication. The role of the Internet in radicalising people has long been recognised. There is, unfortunately, no shortage of radical content online which encourages extreme forms of terrorism. While the Internet and social media platforms have revolutionised communications for the good, we must also be conscious of the opportunities they offer to those with a malign intent. The online images are often graphic and horrific and the messages that are conveyed often present distorted versions of the truth, not least in terms of how the Islamic faith is portrayed.

The use of counter-narrative has a key part to play in dealing with this, through the involvement of credible sources and voices in communities most at risk, in order to counter the extremist message. It is very important to promote the positive message at the expense of the negative. In an Irish context, the Islamic community has made particular efforts to convey the message of Islam as being one of tolerance and enlightenment. This is to be welcomed. A counter-narrative has been developed by the Islamic Educational and Cultural Centre which not only disputes the extremist version of Islamic teaching, but seeks to dissuade potential recruits from travelling to Syria. It is to the great credit of the Islamic community in Ireland that they have adopted this positive, proactive approach.

Experience indicates that a combination of community relations approaches and traditional security techniques offers the most effective means of minimising the terrorist threat. The Garda Síochána operates a progressive community relations programme through its racial, intercultural and diversity office. That office is in regular contact with our minority communities through its network of ethnic liaison officers and it is available to discuss all matters of concern to these communities, including those related to the conflict in the Middle East. The office has received favourable comment on its operation from the UN counter-terrorism committee. The work of this office is very important in breaking down any perceived cultural barriers between the State and its minority communities. It is often these barriers which cause a sense of marginalisation which the extremists are keen to prey upon. It could be said that the Garda approach to this issue is a form of counter-narrative in itself.

Disrupting the travel of those seeking to engage in or return from foreign fighting is another aspect requiring attention. Strengthening the security of our national and international borders is a key element in protecting our citizens from terrorist threats, particularly from radicalised individuals. This has been strongly emphasised by the UN Security Council. The tracking and early identification of terrorists will greatly assist in protecting our borders. Ireland has expressed its full support for an EU directive on passenger name records, known as the PNR directive. This will provide for the transmission of data by airlines to police and security authorities in respect of all flights in and out of the EU for the purposes of combatting terrorism

and serious crime. The importance of this proposal has been stressed by a number of member states, including Ireland, in the wake of the terrorist attacks in France and the arrests in Belgium. It is clear that PNR data can be a tool of great value to police and security services in combatting serious crime and terrorism. Such data is currently shared by EU member states, including Ireland, with Australia, Canada and the United States. It would seem entirely logical, therefore, that EU member states should share this information among themselves within an EU framework. Under the proposed PNR directive, air carriers will be required to send the passenger name record data in their reservation systems to the competent authorities of the member state into which or from which it operates flights. This is data about passengers and their travel plans which the air carriers already collect and hold. Member states will share data with other member states where such sharing is necessary for the prevention, detection, investigation and prosecution of terrorist offences and serious crime. In addition, member states will have the right to request data from other member states in support of a specific investigation. The proposed directive contains clear safeguards for data protection and data security and will require member states to put in place specific measures in this regard. The European Parliament is currently considering the proposals, which I hope will be progressed in the near future.

It has been recognised by the European Council of justice Ministers that another area requiring priority action is trafficking in firearms. Fighting illicit firearms trafficking is one of the EU's crime priorities for the period 2014 to 2017, as agreed under Ireland's Presidency of the Council of the European Union. Preventive measures must be taken to make it more difficult for firearms to get into the hands of terrorists. The trading of firearms over the Internet needs to be adequately addressed and the traceability of firearms needs to be improved. Also, the rules across Europe for the deactivation of firearms vary greatly, which means that it is far easier than to reactivate those deactivated weapons in some member states than in others. It will be important, therefore, to aim at establishing high minimum standards in this regard across the EU. Engagement with third party states, most notably Turkey, which is the main gateway into the combat areas of Iraq and Syria, is also recognised at EU level as being of great importance. The EU has been active in persuading Turkey to engage on this front.

While the threat to Ireland from international terrorism is generally considered to be low, the Garda Síochána keeps the level of threat under continual review in light of ongoing developments, and continues to take all appropriate measures to counteract this threat. In this, the Garda Síochána has the full support of the Government, which is determined that all practical steps be taken to deal with any threat. Assessment of the threat level is based on a range of factors, including current intelligence, recent events and what is known about terrorist intentions and capabilities.

The Offences Against the State Acts and the Criminal Justice (Terrorist Offences) Act 2005, the latter which is updated by this Bill, contain offence provisions covering a broad range of terrorist and terrorist-related activities. The 2005 Act incriminates terrorist offences as a separate category of crime and contains lists of offences which, with the requisite intent, would constitute terrorist offences. Penalties for such offences are severe and, if sufficiently serious, include life imprisonment.

The financing of terrorism is already an offence under the Criminal Justice (Terrorist Offences) Act 2005. It is an offence for a person, either directly or indirectly, to collect, receive or provide funds knowing or intending that they be used for terrorism. The penalty where a person is convicted of such an offence is imprisonment for up to 20 years, an unlimited fine, or both.

6 May 2015

The legislation before the House will enable Ireland to further fulfil its international commitments in the area of counter-terrorism and to stand united with our European colleagues, and with democratic nations across the globe, in combatting terrorist crimes and protecting innocent citizens everywhere. Those who would threaten the lives of ordinary people by engaging in acts of terrorism, whether on this island or elsewhere - we have had our own experiences - must be brought to justice and know that the international community will not tolerate their activity and will take all possible action to prevent and punish it.

As I have said, there are three main elements to the Bill and it creates three new offences. The first is public provocation to commit a terrorist offence. The Bill sets out a description of what that means. The second is the offence of recruitment; again, there is a description of this in the Bill. The last offence is training for terrorism. This is committed where a person provides instruction or training in the skills of making or using firearms or explosives, nuclear material, biological, chemical or prohibited weapons or other such weapons or noxious or hazardous substances as may be prescribed, knowing that the skills provided are intended to be used for the purpose of terrorist activity. This offence also covers training in techniques or methods for use in terrorist activity. A person convicted of this offence is liable on conviction on indictment to a fine or imprisonment for up to ten years or both.

There are a number of standard provisions in the Bill, all of which allow us to comply with the European directive. This is important legislation at this time and it is important that the Government is in a position to bring it forward. I appeal for the support of Deputies across the House for this Bill.

Deputy Niall Collins: Fianna Fáil supports the purpose of this legislation. We believe the Bill will assist in combatting so-called dissident republicans, as well as persons who hold Irish citizenship and who return from the current conflicts in Syria and Iraq.

The Council framework decision on which this legislation builds was agreed in 2008 during the term of the previous Fianna Fáil-led Government. Previously, Fianna Fáil has called on the Government to be vigilant with regard to the possible return of combatants who claim Irish citizenship from the ongoing conflicts in Syria and Iraq. It is vital that those individuals are suitable for reintegration into Irish society upon their return in order to prevent the radicalisation of any citizens here. I understand this may be difficult task, but it is vital if we are to ensure that the safety of Irish citizens and citizens of other EU member states is protected from those who have been radicalised in the Middle East or Africa.

There is growing concern among the settled Irish Muslim community that a small number of new members of that community are intent on propagating a more fundamentalist and violent vision of Islam which is at odds with the true values of that religion. I imagine these concerns have been voiced to the Minister. The danger is that our Muslim community may find itself being represented by a tiny minority in the mainstream media, undermining the great warmth and strong relationships that currently exist between our communities in Ireland. We must not allow that to happen. We cannot allow a community that has contributed a great deal to Irish life to be undermined by people who have no interest in integrating here, no interest in enhancing the Muslim community here and certainly no interest in Ireland.

It is clear that this proposed legislation will provide three key tools to An Garda Síochána in its fight against terrorism. As the Minister has outlined, the Bill will transpose into Irish law an Council framework decision on combating terrorism agreed at Brussels in November 2008 and

will provide for the new offences. We acknowledge the fact that these offences reflect similar offences covered by the Council of Europe Convention on the Prevention of Terrorism, which Ireland signed in October 2008. In particular, the Bill, when enacted, will amend the Criminal Justice (Terrorist Offences) Act 2005 to create the new offences of a public provocation to commit a terrorist offence, recruitment for terrorism and training for terrorism. We welcome the fact that these offences will carry sentences of up to ten years' imprisonment upon conviction on indictment. In particular, Fianna Fáil welcomes the creation of the offence of public provocation to commit a terrorist offence. This offence is committed when a person distributes or otherwise makes available, by whatever means of communication, a message to the public with the intention of encouraging, either directly or indirectly, the commission of a terrorist activity. This reflects the change in how those engaged in terrorist offences have begun to use modern technology to promote their message in a highly effective manner. A person who is convicted of the offence is liable on summary conviction to a class A fine of up to €5,000 or imprisonment of up to one year or both, and, on conviction on indictment, to imprisonment for up to ten years. The stringent provisions at the more extreme end of this offence are necessary given the serious potential for disorder that may result from actions taken in this regard.

The new offence of the recruitment for terrorism is also welcome. Once this legislation is passed, if an individual recruits or attempts to recruit another person to engage in terrorist activity or other offences contained in section 6 of the Offences Against the State (Amendment) Act 1998, that person is liable on conviction on indictment to a fine, or imprisonment for up to ten years, or both. Again, these severe provisions recognise the threat posed by those engaged in recruiting individuals, who are often vulnerable, to carry out terrorist activity.

The provisions are welcome and necessary. I understand the Garda is currently monitoring the movements of up to 30 Irish residents believed to be engaged in jihad or armed conflict in the Middle East and north Africa. The International Centre for Study of Radicalisation at King's College, London, estimates that approximately 26 Irish citizens are fighting with various factions involved in the expansion of the Islamic State organisation from Syria to northern and western Iraq. Approximately 5,500 foreign fighters are estimated to be participants in the brutal fighting and terror campaigns associated with Islamic State. These are highly concerning figures and show in black and white why these legislative provisions are necessary. Given the figures, I call on the Minister to outline any further co-ordinated actions she plans to take to address the jihad fighter phenomenon. In August 2014, the Minister stated that she would not hesitate to revoke the citizenship of any Irish passport holder involved in illegal or terror-related jihad activities in Iraq or Syria. I call on the Minister to update the House on this proposal.

Long-established international research shows that approximately one third of all participants in combat will become psychological casualties, returning home with serious mental disorders or psycho-social behaviours. These behaviours include classic combat stress reaction symptoms such as depression, hyper-vigilance, substance abuse and a propensity to self-harm and violent behaviour.

Ireland's jihadists are most likely participating in military campaigns where systematic sexual violence against women and children, including mass rape as a weapon of war, as well as the torture, mutilation and summary execution of prisoners, are carried out by almost all parties to the conflict. The United Nations, Human Rights Watch and Amnesty International have condemned all sides in the Syrian conflict for grave breaches of international law and crimes against humanity. It is imperative, therefore, that Ireland prepares to deal with these returnees. In this regard, it is clear that many returning fighters may require counselling and support. Oth-

6 May 2015

ers may require investigation and screening for terrorist acts and breaches of international law. In time, some may well be brought before international criminal courts to answer charges of war crimes.

I am keen to highlight the excellent work of An Garda Síochána in this area. Despite shrinking resources, An Garda Síochána has been proactive in its efforts to identify and engage with vulnerable young citizens targeted and groomed by Islamic radicals. It has some experience in this regard. The approach taken by contemporary radical Islamist groups is similar to the recruitment activities of the Provisional IRA and other paramilitary groups in the past. Their work is to be condemned.

6 o'clock

In conclusion, Fianna Fáil will support this legislation. It is a welcome first step to address an increasingly difficult phenomenon. I would appreciate if the Minister could update the House with regard to my request before the conclusion of Second Stage.

Debate adjourned.

Sale of Siteserv: Motion [Private Members]

Deputy Sean Fleming: I move:

“That Dáil Eireann:

notes that:

- in 2012, Siteserv owed €150 million to Irish Bank Resolution Corporation, IBRC;
 - in March 2012, IBRC sold Siteserv for €45 million;
 - external trade buyers were excluded from the sale of Siteserv and there are questions about due diligence;
 - some bidders were also excluded from the sale and may have saved the State some money;
 - Siteserv shareholders received €5 million at the time of sale;
 - there are genuine concerns about the sale of Siteserv for €45 million by IBRC;
- and
- Department of Finance officials have raised concerns about other IBRC sales as well;

acknowledges:

- the huge public concern about the sale of Siteserv;
- the dissatisfaction that information, obtained through freedom of information, FOI, highlighted that relations and trust between the IBRC and the Secretary General, as

well as officials in the Department of Finance, had broken down; and

— there are now concerns about other sell-offs by IBRC;

condemns the appointment of KPMG to undertake a review of transactions in IBRC as it advised Siteserv during the sale and there are public concerns about a possible conflict of interest; and

calls for an independent commission of inquiry to be set up to examine the circumstances surrounding and leading to the sale of Siteserv in March 2012, and other company sell-offs by IBRC so that the interest of the taxpayer can be fully protected and transparent.”

I wish to share time with Deputies Niall Collins, Micheál Martin, Timmy Dooley and Robert Troy.

Acting Chairman (Deputy Charlie McConalogue): Is that agreed? Agreed.

Deputy Sean Fleming: I welcome the opportunity to speak on this Private Members’ motion in the name of the Fianna Fáil Deputies. I am very happy the Minister for Finance, Deputy Michael Noonan, is in the House to hear what we have to say directly. I know the Minister will respond in due course as the debate proceeds up to 9 p.m. tonight.

The motion notes that, in 2012, Siteserv owed €150 million to the Irish Bank Resolution Corporation, IBRC, and that it was sold in March 2012 for €45 million; in the process, some bidders were excluded from the sale although they may have saved the taxpayer and State a lot of money; Siteserv shareholders received €5 million at the time of sale; there are genuine concerns about the sale of Siteserv for €45 million by IBRC; and the Department of Finance expressed serious concerns about the sale. The motion acknowledges the huge public concern about this matter; the dissatisfaction that information obtained through freedom of information highlighted a breakdown in trust between IBRC and the Secretary General and other key officials in the Department of Finance; and the concerns about other sell-offs by IBRC. While the Minister has sought to respond to this, our motion specifically condemns the direction by the Minister to appoint KPMG to undertake a review of the transactions in IBRC as KPMG advised Siteserv during the sale and there are public concerns about a possible conflict of interest. As we have said from day one in this debate, we are calling for an independent commission of inquiry to be set up to examine the circumstances surrounding and leading to the sale of Siteserv in March 2012, and other company sell-offs by IBRC, so full information can be obtained in the interest of the taxpayer and the wider public interest.

Essentially, this started off as a business transaction. On 16 January 2012, Siteserv told the Irish Stock Exchange that it was exploring its corporate options. Everybody knew this was code and it was essentially up for restructuring, resale or takeover. Two days later, a company called Better Capital wrote to Siteserv expressing an interest and stating it would be interested in purchasing. It was never contacted, included in the process or asked to make a bid. That is the first difficulty, in that people who were offering to come in, possibly with a decent price, were not even advised of the process. Ultimately, the next Better Capital heard about it was after the Irish Stock Exchange announcement two months later, in March, that the company had been sold. During the course of the sales process, another company, Rutland Partners, had offered €55 million and there are reports that at least two other companies offered amounts greater than the €45 million that was originally offered and ultimately accepted. A key concern is why so many people were excluded from the process who could have reduced the loss to the

taxpayer.

In simple English, Siteserv owed the taxpayer €150 million through IBRC, yet it was ultimately sold for €45 million, which is a loss of €105 million. If that was not bad enough, what happened next is that the shareholders of that company were given another €5 million of taxpayers' money, bringing the total loss to the Irish taxpayer to €110 million.

The Minister is the sole shareholder of IBRC. He calls the shots, he owns the company and he directs the directors. Everybody in IBRC was there on his behalf but he was oblivious to what was happening on his watch. He was asleep at the wheel while this was going on and it is the taxpayer who is the loser in all of this. That €110 million has to be borrowed, given we are still borrowing money this year, and it has to be paid back with interest over the years to come because of the loss on that particular deal, which is aside from other losses that have also emerged during this process.

On 15 March 2012, as I said, the deal was done and announced to the Irish Stock Exchange. KPMG, one of the major companies in town, was involved and advised Siteserv on the sale. I will say here and now that I trained as a chartered accountant and qualified with a company that is now essentially a KPMG company. However, I do not like the directive the Minister has given to that company. Many people felt, when it was appointed to that job last Friday week, that in some way KPMG was interested in taking up the job and was willing to do it, despite the conflict of interest. However, it is clear from the ministerial direction issued by the Minister that this is a direction to KPMG, the liquidator. As the Minister has special powers under the liquidation legislation to direct the liquidator to carry out certain functions on his behalf, KPMG is caught having to do the Minister's bidding whether or not it thinks it a good idea. The people in KPMG know it is not good for KPMG to be embroiled in this but they have no option and no say because the Minister has the legal powers in the legislation to direct them to do that.

The Minister has also directed that if there is *prima facie* evidence of any material deficiencies in the performance or functions of those acting for IBRC, KPMG is to include this in the review and report, and it will also examine the processes, procedures and controls which were operated by IBRC in regard to the relevant write-offs. Finally, to be clear, the Minister directed the liquidator to appoint, with his prior approval, an appropriate independent person to monitor for any conflicts of interest. That has been done and Mr. Justice Iarfhlaith O'Neill has been appointed. However, the fact the Minister had to do that proves he knew there was a conflict of interest issue. He should not have taken this road and I think the road he took in appointing KPMG to do this was the wrong one.

I ask myself why he did it, given this has been a political controversy for some time. First, the Taoiseach came into the Dáil and said he knew nothing about it. Then, he came back a few days later and said we will appoint the Comptroller and Auditor General to examine it. He did not know what he was talking about but we are used to the Taoiseach, when he strays into matters financial, never getting it right. It happens on every occasion, and I refer to another example here last week. He then realised the Comptroller and Auditor General had no legal power to do this. The Tánaiste came in the following day and said she wanted somebody else who was independent to do it. The Minister then came into the fray and said he would get KPMG to do it. Of all the options proposed, foolhardy and all as the Taoiseach's comments were, and light and all as the Tánaiste's comments were, the Minister has actually come up with the worst option of the three of them.

The Minister's press release announcing this stated, "The Special Liquidators are best placed to undertake such a review thoroughly and expeditiously – given their access to all books and records of IBRC [and] the resources at their disposal to conduct such a review." He essentially said he appointed KPMG because it could do a short-cut. It was working in the bank, could do a quick job and get things over with quickly. He wanted it off the political agenda and asked for any old report. He knew there was a conflict and then had to appoint a judge to try to clarify the issue. Many people will object to the manner in which the Minister chose KPMG solely because it could do a quick job. It is better to get things right. We have always asked for an independent commission of inquiry. I would prefer to get to the truth even if it takes a couple of months longer. The people of Ireland want the truth.

The process the Minister has started is tainted and will be tainted when the report is completed by KPMG on 31 August. It will be tainted when the Minister publishes it and hands it to an Oireachtas committee to consider it further. That process will be tainted for several reasons. He started with a conflict of interest and appointed the wrong people because he wanted a report in a hurry. It is a bad process and he is doing himself a lot of harm by going down this route. Even at this late stage, I would support him if he was to pull back from the measures he has taken in appointing KPMG to do this job.

The Minister has directed the special liquidator to review the transaction that occurred from 21 January 2009 until 7 February 2013, the date of the appointment of the special liquidator. What about all of the deals that were ongoing when it was appointed? What about the deals that were completed before it came in? What about all the deals that have been completed since 7 February 2013 and those transactions in IBRC that have yet to be completed?

As the Minister knows, the House sat until all hours to deal with his emergency legislation. There was some €13 billion in debt on the books of the IBRC on the night the Minister put it into special liquidation. How much taxpayers' money has been written off inappropriately as part of that €13 billion? It was the net amount on the balance sheet after provisions, but I am sure the level of gross debt was in the order of €25 billion. People will want to know not just what was written off prior to the liquidator arriving, but what happened after it arrived and how much of the original value of the loans has been written off.

The Department of Finance has had concerns all along. As bad as the format of the inquiry is, the Minister would not have set it up unless he believed there was something to investigate. These questions must be answered. Some of the questions which have to be asked and answered as part of this process include why there was a surge in share dealing in Siteserv prior to the sale. One of the reasons that has been publically stated is that some of the shareholders in Siteserv also owed money to IBRC. It has a lien on the shareholders because it knew if it passed some money back to the shareholders, it might get some of it back off its loans.

There is a clear conflict of interest between the role of IBRC, those who owe it money and the shareholders in Siteserv. Why were the shareholders paid €5 million of taxpayers' money for an insolvent company? Why were bidders excluded from the process? I do not know what the joke is; taxpayers are not laughing. Taxpayers are paying for that write-off out of borrowed money with interest. The Minister might think it is a joke, but there are people who are paying their mortgages and do not get a penny from the bank. They see one set of rules for those on the inside and another for ordinary citizens. They do not see that issue as a laughing matter. I advise the Government to take this matter seriously.

6 May 2015

The longer the Minister laughs at this, the more harm he does to himself. He should not be carrying on the way he is and making a joke of this. Then again, this deal has characterised the Department of Finance. Deputy Catherine Murphy tabled 18 or 20 parliamentary questions over many months, on which she is to be complimented. When the Minister gave an interview, he said she did not ask the right questions. That is no way to run one's business. He said when she submitted the freedom of information request she got the right answers. A senior Government Minister is dismissing, with the back of his hand, the relevance of the national Parliament and saying he will give information from his Department through freedom of information that he will not give by way of parliamentary questions and replies.

He has undermined the Government's claim of a democratic revolution and a change in how we do business. It is the same old story in the Department of Finance, that is, to tell nobody nothing. Deputies should not be forced to go through freedom of information when they ask a question in the Parliament. There is still a culture of secrecy.

I refer to the amendment to the motion. If I was IBRC, I would be very worried about it. It is self-serving and implies that the Department of Finance knew, saw and heard nothing, that nobody told it anything, that it did not ask questions and that it heard about things from newspapers. The Minister, as a shareholder, should have been on top of this. We heard many times about regulators being asleep at the wheel. The Minister was the sole shareholder of the company when this happened and the people expect better from him because he was managing the economy fairly well.

The troika did not oversee this, but it is another example of a difficulty. When the Minister did business of his own, he was not doing the job on behalf of the taxpayer. All of these losses occurred on his watch and after he appointed the special liquidator, further losses to the taxpayer continued to occur. There will be a further writedown of the €13 billion in loans, about which there is no word. The Minister studiously prevented the liquidator or an independent commission, which we would like, from examining what happened to the €13 billion.

The amendment states that Department of Finance officials were not made aware of the details and goes on to state that the Minister received files, but no minutes were included and that the first he heard of the issue was when a member of the public wrote to him about media reports after something appeared in the Stock Exchange. His defence is that he knew nothing. The manner in which he went about this has elements of Bart Simpson, namely, that it is not his fault because he knew nothing. That will not work. People expect more from a Minister for Finance and for him or her to look after their interests and money, and not wash €110 million of their money down the drain. The Minister presided over that. This issue is not going away and the Minister's actions have exacerbated the political problem for himself.

Deputy Niall Collins: It does not stand up to any reasonable form of scrutiny for anybody to say with a degree of credibility that there is not a conflict of interest or a perception of one. I have no axe to grind or connection with KPMG, but it was at the centre of this transaction before it became involved with IBRC. It was appointed as the special liquidator without a tendering process on the night the Bill was passed. It has had a vested interest throughout the process and was involved with Siteserv and now IBRC as a special liquidator. It is front and centre in regard to these transactions.

It is not credible to ask it to do a report into itself. One has to ask whether it will write a report which will be critical of itself. To offer by way of explanation that it is in possession of

all the paperwork and has the knowledge, as a special liquidator, of handling the case does not stack up to any degree of scrutiny. There is no reason that KPMG could not be ordered to hand over copies of the paperwork to an independent commission of investigation. That is what rangles with people, namely, the fact that the common thread running through this issue is KPMG.

People have made presentations to the effect that arms length commercial transactions, which they have tried to rationalise, were involved. They have tried to provide explanations, for example, on “Prime Time” on RTE. There was a haircut of €105 million. At the same time, other bidders were excluded. When one adds everything up, people have a right to be worried. One can contrast that with the parallel of distressed mortgage holders who are trying to negotiate with the banks. They see big business getting haircuts and writedowns not on one, but on at least three occasions, for the company behind Siteserv. When they try to negotiate with the banks they are met with a veto.

We have been told a retired High Court judge is overseeing the investigation by KPMG into the Siteserv transaction. There is no independent oversight in a negotiation process for a mortgage holder who is trying to sit down and hammer out an arrangement with a bank. The bank will exercise its veto, which was raised by our party leader during Leaders’ Questions today. My colleague, Deputy Michael McGrath, has proposed legislation in that regard. The difference of approach is so palpable when it comes to big business *vis-à-vis* the citizens who are trying to get on with their lives but are saddled with mortgages they cannot pay. The bank is screwing them to the wall and that is making people very angry.

The only way to get to the bottom of this is to have an independent commission of investigation. This would remove the conflict of interest from the equation and the argument. The special liquidator is to report by the end of August and it would be opportune for the banking inquiry to look at that report. The terms of reference of the banking inquiry include events after the crash up to December 2013, and include “persons who were the recipients of commercial loans, including for commercial property, from the credit institutions within the scope” of the schedule.

It is significant that there was such a large write-off in the Siteserv deal. There was also a €64 million write-off of debt in respect of Blue Ocean Associates and a reported write-off of €150 million for Topaz. The same individuals are behind all three transactions. I am not happy that KPMG is doing the report because in my view there is a conflict of interest. There is a perceived conflict of interest and people are not happy about it. If the Government is minded to have a special commission of investigation, it should allow the banking inquiry to examine the matter when the special liquidator reports at the end of August.

Deputy Timmy Dooley: I welcome the opportunity to contribute to this important debate. I do not know if there was anything wrong with this transaction, but it is clear from the number of questions raised on all sides of and outside the House that it warrants further investigation. It warrants an investigation with more credibility than KPMG can bring to the table. I am not going to reiterate the points my colleagues have made but for the life of me I cannot understand why the Minister for Finance and the Government are not prepared to put in place a credible alternative to investigate this matter.

The Minister and the Taoiseach have made many charges against my party over the last years. Terms like “axis of evil” and “golden circle” were used to good effect at a time when the country was challenged in a very particular way. The Government rode the crest of a wave on

the back of those comments and platitudes.

Deputy Tom Hayes: Deputy Mattie McGrath said that, a golden circle.

Deputy Niall Collins: Careful now. If Deputy Hayes wants to go down that road, he will come out the wrong end of it.

Deputy Timmy Dooley: Although I can understand the Government playing that game, if we were to look at the cast of characters involved in this particular deal and compare it to the way things were strung together when Fine Gael was last in government - circumstances which led to a particular finding from a tribunal - it would be a convincing view that the real golden circle, the real axis of evil, existed when Fine Gael was in office and is emerging again now that it is back in office. I am not going to add to that but it should set the context for establishing a fully transparent and independent investigation.

The Minister should look at the way in which people were treated; €105 million is a hell of a lot of money and €5 million to the directors of a bust company is a phenomenal amount. Yesterday I was in the home of a family that has been evicted by a bank. They owed €140,000 and were thrown out in January and are living in rented accommodation. They got nothing when they were pushed out the door. The State will not even give them rent allowance because they have to be renting for six months to qualify for it. The Minister should try to convince the woman of that family that she is being treated fairly and equitably by the State.

We have a burst company that gets a debt haircut of €105 million and the shareholders walk away with €5 million. Deputy Fleming has talked about the transactions that happened in the days preceding the final deal, which will be dealt with through some form of investigation later, if not now. The special liquidator will come back in due course and say he does not have the powers to address all of this. What about the other companies that have had their loans sold by IBRC and did not get that exclusion from hawking their books around between their competitors? There are many small to medium enterprises that were funded through Anglo and, by virtue of the Minister's decision to liquidate IBRC, found their loans being offered to their competitors. They did not get the kind of protection this company got.

I ask the Minister to help me explain to that housewife the notion that he is dealing with this fairly and equitably. He should help me explain it to the small to medium-sized enterprises that have had their books opened to their competitors in an effort to sell on their loans. Some of the Minister's colleagues have indicated that receivership would have damaged the value of Siteserv. Why was its loan book not traded and offered around like others?

Will the Minister help me explain to a very annoyed public how somebody who apparently represented IBRC and by extension the Government could go on "Prime Time" and say that votes had to be bought and that is the reason €5 million needed to be ponied up? What was the rush to get this deal executed? I do not understand it and I sure as hell know that there are very few people outside the doors of this House who understand it. I remind the Minister that senior officials in his own Department certainly do not understand it. At the end of tonight's debate, I ask the Minister to accept that there is a problem here, perhaps not of his making, and to put in place an appropriate independent investigation that will give some sense of credibility to what we are all trying to do in this House.

Deputy Micheál Martin: I wish to address four key issues in respect of this affair. First, the sale of Siteserv itself; second, the relationship between IBRC and the Department of Finance;

third, the nature and narrow remit of the proposed inquiry; and, fourth, why vital concerns raised by Department of Finance officials were effectively withheld from the Dáil for so long.

The sale of Siteserv is an important issue of public interest. A subsidiary of this company subsequently went on to win three contracts linked to water metering, totalling €62 million each. The fundamental error was made when the company itself and its directors were given the sale to conduct, at arm's length from IBRC. Everything else stems from that wrong decision. Indeed, civil servants in the Minister's Department raised that very point. There was no logical reason to exclude trade dealers. What has been said in public about that - the idea of confidentiality being a cause for concern - is a load of nonsense. There are numerous confidentiality templates and clauses which cover situations like this across the board, in banks and elsewhere, when it comes to the disposal and sale of companies. The idea a raft of people in the market, and market leaders in this field, were excluded from any chance to purchase the company makes no sense and there is no logic attached to it. The exclusivity period was also wrong and higher bids were excluded. *The Sunday Business Post* reported last weekend that UK private equity fund, Rutland Partners, tabled a bid of €55 million but it was rejected due to conditions attached. Better Capital claims it was shut out of the process. We also had Altrad, Anchorage and others who equally feel they were shut out.

There is also the €5 million payout which was shocking and scandalous. The fundamental rule is that if a company is gone, the shareholders' equity is gone with it. The idea that €5 million would be paid to bribe the shareholders and get them to agree to the sale does not wash. There is no justification for it. When we consider that people in mortgage arrears and people with all sorts of issues with banks do not get anything like this treatment, we begin to see and understand the sense of resentment in society when this kind of thing goes on and the whole idea that if one is on the inside and people know each other, things can get done.

We know about the share dealing in advance of the sale itself. Why did people buy shares in a bust company? There was a sudden upsurge in share sales in the month before IBRC began to receive the first bids for Siteserv as part of a confidential sales process. In November 2011, some 6.4 million shares were sold in the firm, compared to 121,000 in October 2011 and 4.76 million between January and October the same year. Who were these investors? Will we find out? Will the inquiry cover this issue? On what information were these investors acting? These are legitimate questions.

Another key issue is the relationship between IBRC and the Department of Finance. Will this be covered by the inquiry? Will civil servants be brought in by the inquiry and asked very basic questions? We have learned from the freedom of information documentation that civil servants in the Department of Finance raised a range of significant issues about the conduct and behaviour of IBRC. There was, for example, the hiring of Blackstone without public procurement. Blackstone is a company which is well used to buying distressed assets. It had full visibility of everything in IBRC. I learned through a parliamentary question replied to today by the Minister that officials in the Department "are aware that IBRC proceeded with the appointment of the company referred to in the question without following a standard procurement process".

The CEO of IBRC at the time used his authority under bank policy to waive the requirement of Board approval for the engagement. IBRC felt that given the sensitivities around the piece of work which the company referred to in the question was engaged to undertake, they decided that a targeted selection process for this limited piece of work was the best approach to take.

6 May 2015

One individual, the CEO, decided to hire Blackstone and gave it full visibility of every portfolio in IBRC. It made millions out of the assignment. Was it €4 million or €5 million it made out of it? This very serious issue was raised with the Minister.

We also have the Athorp deal, where the adverse deviation from valuation norms was between \$25 million and \$50 million. Again, officials at the Department were very concerned about it. This was raised by an executive in IBRC and the Department was alerted. There were issues pertaining to how IBRC dealt with Topaz when Mr. O'Leary was the majority shareholder. There were issues about how major clients were handled by IBRC, such as the Quinn family, Denis O'Brien and Paddy McKillen. This is all in the freedom of information documents. There was the Siteserv deal itself, which necessitated an entire memo from the Department of Finance such was its concern about how the company was sold.

We also have the failure to sell IBRC Wealth Management and the relationship between it and IBRC proper. There were perceived conflicts of interest between them in terms of how transactions were conducted. William Fry was brought in to do a report on the relationship between IBRC Wealth Management which managed a lot of wealth on behalf of many individuals and IBRC, and how the two operated as two separate legal entities, apparently, in the one edifice. What was that about? Last week, I asked the Taoiseach if he would publish the report from William Fry on the perceived conflict of interest. Will the Minister take steps in this regard? Will the inquiry encompass this issue, which was of such concern to the Department of Finance that it necessitated the secondment of a departmental official to the bank?

The Minister knows there was a lot of hostility about that decision between the Department and the chairman, the CEO and the bank itself. Last week, we read the chairman, Alan Dukes, wrote serious letters complaining about the individual to the Department. This hostility was not good enough from the bank's perspective. On whose behalf did it think it was acting? Did these people forget they were acting essentially as agents of the State? It was outrageous carry on and the demonisation of the Department of Finance which has happened subsequently is equally outrageous. I have not noted anyone from the Government contradicting what the chairman, Alan Dukes, said about Department of Finance officials in any shape or form and this is wrong. Someone should stand up for the civil servants who raised legitimate questions.

Why were these concerns withheld from the Dáil for so long? Four months and 13 parliamentary questions later, Deputy Murphy eventually got some detail because freedom of information was hurriedly coming down the tracks. Why did the Minister not tell the Dáil about the list of concerns which has now been documented in freedom of information documents? Why was it withheld from the Dáil? Was the Minister afraid of upsetting somebody or upsetting the apple cart? Was it better to leave well alone? No one can quite understand why this information was withheld for so long from the Dáil, and Deputy Catherine Murphy in particular, in the context of the liquidation of IBRC when we were told everything was grand and everybody was good and behaving. We then learned from the documents much later that everything was not grand.

This brings me to the nature and type of the investigation. It is a fundamental error of judgment to appoint the same company involved in advising on the sale to investigate the sale. Do not give me the stuff about Chinese walls and different divisions; with regard to a conflict of interest and the perception of a conflict of interest, it is a no-brainer and an error of judgment on the Minister's behalf. The Labour Party is going along with it, although the Tánaiste told me she wanted an independent competent authority. I do not understand why the Government

is ramming through this particular mode of inquiry. It suggests an arrogance and a detachment from public anger. There is arrogance, perhaps because of the overall majority, that the Government can ram through whatever it likes and can stitch this into an inquiry with a narrow remit, because many of the issues I have outlined will not be covered, and we will be told whether there are material deficiencies and that it meets normal commercial sale standards. This is all it will be asked to come up with. It is a stitch up in many respects to get the outcome the Government wants in the time covered.

It is wrong to proceed on the basis the Minister has decided to proceed with regard to satisfying genuine public interest provoked by the concerns of civil servants in the Department of Finance, primarily with regard to the conduct of IBRC in these large transactions and the sale of Siteserv.

Deputy Robert Troy: I welcome this opportunity to speak on this important motion and I compliment Deputy Catherine Murphy on bringing the issue to the fore in the public arena. Very often in politics perception can be confused with reality. A number of very serious questions remained unanswered despite freedom of information requests, several parliamentary questions and the issue being raised copious times by our leader during Leaders' Questions. I will refrain from discussing my opinion on what happened in the lead-up to the deal and the deal itself. Given the level of uncertainty, and the mistrust between the Department and IBRC, there is an urgent need for the issue to be dealt with in an open and transparent manner.

When the Government came into office, it promised that everything would be dealt with in an open and transparent manner. There is a perception of sweetheart deals and we want to ensure that it did not happen. We want to ensure no favourable treatment was afforded to certain individuals because of their relationships with members of the Government and we want to ensure there was no insider trading. A State-owned financial institution was dealing with a commercial entity. The primary aim of a commercial entity is to make a profit. We want to ensure that what happened was carried out in an appropriate manner, that there was no favourable treatment and that the best value for money was returned to the taxpayer. The only way we can ensure this happens is for a fully independent investigation under the Commissions of Investigation Act to be carried out. This would ensure it is removed from all levels of uncertainty. In my constituency office, or walking down the streets of Mullingar, Longford or Athlone, I meet people and they ask me why a big business can get a €100 million writedown but they cannot afford to pay their mortgages to keep the roof over their heads. Why is there one treatment for a State-owned financial institution or big business and different treatment for the ordinary individual trying to keep a roof over the family? We have repeatedly raised the issue of 300,000 people paying in excess of 2% above the average interest rate in the rest of the EU. Why is that happening while big business gets a reduction of €100 million in a sweetheart deal? It is important the Minister comes out and ensures openness and transparency so that everyone can have confidence. There is no confidence at the moment.

Minister for Finance (Deputy Michael Noonan): I propose to share time with the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, and the Minister of State at the Department of Agriculture, Food and the Marine, Deputy Tom Hayes.

The mismanagement of the economy and the financial system by the Fianna Fáil-led Government wrecked the country. Anglo Irish Bank, more recently called IBRC, and the billions of taxpayers' money put into that bank in 2009 and 2010 will never be recovered. The impact on this country of the decisions taken by the Fianna Fáil-led Government to support Anglo Irish

6 May 2015

Bank, more recently called IBRC, with €34.7 billion of taxpayers' money has been immense. We are not talking about €105 million but about the €34.7 billion from the Fianna Fáil-led Government when the current leader of Fianna Fáil was a Minister.

Today's motion in the Dáil arises as a consequence of those decisions. The legislation that provided for the nationalisation of Anglo Irish Bank allowed the bank commercial freedom in its operations under the direction of its chairman and board of directors. There was no day to day role for the Minister for Finance and no reporting requirement to the Department of Finance for transactions such as the Siteserv transaction. The legislation introduced by a Fianna Fáil-led Government in 2009, in nationalising Anglo Irish Bank, made it difficult for the Minister and the Department of Finance to exercise governance over IBRC and to ensure its accountability. Under the oversight or relationship framework that applied prior to 29 March 2012, the period during which the board approved the Siteserv transaction, the board of IBRC was not required to consult with the Minister for Finance on transactions such as Siteserv and did not do so. The relationship framework was put in place by the Government of which Deputy Martin was a member and created governance difficulties for the Department of Finance. It was difficult, under this system the Deputy put in place, to hold IBRC to account.

A relationship framework dated 8 July 2009 was in place at the time the board of IBRC approved the sale of Siteserv. Under this relationship framework, the board of IBRC were required to engage with the Minister for Finance on certain key issues, which included any material acquisitions, disposals, investments, realisations or other transactions, other than in the ordinary course of Anglo Irish Bank's banking business. It should be noted that this relationship framework did not include any specific monetary thresholds which would trigger mandatory consultation with the Minister for Finance. It should also be noted that at that time the ordinary course of the bank's business was to conduct an orderly wind-down of the bank. As such, IBRC's efforts, as a secured lender, to maximise the recovery on its loans to Siteserv was considered to be in the ordinary course of business. For that reason, and under the relationship framework in place at that time, IBRC was not required to consult with the Minister for Finance on this matter in advance of making the decision to approve the sale of Siteserv and it did not do so. The Department and the Minister operated in accordance with the legislation and the relationship framework put in place by the previous Government. The chairman of the board quoted by Deputy Martin was appointed to the board of IBRC by my predecessor, Brian Lenihan, and was subsequently made chairman of the board by the late Brian Lenihan.

Deputy Micheál Martin: That is not relevant.

Deputy Tom Hayes: It is relevant.

Deputy Michael Noonan: The bulk of the board was appointed by the previous Government. When the Deputy makes these allegations-----

Deputy Micheál Martin: I did not make any.

Deputy Michael Noonan: Deputy Martin's colleagues-----

Deputy Micheál Martin: The Minister's civil servants made them, and correctly.

Deputy Michael Noonan: Of course there was a Government issue and it was difficult to ensure accountability but the law was on the side of IBRC because the law was introduced by Deputy Martin and his colleagues.

Deputy Micheál Martin: The Minister did not tell us.

Deputy Simon Harris: Deputy Martin knew, given that he put it in place.

Deputy Michael Noonan: A revised relationship framework and operational protocol, dated 29 March 2012, was introduced between me, as the Minister for Finance, and IBRC. This was a condition following Ireland's third review under the EU-IMF programme of financial support. This was a requirement for all banks who benefited from capital injections to protect the commercial basis for the banks' operations while under Government ownership. The revised relationship framework and operational protocol contained specific consent-consultation procedures between the bank and me, as Minister for Finance, which included monetary thresholds.

The revised relationship framework and operational protocol outlined the instances in which IBRC was required to gain consent from me or consult with me, as Minister for Finance, and these instances went beyond individual transactions and-or disposals; they also included consent for board approvals, management appointments and litigation matters. Following the introduction of the new relationship framework and operational framework, the board of IBRC commenced forwarding board packs and minutes of board meetings to the Department of Finance. The April 2012 board pack contained the minutes of the board meetings held on 20 March 2012, 21 March 2012, 28 March 2012 and 13 April 2012. However, there were no minutes included in the April board pack of the board meeting of 15 March 2012, at which we subsequently learned the sale of Siteserv had been approved. This pack of board documents, including minutes to which I referred, was the first pack of board documents and the first minutes forwarded to the Department of Finance under the new relationship framework. IBRC was previously not required to provide this information under the old relationship framework, which Deputy Martin approved when he was a Minister in government.

The Department of Finance was not involved in the sale process or any of the decisions taken during the sale process. I have been informed that my officials were not made aware of the details of the transaction during their monthly meetings with IBRC management in advance of the decision of the board to approve the sale.

Following a thorough search of the records and correspondence received, I have been informed that the Department of Finance did not receive board packs or minutes of the IBRC board meetings prior to the introduction of the revised relationship framework that came into operation on 29 March 2012. As I have stated, under the relationship framework that was in place prior to 29 March 2012, the board of IBRC was not required to consult with the Minister for Finance on transactions such as the sale of Siteserv and it did not do so. Following the approval of the board and the sale of the company, my officials requested and were provided by IBRC with details and a timetable for the transactions.

In June 2011, following an independent review of the strategic options for the business and the level of debt in the company, the IBRC credit committee approved Siteserv's commencement of an orderly process to sell itself. IBRC was a creditor of Siteserv and had an interest in the maximisation of the proceeds of sale of the company to maximise the recovery of the company's debts to IBRC. Following IBRC's approval, the sale process was run by Siteserv, along with its advisers, KPMG Corporate Finance and Davy Corporate Finance. IBRC appointed Walter Hobbs as its observer to the sale process. Anyone who has been following this in detail heard Mr. Hobbs explain the position as he understood it on a recent "Prime Time" programme. The board of IBRC met and approved the sale of Siteserv on 15 March 2012. On

6 May 2015

16 March 2012, given that Siteserv was a member of the enterprise securities market, the proposed disposal of Siteserv to Millington was announced at the Irish Stock Exchange. As per the RNS on the Irish Stock Exchange, completion of the sale was subject to a number of conditions, including receipt of approval of the transaction from the Irish Competition Authority. After this announcement to the stock exchange, there would have been media attention around the transaction.

Following a thorough search of e-mails and documents held by the Department of Finance and discussions with the Department officials involved, I am informed that the first record relating to the sale of Siteserv is dated 23 March 2012. This was an e-mail from a member of the public relating to media reports around the sale of Siteserv. The first parliamentary question was answered on the sale of Siteserv on 3 April 2012 with a further question on the matter answered on 18 April 2012. It is important to note that my Department conducted a review of the transaction in June 2012 so any concerns around the transaction were not known either to me or to my officials when answering parliamentary questions prior to June 2012. No further parliamentary questions were answered regarding Siteserv in 2012 or 2013.

Two parliamentary questions were answered on Siteserv in 2014. The first parliamentary question answered on Siteserv in 2014 was on 21 October 2014, with a further parliamentary question answered on 16 December 2014, which stated “The sale process involved two stages and IBRC was briefed after each stage”. Remember, Siteserv was doing the sale. Siteserv briefed IBRC after each stage. It goes on:

The board of Siteserv, as advised by KPMG Corporate Finance and Davy Corporate Finance, recommended the successful bid as representing the best return for IBRC. I am advised that the board of the bank at that time were satisfied that this was the case.

It was Fianna Fáil’s board, with a chairman appointed by Fianna Fáil. It had fiduciary responsibilities and it assured everybody that the best value was achieved on the sale in the manner in which it was conducted. Its advisers supported it in this.

Deputy Micheál Martin: Of course they did. Their clients were involved. Davy’s clients were involved.

Deputy Michael Noonan: Would Deputy Martin say that outside the House, if he is so sure of his ground?

Deputy Micheál Martin: It is said outside the House. There is no argument about it.

Deputy Micheál Martin: Would he say it outside the House?

Acting Chairman (Deputy Charlie McConalogue): Order, please. The debate will be through the chair.

Deputy Micheál Martin: It has been said outside the House.

Deputy Simon Harris: What is Deputy Martin trying to say?

Deputy Micheál Martin: I am not saying anything.

Deputy Simon Harris: What is Deputy Martin trying to imply?

Deputy Micheál Martin: What is the Minister trying to imply?

Acting Chairman (Deputy Charlie McConalogue): The Minister, without interruption.

Deputy Michael Noonan: On 4 March 2015, I next answered a parliamentary question on the relationship framework that was in place when the sale of Siteserv took place. On 26 March 2015, I next answered three parliamentary questions on Siteserv in which I detailed meetings held between my Department and IBRC on Siteserv and also around the steps that were taken when reports of certain details around the transaction came to the attention of my Department. A further 30 parliamentary questions have been answered by me since 1 April 2015 up to 30 April 2015 on Siteserv and details relating to the transaction.

Returning to the period when the deal was first brought to my attention and that of my officials, as my officials became aware of reports of certain aspects of the Siteserv transaction in April and May 2012, they inquired about the transaction with IBRC management as part of their regular engagement. Following initial discussions, they agreed with IBRC's chairman and CEO on 31 May 2012 that the Department would review the available information on the transaction involving Siteserv in greater detail to better understand the decisions taken and the impact these decisions had on the process and the final recovery for the bank. This review by Department of Finance officials took place on 11 June 2012. Through this review, Department of Finance officials became concerned with certain aspects of the transaction. Details of the concerns were set out in the memos and briefing notes that have been released under recent freedom of information requests and which are available on the Department of Finance website.

Following this review, on the 25 July 2012, I met with IBRC's chairman and CEO to discuss, among other things, the concerns regarding this transaction which were raised following Department engagement with IBRC management. At this meeting, the chairman provided me with strong assurances that the transaction had been thoroughly assessed by the IBRC board and that the board of IBRC was satisfied that the transaction was managed in the best manner possible to achieve the best result for the State. It should be noted that the IBRC board had a fiduciary responsibility to the bank's stakeholders and so, in light of this legal responsibility, the chairman and the board would have considered and provided such assurances following serious and careful consideration. I accepted these assurances from the chairman of IBRC. However, as is also evidenced in the information released under freedom of information, engagement continued between Department of Finance officials and senior management of IBRC to improve upon the working relationship with IBRC and to help protect against such concerns arising in the future, including the implementation of the revised relationship framework and the secondment of a senior Department of Finance official to IBRC as a senior executive to facilitate IBRC's ongoing deleveraging. The senior official remained seconded to IBRC until the liquidation of the bank in February 2013.

Furthermore, in light of the recent concerns raised before the Houses of the Oireachtas and elsewhere regarding the Siteserv transaction and the public discourse this has caused surrounding the handling of other transactions undertaken by IBRC, I have directed the special liquidators of IBRC to review certain transactions which occurred between 21 January 2009, the date of the nationalisation of IBRC, and 7 February 2013, the date of the appointment of the special liquidators to IBRC.

Acting Chairman (Deputy Charlie McConalogue): The Minister's 15 minutes is up.

Deputy Michael Noonan: I will take back a little time.

6 May 2015

The review will cover transactions that resulted in a capital loss to IBRC of at least €10 million during that period or which are specifically identified by the special liquidator as likely to give rise to potential public concern, in respect of the ultimate returns to the taxpayer. Retired High Court judge, Mr. Justice Iarfhlaith O'Neill, will monitor any actual or perceived conflict of interest with the review. The review and report will evaluate whether there is any evidence of material deficiencies in the performance of their functions by those acting on behalf of IBRC, including the board, directors, management, employees and agents of IBRC and whether it can be concluded that any of the transactions were not commercially sound. I have asked that the special liquidators carry out this review and provide a report of their findings before 31 August 2015. Following this, I will make this report available to relevant committees of the Oireachtas. If the committees still have concerns, they may proceed as they see fit.

I stress that the commission of this review and report is to serve the public interest in light of recent speculation and is not being undertaken as a result of any evidence that such deficiencies existed or that transactions were not commercially sound. The special liquidators are best placed to undertake such a review thoroughly and expeditiously given their access to all books and records of IBRC, the resources at their disposal to conduct such a review and the power set out under the IBRC Act, which allows me to make this direction in the public interest. As I have said, in order to manage and-or mitigate against any actual or perceived conflicts of interest, I have directed, with the agreement of the special liquidators, that retired High Court judge, Mr Justice Iarfhlaith O'Neill, monitor any actual or perceived conflict of interest with the review. I am confident that this will ensure that the review process is robust.

As mentioned, I have given the special liquidators a deadline of 31 August 2015 to complete the review and report their findings. I have already received correspondence from the Joint Committee on Finance, Public Expenditure and Reform requesting a copy of the full report once completed and a copy will be made available to the committee for its consideration. Depending on the findings of the review, further investigations will be initiated as and if appropriate. The Government is fully committed to taking whatever steps are deemed necessary to facilitate this, including legislative change.

7 o'clock

Acting Chairman (Deputy Charlie McConalogue): There are 12 minutes left in the slot. Ten minutes are to go to the Minister, Deputy Howlin, and the remainder to the Minister of State, Deputy Tom Hayes.

Minister for Public Expenditure and Reform (Deputy Brendan Howlin): I will take ten minutes and my colleague, the Minister of State, will take a different slot. I am pleased to make a contribution to this debate and thank my colleague, the Minister for Finance, for sharing time.

At the outset, I congratulate Deputy Catherine Murphy for her work on this issue. As the Minister responsible for the reform of the freedom of information legislation, I am pleased to see it used in a constructive fashion. The public interest will be better served for having this debate. I also congratulate my colleague, the Minister for Finance, for the speedy action he has taken on this matter from the point at which it was first brought to his attention. When concerns were raised with him, following the approval by the board of IBRC of the Siteserv deal, his officials conducted a review of the transaction. Following that, as he outlined, he met with the chairman of IBRC and sought his assurances that the transaction had been conducted in the best interests of the bank and ultimately the taxpayer. The then chairman of IBRC provided those

assurances.

Under the previous reporting arrangement, IBRC was not required to report on individual asset disposals. There was no monetary threshold that would trigger mandatory consultation with the parent Department, the Department of Finance. There is nothing inherently suspicious about this; it was the arrangement that Fianna Fáil put in place in relation to these matters. The IBRC board and executives were in the business of conducting an orderly run down of the bank. That was their job. Their job was to dispose of the asset at the best price and conditions for the taxpayer. Indeed, the interests of the bank and the taxpayer were apparently allied in this regard.

The Minister for Finance made the critical decision at the end of March 2012 to alter the reporting arrangements and to put in place a different one to that put in place by the previous Government, to allow for the first time for the Department of Finance to have more direct supervisory control over IBRC activity than was the case up to that point. To facilitate the effective working of this arrangement he appointed a senior official from his Department to IBRC to provide additional advice to the bank, and the official remained in place until the bank was finally liquidated in 2013.

Whether the party opposite likes it or not, some humility is required, and it would be appropriate for it to acknowledge that the new framework initiated by the Minister, Deputy Noonan, constitutes a considerable improvement in the accountability framework that it put in place, that it is now criticising, when it was previously in government. In summary, the Minister's decision constituted the appropriate response to any concerns that may have arisen in relation to IBRC disposals and the Minister took action promptly. I wish to be clear because there is much innuendo enmeshed with some of the contributions presented to the House, that it is not to suggest that IBRC did anything wrong. Any decision it made is capable of being second guessed now. At the end of the day what we are discussing here is a distressed asset. Nobody is suggesting that the board of IBRC could have recovered anything approaching full value from Siteserv as a company either as a going concern or by way of disposal. Furthermore, we will never know the outcome of any alternative course of action because no alternative course of action was pursued. The Department of Finance, in the material released under FOI, is clear on that point. Indeed, from what I have heard, this particular issue is thankfully notable in so far as no serious charge is being made of improper conduct around any individual or body. Perhaps the Deputies opposite would clarify that.

Hindsight may well be 20:20 vision, but that should not blind us to the difficult position in which the State and IBRC found themselves in 2012. From the relative comfort of our greatly improved financial position in recent times, we can forget how problematic and precarious our position was as recently as 2012. There is also a case to be made in that what the material released under FOI to Deputy Catherine Murphy indicates is a proper and healthy scepticism and challenge being displayed by the parent Department, namely, the Department of Finance, in relation to one of the bodies under its auspices.

Members should bear in mind that a committee of this House is currently meeting in inquiry mode to examine the level and appropriateness of scrutiny afforded to the banking sector during the so-called bubble years. I am heartened to see public servants - officials in the Department of Finance - being rigorous in the protection of the public interest. As we have been informed, the Minister for Finance and the Government have now asked the special liquidator to examine IBRC transactions and have appointed a former, much respected High Court judge to preside

6 May 2015

over any potential conflicts of interest that might arise.

At the heart of the matter appears to be the point at which there is a divide between the Government and Opposition. Let me say this: the Minister for Finance's decision is guided by the need to have a speedy process to get to the facts concerning these transactions. The special liquidators and the people he has appointed are the way to do that, because they are the ones in the right place to have speedy access to the data.

As the Minister repeated tonight, he has not ruled out any further action following the production of the report, and indeed has already undertaken to provide it speedily to the committees of the House for them to take what action they choose. In addition, the Minister has committed to publish the report and make it available to all. As I have indicated, Judge O'Neill has been appointed to oversee this entire process.

The contention of the Opposition, which I believe to be made in good faith, is that a commission of investigation should be appointed. Such criticism is somewhat disingenuous. Members will recall that commissions of investigation were established in 2004 as an alternative to what proved to be the costly and time consuming tribunals of inquiry which dominated public life for more than a decade. They were a good idea at the time and constitute an improvement on the previous position. Nonetheless, commissions of investigation remain legal processes and take a lot of time. In fact, if issues were to be hidden, we would probably go that route because as we have seen from previous inquiries, they would be pushed into such a timeframe that they would be unlikely to impact on-----

Deputy Micheál Martin: What about the inquiries into the Dublin diocese and Ferns?

Deputy Brendan Howlin: -----immediate electoral contests that might arise next year.

Deputy Micheál Martin: The Minister can leave that alone. The electoral contest is not the issue.

Deputy Brendan Howlin: To initiate such an inquiry would undoubtedly take longer and cost more than the approach advocated by the Government. We have said that if it is decided that such an inquiry is needed, it will be provided. We will do whatever is required to get to the full truth. However, what is asked is that people would wait for the facts before turning a charge into a result.

Deputy Micheál Martin: The Taoiseach did not-----

Deputy Brendan Howlin: I appeal to Members opposite for some perspective and a degree of patience in this regard.

It is not uncommon for Opposition Members to decry the amount of time a commission of inquiry might take. We have experience of inquiries that went on for years that we expected to be conducted very speedily. Once one establishes a commission one has no real control over the timeframe. It might suit politically for people to demand a commission, even though it is patently obvious that the most expeditious way is the route mapped out by the Minister to get the full facts into the public domain-----

Deputy Micheál Martin: It will not give the full facts. It is too narrow.

Deputy Brendan Howlin: -----speedily and thoroughly. Unless the Members doubt the

bona fides of the individuals concerned, I ask them to give space for the investigative mechanisms that have been put in place to come to their conclusions and present a report.

In truth, it is my belief that had the Minister for Finance moved directly to set up a commission of inquiry, the Deputies opposite would be equally scandalised.

Deputy Liam Twomey: Yes.

Deputy Brendan Howlin: They would have accused us of delaying access to the full facts. They would have accused the Minister of trying to bury the facts and trying to push the decisions well into the future. They cannot have it both ways. What the Minister has chosen to do, quite reasonably and correctly, is to pursue the best avenue designed to provide an assessment of the issues of concern, which are legitimately presented for scrutiny as every matter should be in an open and public fashion, and to put that into the public domain, with every concern addressed as speedily and thoroughly as possible.

I ask that we await the report and that when we see it, we assess it on its merits. That is what the Government will do, in an open and transparent manner. There should be no rush to judgment and less innuendo. If issues arise from the publication of the special liquidator's report when it is publicly presented to the people of Ireland and to these Houses, the Minister for Finance, as he has proven for four years, will ensure they are dealt with comprehensively and properly.

Deputy Micheál Martin: The Minister is a great defender of the realm.

Deputy Mary Lou McDonald: The Minister, Deputy Howlin, who is leaving the Chamber, applauded what he described as the healthy scepticism of officials from the Department of Finance. That is nothing to the scepticism of the general public, as they review this debacle. If anybody imagines it has been lost on people that the Minister and the system, over a number of years, dodged and evaded questions that were asked about the IBRC generally and the Siteserv transaction in particular, they are very wrong. If the Minister or anybody else believes that the cobbled together, ham fisted internal review has been met with anything other than deep scepticism and disappointment by the general public, they are even more deluded than I might have imagined.

In setting up this review by KPMG, the Government has conceded that the process itself is flawed and compromised and that it cannot stand over its impartiality. What astonishes me in the midst of all of this controversy is that the Government appears to be prepared to do anything rather than what is necessary. What is required is a commission of inquiry. It might be legally intricate, as the Minister, Deputy Howlin, says, and it might be demanding and take some time, but it is our considered view that only a commission of inquiry can get the full facts. Only a commission of inquiry will have the necessary powers to investigate not just the Siteserv transaction but a much broader scope of transactions between IBRC and other parties.

In the appointment of Mr. Justice O'Neill, the Government concedes a direct and apparent conflict of interest. It is almost comedy to hear the Minister say that this learned person, whose integrity is beyond doubt, is put in place in case there is a conflict of interest. The real reason Mr. Justice O'Neill has been asked to take the position is that the conflict of interest is so apparent and evident. Whatever about the Minister for Finance, Deputy Noonan, in a posture of self defence, trying to sell this approach to people, it is astonishing to hear the Minister for Public Expenditure and Reform, Deputy Howlin, echo his words and fight so valiantly for a process

6 May 2015

that is so clearly ineffectual and compromised from the start.

People watching all of this must ask whether anything has been learned not just from the economic and consequent social catastrophe that they have endured, but also from the decade and more of tribunals where the toxic corruption at the heart of this State and the public administration was revealed in unedifying detail time and again. That toxic political culture which, regrettably, seeps into our administration is based on cosy relationships, cronyism and a deplorable sense of entitlement among a few in Irish society. Taxpayers and citizens have watched all of this for many long years. Then this issue arises. What does the Government and the Ministers, Deputies Noonan and Howlin, do, backed to the hilt by the Taoiseach and the Tánaiste? They kick for touch.

I quoted the Tánaiste's words to her recently in the Chamber. She had said a number of years ago, quite correctly, that people were sick to the back teeth of the same old, same old - the same narrative, the same themes and, in many cases, the same personalities coming to notice again and again. She was right when she said that, and she is wrong to defend this approach in respect of these dealings. It is simply wrong. Defend it as the Government will, nobody is buying it. The correct and honourable thing to do is establish a commission of investigation and not mind electoral cycles. The issues, questions and dilemmas that this brings forth for us as a society, for our political culture and our public administration are far more serious and long lasting than any single electoral event.

I support the motion and I reject the Government's amendment. I deplore its strategy of kicking for touch. More to the point, the people we serve do not buy the Government's story or alibi for a minute, all the more so as water bills arrive on their mats. Who does the Government think it is fooling?

Deputy Pearse Doherty: Cuirim fáilte roimh an rún atá os ár gcomhair, a thugann deis dúinn an ceist fíorthábhachtach seo a phlé. Níl dabht ar bith ná go bhfuil coiste fiosrúcháin neamhspleách, a bhfuil tacaíocht an phobail aige, ag teastáil le díriú isteach ar na saincheistanna atá le plé ó thaobh an chaoi inar dhíol an t-iarbhanc Banc Angla-Éireannach an comhlacht Siteserv. Níl dabht ar bith i mo thuairim, agus i dtuairim mo pháirtí, nach mbeimid ábalta tacaíocht an phobail agus muinín an phobail a fháil muna mbeidh coiste fiosrúcháin neamhspleách leagtha amach. Ní thuigim cén fáth go bhfuil an Rialtas ag cur a aghaidh in éadan an cineál phróisis sin, go háirithe nuair a fhéachann muid ar na príomhcharachtair atá i gceist sa chás seo. Bhí cuid acu pléite sa Teach seo san am a chuaigh thart, nuair a ardaíodh ceisteanna faoin dóigh ina raibh siad ag idirdhealú nó ag déileáil leis an Rialtas ag an am sin. Tá a fhios againn fá dtaobh den bhinse fiosrúcháin a bhí leagtha amach mar gheall ar sin.

On 26 March 2012, ten days after the sale of Siteserv, I raised the question of that suspicious sale with the Minister for Finance. I tabled it as an oral question because I believed it needed to be discussed on the floor of the Dail. Unfortunately, as a result of the lottery system, it was not chosen as an oral question but was subsequently responded to me in written format. In the question I submitted on 26 March 2012, I asked the Minister for Finance to explain why "State owned IBRC agreed to write down the value of its loans to [Siteserv] by more than €100m whilst at the same time ordinary shareholders were paid €4.96m as part of the deal to sell the company" to Denis O'Brien. Three years and two months later, I am still waiting for my answer. The Official Report shows that I was told back then that "the Board of the bank are satisfied". I suggest it was a question of "move along, Deputy, everything is above board, nothing to look at here".

It was not mentioned in the reply to my parliamentary question that Peter Fitzgerald of IBRC and formerly of Anglo Irish Bank wrote to the Department four days later, after it sought a response to my question, to say he was going to hold off on a reply until he had read what was in the papers about the story the following day. I wish to make something clear about this aspect of the matter, which may seem tangential to the whole controversy about the sale of Siteserv. The questions I pose to the Minister, as a representative of the people and an elected Member of this Oireachtas, should be answered on the basis of the facts and not on the basis of how the media might be covering a story. It is not right to interfere and to respond based on what else has slipped out. My question was to the Minister for Finance, Deputy Noonan, and not to Peter Fitzgerald. I did not ask IBRC's opinion. I asked a Minister of our elected Government to set out what was going on. He did not give a full answer. It is hard to believe the Department had not yet expressed any concerns. It should have been fully aware of the context of my question and should have gone for a straight answer, especially in light of all the media presentation around this issue in the days running up to my tabling of the question.

That was the beginning of the story. Any bit of information that has been gleaned since then has been dragged kicking and screaming out of the Minister for Finance. We are still pushing for these answers three years and two months later because questions have been asked by me and others. I refer particularly to the diligent efforts of Deputy Catherine Murphy. It may now be some years later, but it is apparent from the Government amendment to the motion before the House that nothing has really changed. The line we are being given is still "nothing to see", more or less. It was not credible in 2012 and it is even less credible today. The attempt to brush this issue under the carpet through this investigation is a nonsense and will not satisfy the public's demand for answers.

The Government amendment contains a telling line that states "given the recent public concerns and questions raised regarding the Siteserv transaction, the Minister for Finance has directed the special liquidators of IBRC to review and report on all transactions" and so on. In other words, the Government is telling us it has to be seen to be doing something because the people are angry. An actual desire to get to the truth for the sake of the truth is missing here. If a freedom of information request had not revealed the concerns of the Department, we would not be here and those concerns would be unknown. The Minister knew about these concerns for many years, but decided to do nothing about them. He held a couple of meetings, but he did not think it warranted an investigation or an inquiry. He let it slip on by in the hope that nobody would notice or ever find out that his Department, in addition to Opposition Deputies and other members of the public, had raised serious issues about this sale.

The proposed investigation and the amendment tabled by the Government are about being seen to do something. They are certainly not about doing something. How will the type of investigation that the Government has announced determine the identity of those shareholders who bought shares during the crucial period? How will it get behind the holding companies or the front companies that bought the shares on behalf of the individuals? How will the investigation have the confidence of the public, given that it is being carried out by individuals and partners from KPMG? How will that be possible, in light of KPMG's own role in the sales process, KPMG's history in relation to other people who advised on the sale and the history of people who are involved in Siteserv with KPMG?

We have to bear in mind that the terms of reference established by the Government go up to the date of the liquidation of IBRC, to the point where the special liquidator was appointed. The special liquidator has liquidated many companies and has vast experience of doing so over

6 May 2015

many years. We need to be honest here. Questions have been raised in the public domain about some of the sales that have been facilitated by the special liquidator. They have been reported in the media, but they are outside the terms of reference. The sale of the *Racing Post* is one such example. It was sold to the person who had the debt. The *Racing Post* had debts of approximately €180 million. It was sold to the owners of the *Racing Post*. A UK publisher, Tim Hailstone, told *The Times* of London-----

An Ceann Comhairle: Sorry, Deputy, you cannot name people in the House.

Deputy Pearse Doherty: This is on the public record.

Deputy Tom Hayes: He is at it there the whole night.

Deputy Mary Lou McDonald: It is on the record.

An Ceann Comhairle: No, you cannot suggest wrongdoing in this House without any evidence whatsoever.

Deputy Mary Lou McDonald: It is in the public domain.

An Ceann Comhairle: Let us stick to the motion before the House.

Deputy Pearse Doherty: I have made no accusation in relation to Tim Hailstone.

An Ceann Comhairle: You are naming people in the House who are not here to defend themselves.

Deputy Tom Hayes: The Deputy has made an accusation about KPMG.

Deputy Pearse Doherty: No, I have not. With respect, I have said the liquidator has vast experience of liquidating companies. I have said we have to be mindful that issues have been raised in the public domain regarding some of the liquidation or sales process. I am going to refer to the point that Tim Hailstone made. I am not making any accusation. He told *The Times* of London that he was withdrawing from the process because “there was only a very limited amount of information being provided about the business”. It is a case of *déjà vu*. These issues will not be investigated by this review, or non-commission of investigation, because its terms of reference do not extend beyond the point of the liquidation of IBRC. I have not made any suggestions. I am making a point about public confidence in the investigation of these sales by KPMG-----

Deputy Tom Hayes: It is the same thing.

Deputy Pearse Doherty: -----at a time when there are allegations or commentary in the public domain-----

Deputy Tom Hayes: Whose allegations?

Deputy Pearse Doherty: -----about some of the sales. The motion before the House seeks the establishment of a commission of investigation so we can get to the unblemished truth about all of this. It is most crucial that any investigation should have the confidence of the public. I would have thought the Labour Party would have taken some interest in these important questions, but obviously it is quiet in this regard. The line has changed slightly, to be fair. It has gone from “nothing to see here” to “very little to see here, and we are not going to work too

hard to find out anyway”. The only way to retain public confidence while getting to the truth is to establish a commission of investigation. That is the way the Government should proceed in this matter.

Deputy Paul Murphy: The scandal around Siteserv encapsulates everything that is wrong about the water charges, austerity and the crony capitalism that dominates in this country. As always there are winners and losers. The winners are Denis O’Brien, who benefits from a massive write-off worth €100 million; the shareholders in a bankrupt company, who benefit to the tune of €5 million; and KPMG and Davy Stockbrokers, the advisers on the sale. KPMG made at least €70 million in fees relating to the liquidation of IBRC. The losers are the taxpayers who paid for this write-off, those faced with water charge bills who cannot afford to pay them and those who went to prison. Four people went to prison for breaching an injunction granted to Denis O’Brien’s private company, one of whom is in the Gallery, for standing up to the installation of these water meters and charges. At the centre of the story is the relationship between big business, Fine Gael and the media at the heart of which is Denis O’Brien whose wealth has doubled in the past six years. While austerity has been heaped upon austerity, upon the mass of ordinary people, one man has managed to more than double his wealth. The appointment of KPMG is so blatant that Alan Dukes, who told the Mahon tribunal he had no doubt about the integrity of the process for the mobile phone licence, said the appointment of KPMG was amusing. Transparency International has said KPMG should be taken off the investigation. Did the Government seriously think anyone would be satisfied by the independence of an investigation carried out by KPMG when it was involved in the sale and there was a whole heap of veteran KPMG people on the board and in relation to a bank for which it acted as liquidator and previously as auditor? Either the Government is stupid or there is something more substantial to hide here.

Is there an active misdirection going on here? I am all for an investigation into all the write-offs but we have to follow the money trail in respect of Siteserv all the way.

Deputy Seamus Healy: I welcome the opportunity to speak and to support this motion on the sale of Siteserv by IBRC. The sale of Siteserv to a Denis O’Brien-linked company for a knock-down price of €45 million, with a payment of €5 million to shareholders, is a case study in how this Government has lined the pockets of the rich and powerful elite while making low and middle income families pay for a recession they had no hand, act or part in creating. This is but one example of the pay-off for the insider golden circle, the banks, well-connected business people, finance houses, valuers, law firms, auctioneers, accountants and consultants of all kinds. The same names and firms arise in respect of the collapse of the economy and in this case. These are the people and firms who collapsed the economy and are being rewarded by the Government. They have increased their incomes and their assets during the course of this recession, which has been confirmed by the Central Statistics Office, CSO.

The appointment of KPMG, a company with a clear conflict of interest, to review the Siteserv deal is a further slap in the face for low and middle income families who have been crucified by austerity. Such a review can only be described as a sham and an insult. We should compare what has happened to all these individuals and companies with what has happened to low and middle income families if only in one area, housing. A total of 25,000 families face eviction; there are unprecedented levels of homelessness; 90,000 families are on local authority housing lists; 300,000 mortgage holders are being ripped off by the banks charging twice the European Central Bank, ECB, standard variable rate of interest, effectively paying a second bailout to the banks. This is an absolutely shameful incident. We need an investigation and a

6 May 2015

commission of inquiry, not just for this Siteserv deal but for the IBRC in general, for NAMA and for AIB and Permanent TSB. I support the motion.

Deputy Tom Fleming: The revelations to date regarding Siteserv have only further bewildered the already bothered Irish public about the ancillary activities of Irish Water and the prolonged saga of unanswered questions. Many contradictions have been revealed in the record of Siteserv. It is ironic in the extreme that KPMG is the company appointed by the Government to oversee the comprehensive inquiry which this demands when it is evident for a plethora of reasons that it would be appropriate for an independent body to carry out this inquiry. It is imperative that it is done in an unbiased, fair and equitable manner.

KPMG corporate experts were first into the company to prepare it for sale and a sub-committee in Siteserv was also assembled to work on the sale. To further compound the intrigue the committee was chaired by a Mr. Robert Dix, a former partner in KPMG. Mr. Walter Hobbs was also a member. He was a corporate finance adviser-----

An Ceann Comhairle: The Deputy had better not name people. It implies wrongdoing which we cannot do when there is no evidence.

Deputy Seamus Healy: They are all in the public domain.

Deputy Tom Fleming: The second individual was appointed by IBRC to represent its interest. The meetings to discuss how to proceed with the sale were held in the Dublin office of KPMG and removed from Siteserv's office so that news of a possible sale did not leak to staff or competitors. In the subsequent sale the Rutland company offered €10 million more than the O'Brien bid of €45 million, amongst a range of other bids. Mr. Dix-----

An Ceann Comhairle: The Deputy should please refrain from naming people in this Chamber who have not been found guilty of anything. It is a long-established principle in this House.

Deputy Tom Fleming: -----chaired the sub-committee. Siteserv external advisers recommended accepting the O'Brien bid. This went to the board of IBRC who agreed in double quick time that shareholders who had voluntarily backed the debt-ridden company got a payout of €5 million. The taxpayer got €40 million and a bill for €100 million when the remaining borrowings of Siteserv were written off.

I commend Deputy Catherine Murphy for the work she has done to unveil all this.

Deputy Finian McGrath: I thank and commend my Independent colleague, Deputy Catherine Murphy, for her excellent work on this issue and for some of the questions she has raised in the Dáil over the past year or so. People are getting sick and tired of being fobbed off. We need to get to the heart of the matter. We were promised a new type of government, openness and transparency, and here we go again. All that people want are the facts and the truth. Maybe there is nothing in it. I have a completely open mind on this issue. I am not into the blame game. People have genuine concerns and the only way to resolve this matter is through a full independent commission of inquiry.

The senior officials in the Department of Finance have raised concerns about the other IBRC sales. In 2012 Siteserv owed €150 million to IBRC. In March 2012 IBRC sold Siteserv for €45 million. External trade buyers were excluded. Some bidders were also excluded. Siteserv shareholders received €5 million at the time of the sale. There are genuine concerns about

the sale of Siteserv for €45 million by IBRC. I support the call for a commission of inquiry to be set up to examine the circumstances surrounding and leading to the sale of Siteserv in March 2012, and other company sell-offs by IBRC, so that the interests of the Irish people can be fully protected in a transparent way. We need to deal with conflict of interest matters as the Irish people never again want to see this country ripped off by a group of insiders or cheesy operators. I urge all Deputies to support this very important motion calling for a commission of inquiry. I commend Deputy Catherine Murphy on her work on this issue. It shows the constant need for independent voices in this House who are not afraid to ask the hard questions.

Deputy Stephen S. Donnelly: Public trust in the political system in Ireland has collapsed and tonight's debate is a perfect example of why that has happened. The only reason an investigation is being conducted into the sale of IBRC assets is because of the work of Deputy Catherine Murphy. The motion before the House concerns who should conduct that investigation but serious questions of political governance must also be investigated. Why did the Minister make no mention of his Department's concerns in response to numerous parliamentary questions from Deputy Catherine Murphy? Did the Minister inform the Taoiseach, the Economic Management Council or the Cabinet about his Department's concerns?

If departmental concerns about this serious issue have been kept secret, what else has been kept secret? What other parliamentary questions have been avoided or fudged by the Minister? If these concerns are worthy of investigation, and they are, why is it only being done now, years after the Department raised its concerns? I will tell the House why. It is because the Minister's cover-up has failed and he has nowhere left to hide.

An Ceann Comhairle: The Deputy cannot make an allegation of a cover-up. I ask him to withdraw it.

Deputy Stephen S. Donnelly: I will withdraw the allegation of a cover-up - heaven forbid.

An Ceann Comhairle: We have parliamentary procedure here. The Deputy cannot abuse privilege.

Deputy Stephen S. Donnelly: The motion before the House condemns the appointment of KPMG to undertake a review of transactions in IBRC as it advised Siteserv during the sale. The Government amendment acknowledges that and states that the sale process was run by Siteserv along with its advisers KPMG Corporate Finance and Davy Corporate Finance and calls on Dáil Éireann to support the review, which KPMG has been directed to conduct. It is extraordinary stuff. In essence, KPMG is being by the Government to investigate itself. This is not a perceived conflict of interest. It is the definition of a conflict of interest. The Government should ask KPMG to step down and appoint a person or organisation who was not involved in the deals under investigation. Should the Government refuse to do so, KPMG should take it upon itself to step back from this situation.

Deputy Richard Boyd Barrett: The context for this debate is what happened to ordinary citizens in this country in 2012. When some of us on this side of the House screamed in opposition to the vicious cuts imposed, particularly in budget 2012, that hit the most vulnerable people and when many people in this House asked in the same year whether the unsustainable debts of tens of thousands of ordinary mortgage holders who were just trying to keep a roof over the heads could be written down, we were told this could not happen under any circumstances because there would be moral hazard associated with doing it. At the same time that ordinary

6 May 2015

people were being told that they could not have their debts written down by the banks we had bailed out, those same banks were writing down the debts of companies to the tune of hundreds of millions of euro and to the benefit of some of the richest people in the country, including the richest person in the country. There were three or four different deals from which he benefited to the tune of hundreds of millions of euros in writedowns paid for by the taxpayer.

Concerns expressed by the Minister's Department on foot of questions raised in this House at that time were simply covered up in the sense that the Minister did not bring those concerns to the attention of this House even though his own Department was saying it had concerns. Why has it taken years to drag this out of him instead of a Government that is supposed to be in favour of transparency coming before the Dáil and saying it had big concerns about what was happening with these writedowns? Why did the Minister not do that? This raises suspicions from the word go. When the Minister was finally forced to accept that there was something to look into, he got the insiders to do it. These are the people who were involved in this dubious sale - KPMG. It is unbelievable. He is asking people to investigate themselves. How can he seriously expect that to be a serious investigation?

Government Deputies piled into the Oireachtas Committee on Finance, Public Expenditure and Reform today to oppose a motion I put down that stated that the committee should ask some of the key players to come before it to answer questions. The Government does not want that either. Instead, it wants the insiders involved in the deal to investigate themselves. This is a joke and stinks to high heaven.

Deputy Liam Twomey: That is a lie.

An Ceann Comhairle: I am now calling on Deputy-----

Deputy Richard Boyd Barrett: I am not. Government Deputies piled in and then-----

(Interruptions).

An Ceann Comhairle: I ask Deputy Twomey to remain quiet. Deputy Twomey can reply when he is speaking.

Deputy Liam Twomey: He cannot even tell the truth.

Deputy Paul Murphy: Is it not unparliamentary to accuse people of lying?

Minister of State at the Department of Agriculture, Food and the Marine (Deputy Tom Hayes): I move amendment No. 1:

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

"notes that:

— following an independent review of the strategic options for the business and the level of debt in the company, the Irish Bank Resolution Corporation, IBRC, credit committee, in June 2011, approved for Siteserv to commence an orderly process to sell itself;

— IBRC was a creditor of Siteserv and had an interest in the maximisation of proceeds from the sale of the company to maximise the recovery on the company's debts to IBRC;

— the sale process was run by Siteserv along with their advisers, KPMG Corporate Finance and Davy Corporate Finance. IBRC appointed Walter Hobbs as its observer to the sale process. The Department of Finance was not involved in the sale process or any of the decisions taken during the sale process;

— on 15 March 2012, the IBRC board met and approved the sale of Siteserv to Millington;

— on 16 March 2012, given that Siteserv was a member of the enterprise securities market, the proposed disposal of the Siteserv business to Millington was announced to the Irish Stock Exchange;

— Department of Finance officials were not made aware of the details of the Siteserv transaction during their monthly meetings with IBRC management in advance of the decision of the board to approve the sale;

— following the introduction of the revised relationship framework, in April 2012, the board of IBRC commenced forwarding board packs and minutes of board meetings. The April 2012 pack contained the minutes of the meetings held on 20 March, 21 March, 28 March and 13 April 2012. However, there were no minutes included in the April pack of the meeting of 15 March 2012, which the Department of Finance subsequently learned, had occurred and had approved the sale of Siteserv;

— the first record relating to the sale of Siteserv which the Department of Finance received is dated 23 March 2012, and was an e-mail from a member of the public relating to media reports around the sale of Siteserv;

— following a review of the transaction, the Department of Finance had concerns about certain aspects of the transaction;

— the Minister for Finance met with the CEO and chairman of IBRC in July 2012 to discuss, among other matters, the concerns raised following the review of the Siteserv transaction. At this meeting, the chairman provided the Minister for Finance with strong assurances that the transaction, including those aspects of the transaction with which there were concerns, had been thoroughly assessed by the IBRC board and that they were satisfied that the transaction was managed in the best manner possible to achieve the best result for the State;

— the IBRC board had a fiduciary responsibility to the bank's stakeholders and so, in light of this legal responsibility, the chairman and the board would have considered and provided such assurances following serious and careful consideration; and

— the Minister for Finance accepted the assurances from the chairman of IBRC that the transaction had been thoroughly assessed by the IBRC board and that they were satisfied that the transaction was managed in the best manner possible to achieve the best result for the State;

acknowledges that:

— the Department of Finance had no role in the sale of Siteserv to Millington or any decisions taken during the sale process and they only became aware of the transaction after the proposed sale of the company was announced to the Irish Stock Exchange;

6 May 2015

— given the recent public concerns and questions raised regarding the Siteserv transaction, the Minister for Finance has directed the special liquidators of IBRC to review and report on all transactions, activities and management decisions which occurred between the date of nationalisation and the date that IBRC entered into liquidation, that resulted in a capital loss to IBRC of at least €10 million; and

— the Minister for Finance has also directed the appointment of retired High Court judge, Mr. Justice Iarfhlaith O’Neill, to monitor any actual or perceived conflicts of interests that may arise as part of this review; and

calls on Dáil Éireann to support the review which the special liquidators have been directed to conduct and which retired High Court judge, Mr. Justice Iarfhlaith O’Neill, will monitor for any actual or perceived conflicts of interest.”

An Ceann Comhairle: The next speakers are Deputies Patrick O’Donovan, Liam Twomey, Joe Costello, Regina Doherty, Tom Barry, Martin Heydon, Brian Walsh and Michelle Mulherin. Deputy O’Donovan is not here so the next speaker is Deputy Twomey.

Deputy Liam Twomey: In respect of the charge made by Deputy Boyd Barrett against the Government, it was explained quite clearly to him and I will not repeat it in the Chamber because the committee was discussing a matter in private session. He knows exactly what the reasons were and that they had nothing to do with Government Deputies piling in.

Deputy Richard Boyd Barrett: I do not accept the reasons and the Government Deputies did pile in.

Deputy Liam Twomey: If we use the Chamber to just throw wild accusations around, we will have a very poor quality debate in this House. If I came in and started accusing members of Sinn Féin of being involved in things because they happened to be associated with other things, it would not go down too well either.

Deputy Mary Lou McDonald: It happens regularly. There is nothing new there. Apparently, it is not a breach of privilege either.

Deputy Liam Twomey: No, because we have not accused it of anything even though it is always taking exception to something so perhaps I have hit a raw nerve.

Opposition Deputies are not clear what they want from this debate. They said today that they are looking for an inquiry to be carried out by the Oireachtas Committee on Finance, Public Expenditure and Reform.

Deputy Richard Boyd Barrett: I did not say “inquiry”.

Deputy Liam Twomey: They want an inquiry carried out by the committee over the next number of weeks. We now listen to them saying that they want a full inquiry, which they know will take at least two or three years. They should make up their minds if they are really serious about telling the people of Ireland that they offer credible opposition. What in God’s name do they want to offer them because right now that stands for nothing? It just stands for populist, ranting one-liners that possibly work for them but they certainly do not work when it comes to delivering a proper sense of governance for this country. We can decide that we do not want a rapid inquiry that will deliver by the end of August and that we want an inquiry that will go on for over three or four years, like those we were used to in years gone by, and that would prob-

ably report back to some Dáil in the future when we are all long retired.

Deputy Finian McGrath: That is not what a commission of inquiry is about. It is short and snappy.

Deputy Liam Twomey: Opposition Deputies need to make up their minds. The way a few parliamentary questions in 2012 are forgotten by the Opposition and the sudden righteous indignation in this Chamber undermines how we should go about our work. If there are serious issues here, we need to have a quick inquiry to look into them and, if necessary, move on to a much deeper inquiry. To stand up here and just throw out accusations against people undermines the entire process. Does Deputy Paul Murphy think that every official in the Department of Finance is a crook?

Deputy Paul Murphy: No.

Deputy Liam Twomey: Just the ones who deal with IBRC? It is so easy to throw it out. Opposition Deputies do not know what they want. They do not know what type of inquiry they want. Their accusations are shocking. It is shocking how easily they accuse people and throw their names out with no regard. Deputy Finian McGrath talks about trust in the system. Does he seriously think that trust in the system results from throwing around accusations in the Chamber knowing he is protected by parliamentary privilege?

Deputy Finian McGrath: I did not throw out any accusations.

Deputy Liam Twomey: It is really shocking. I have listened to this debate.

Deputy Finian McGrath: The Deputy is living in cloud cuckoo land.

Deputy Liam Twomey: Obviously, I am clearly hitting a raw nerve with somebody here and they realise that the quality of the debate is no better than the 24-hour news cycle. I hope we get more out of it. The Minister for Public Expenditure and Reform, Deputy Howlin, has reversed all of the changes made by the Fianna Fáil-led Administration to the Freedom of Information Act. At one point nobody could get any information under FOI about any State organisation because it did not suit the previous Government. It is because of the changes made by the Minister, Deputy Howlin, that all of this information is in the public domain and senior officials have been appointed to the organisations concerned to review what went on.

Deputy Boyd Barrett simply accuses people of wrongdoing and has no real interest in finding out the facts. He does not, in my view, really care what type of inquiry takes place. He believes he has done what he considers to be his duty to the people who elected him. We on this side of the House expect an awful lot more. We expect more from our Ministers and will expect more from the inquiry to be undertaken over the next number of months. The finance committee will support him in his proposal for a further inquiry if it believes that is what this country needs. I am certainly not going to hang anybody on the basis of the type of wild accusation that has been made here.

Deputy Joe Costello: I welcome this debate and compliment Deputy Catherine Murphy on her diligence in pursuing this matter over a considerable period. I also compliment the Minister for Finance, Deputy Noonan, on the speed within which he put in place the relationship framework. As soon as the matter came to his attention, he revised the framework to ensure he and the Departments of Finance and Justice and Equality would be consulted in relation to

6 May 2015

the future disposal of assets. It is worth noting that the Minister did so within two weeks of the sale of Siteserv.

It is a pity that Fianna Fáil did not put in place a mechanism to ensure the Minister and Department of Finance would be consulted about the sale of substantial assets. Had it done so, all of the matters now arising would have come to the attention of the Department at an earlier stage and would have been addressed. It is important to recognise that the chairman of the board and the board, which had fiduciary responsibility in this regard, were appointed not by this Government but by the Fianna Fáil-led Administration. There is no record of anything wrong having occurred in this case. At the same time, serious questions and issues remain to be addressed and reviewed. I am delighted that a process has been put in place to review why a €150 million asset was disposed of for €45 million, which is a two third write-down, and the reason the minutes of only three of the four meetings held in March, excluding those of the meeting on 15 March, were not supplied to the Minister in April. It is incredible that should have happened. There are questions to be answered in regard to why and how this happened.

On the appointment of the special liquidator, KPMG, while I would have preferred if an alternative company had been appointed I accept that one of the benefits of appointing KPMG is its ready access to the documentation and records which will enable this matter to be dealt with rapidly, thus allowing the Minister to set the month of August as the timeframe within which the review is to be completed and a report made available. I am reassured by the appointment of former High Court judge, Mr. Justice Iarfhlaith O'Neill, who is of unblemished character. However, as I said earlier I would have preferred that the review not be undertaken by the company engaged as the special liquidator for IBRC.

Regardless of what is proposed in this motion or what anybody says it would not have been possible for a commission of inquiry to report within 12 months, because as a commission of inquiry allows for lawyers to act on behalf of parties under investigation or likely to be questioned an inquiry could be delayed for a considerable period. While a commission of inquiry is laudable the proposed mechanism is the only one that ensures completion of a review and report prior to the next election. The Minister, Deputy Noonan, should be complimented on ensuring that this is the case. If we had accepted the recommendation from Deputy Fleming in relation to the establishment of a commission of inquiry there would have been no chance of us having a report until after the next election.

The Minister has indicated that he will refer the report to the relevant committees of the House. The Taoiseach previously indicated that his preference is that the matter be looked into by the Committee of Public Accounts. However, that has proven difficult. I believe it would be appropriate for the report to be referred to the Committee of Public Accounts because it has a special role in regard to the spending of taxpayers' money and any misuse or abuse in that regard is a matter of considerable relevance to it.

Deputy Regina Doherty: The motion on today's Order Paper for this evening's Private Members' business is interesting. The so-called "concerns" and "dissatisfaction" of Fianna Fáil, as set out in the motion, in regard to trust between IBRC and this Government can only be described as ironic and somewhat sardonic.

I will stand in this Parliament and on the streets of my constituency any day of the week and say that this Government and the Department of Finance had no role in the sale of Siteserv to Millington. The facts bear this out. No amount of mud slinging can change those facts. I

do not say this in defence of the Government or the Department of Finance, but rather to state the facts which are presented to us with regard to the dysfunctional relationships that existed between the Fianna Fáil-led Government and former Anglo Irish Bank and Irish Nationwide, including a culture of turning a blind eye and a widespread disregard of procedures. I do not need to remind anybody that Fianna Fáil pumped €34 billion of taxpayers' money into Anglo Irish Bank, which money we will never get back.

At the point in time when the IBRC board approved the sale of Siteserv there was no requirement on it or its management to consult with the Minister for Finance and so they did not. One might ask why this was the case. It was because the relationship framework put in place by the Fianna Fáil-led Government did not require the management of IBRC to negotiate or report back to Government. It is highly amusing to hear Fianna Fáil lecture this Government and the Department of Finance from across the Chamber when it was Fianna Fáil that was front and centre of a relationship framework that gave free reign to the banks who played a central role in our economic crash. It is Fianna Fáil who gifted the €34 billion of taxpayers' money to Anglo Irish Bank in "the good times" and is now trying to lecture this Government, which has reduced the borrowing requirement of the people of this country by €50 billion over the next decade, including €10 million in cash savings.

Fianna Fáil is the symbol of a culture of brushing under the carpet the considerable and real issues caused by the banks in the name of short term large profits at the cost of our economy, confidence in our political system and most definitely our reputation on the international markets. It is Fianna Fáil's response to the banking crisis that brought this country to the cusp of bankruptcy.

Deputy Charlie McConalogue: What way did the Deputy's party vote?

Deputy Regina Doherty: The sheer irony of its Private Members' motion is not lost on anybody inside or outside this House.

It was Fianna Fáil's response to the banking crisis that saw families and businesses across Ireland rather than the bank's creditors bear massive losses. That was the Fianna Fáil way. It is because of these Fianna Fáil responses that the cost of private failures were shoved onto the taxpayer, which later became a condition of the 2010 bailout programme into which it, while sleep-walking, walked this country.

This Government has always prioritised reducing the cost to the taxpayer of Fianna Fáil's failed bailout. In 2012, the Minister for Finance replaced Fianna Fáil's relationship framework, which is now considerably more intrusive, to allow for complete transparency. It is this transparency that would have avoided the billions lost to our economy at the hands of the Fianna Fáil-led Government. Let that not be forgotten. Nobody in this House has forgotten nor has anyone outside it.

8 o'clock

This Private Members' motion comes with comes with an unpleasant odour of irony by Fianna Fáil, given its track record of dealing with our banks. We all know that this motion is nothing more than a cheap attempt by Fianna Fáil to gain some or any political momentum, given its continuous becalming in the polls. What Fianna Fáil members do not realise is that the electorate is far more sophisticated today than was the case prior to the crash in 2010 and 2011. The constant reminder of that legacy for this generation sits in the corner of all our wage

6 May 2015

slips, the dreaded USC, a constant reminder of the taxpayers' money that Fianna Fáil robbed from every single working person in this country in order to pay for the bailout which Fianna Fáil said at the time would be the smallest, cheapest bailout. That seriously backfired.

In 2011 this Government pledged to wind down Anglo Irish Bank and Irish Nationwide Building Society. This is currently under way in a way which will strengthen our economy and safeguard us from any future crises. I support fully the Minister for Finance's appointment of the IBRC special liquidators to review and report on all transactions, activities and management decisions in a very timely manner. I further welcome his appointment of retired High Court judge, Mr. Justice O'Neill, to monitor the review. I refer to the person whom Fianna Fáil chose to put in charge of the winding down of IBRC. Given his legacy of putting the country before his party and because of his integrity, there will be nothing to see when this report is issued in August.

Deputy Tom Barry: I have listened to speakers in this debate and I am astonished at the level of detachment on the part of Fianna Fáil. The Minister met with IBRC and was assured that under the old framework put in place by Fianna Fáil, there was no monetary threshold for any sale of assets. IBRC was mandated to effect an orderly running down of the old Anglo Irish Bank. Wild accusations are being heard tonight because sufficient value was not received. What do Members opposite think is the job of a liquidator? Liquidators wind down institutions usually for less than the value one would expect. People are talking about foreign investors but I do not see any of them jumping up and down. When the Minister saw that Siteserv was being sold, he decided to monitor the situation and to look for a new relationship framework because he wanted to be part of the decision-making. It is a huge improvement and I cannot see why the Minister's anxiety to ensure everything is done properly is regarded as a fault.

It is not right to allow a situation where the Minister would not be briefed. IBRC has fiduciary responsibility and must ensure that its actions are correct and are within the law.

I refer to one of the first Bills enacted by this Government, the white collar crime Bill, which was put in place because of the mess of Anglo Irish Bank. People were trying to dig through the mess created by Fianna Fáil.

The Minister has appointed special liquidators and is confident that they will get to the bottom of the issue. Mr. Justice Iarfhlaith O'Neill is presiding over any conflict of interest that may occur. People will have faith in the fact that this review will be credible and will not cost the country a fortune. However, when that review is completed, the Minister has not ruled out further action, which leaves the door open. We should await the review and judge it on its merits. The Minister has said that this review will be presented to the Joint Committee on Finance, Public Expenditure and Reform, of which I am a member. I am sure we will all have something to say about it.

I advise Members to await the review and the facts of the matter before making charges and wild accusations, as have been made tonight and which are unbelievable. Accusation after accusation has been thrown at the Government in order to make political gain. It cheapens this House and most certainly does not help. People are insinuating that something wrong was done when they have no proof to back it up.

When the Fianna Fáil Government shut down the sugar industry, not one Fianna Fáil member was shouting for a review in that case or asking what went wrong. The closure broke the

backbone of where I live. Fianna Fáil is shouting about foreign investors. Why did it not support the people who were making a living in an indigenous industry that it ruined and got rid of?

I refer to the allegations that KPMG cannot do its job and such allegations are a slander on Mr. Justice O'Neill who was appointed to ensure that everyone's role is respected. The House is being used as a platform for allegations. It is a case of let us throw enough mud and see how much sticks. Fianna Fáil is mixing up the liquidation process with mortgage evaluation. I ask the Members opposite to remember we have a terrible mortgage crisis because Fianna Fáil was in government for a long time. I know the party has apologised. However, it should not mix up trying to deal with mortgages with the liquidation process because they are two separate items.

I look forward to this review being presented to the Joint Oireachtas Committee on Finance, Public Expenditure and Reform. At that time, I look forward to us discussing it once more. If all the facts are presented and if the Minister's assurances are correct, there will be no more to say on the matter. Until then I will reserve my judgment.

Deputy Martin Heydon: I will summarise tonight's Private Members' motion. The Fianna Fáil motion states that there are questions about how IBRC handled the sale of Siteserv and other sell-offs. Fianna Fáil failed to mention that the sale of Siteserv was carried out under a relationship framework which its Government introduced and set up. Fianna Fáil is saying that the framework it set up for how IBRC and the Department of Finance would engage was, in some way, deficient. The Fianna Fáil motion relates to a breakdown of trust between Department officials and those on the board of IBRC. Surely a decent framework agreement, if properly established, would transcend any personalities involved.

The summary of the Government counter-motion is that the Department had no role in the sale of Siteserv under the old Fianna Fáil framework. This Government introduced a new, more robust framework to replace that of the previous Government. Given the public concerns, the Minister, Deputy Noonan, has directed the special liquidators of IBRC to review all transactions, activities and management decisions which occurred from nationalisation to liquidation, to be monitored by retired High Court judge, Mr. Justice O'Neill, in case of any actual or perceived conflicts of interest.

In the context of this debate, it is important to remember that the previous Fianna Fáil Government pumped €34 billion of taxpayers' money into Anglo Irish Bank which we, the taxpayers, will never see again.

This is the Fianna Fáil Government whose then leader and Taoiseach in 2008 played golf alongside FitzPatrick, the head of Anglo Irish Bank, when rumours of the bank's demise were circulating. He apparently never asked, "How's business, how are things going?" When word of this golf game became known, there was a suggestion that perhaps the then Taoiseach was aware of the situation but he stuck his head in the sand. However, it seems it was a far greater thing for us to be assured that the Taoiseach never asked that question when concerns were rife.

What would Fine Gael have done if it had been in power on the night of the bank guarantee? As a public representative, I would have hated to have been in that room and having to make any decisions with a gun to the head, as was the case, which would have such implications for the future of the country. However, I am damn sure that if Fine Gael had been in power then that night would have never come because we would not have had our heads in the sand like the previous Administration. The period of light touch regulation and lazy governance cost this

6 May 2015

country's citizens a huge amount and much more than just in monetary terms. We have since seen the prudent management of our State's finances by the Minister, Deputy Noonan, and the Minister, Deputy Howlin, helped in no small way by the perseverance of the public. Already this Government has succeeded in reducing the interest rate on the European loans provided under the bailout programme. It has secured an agreement to extend the maturity of European loans, replacing the promissory notes with long-dated government bonds and replacing over €18 billion of IMF loans with cheaper market-based funding.

This Government reduced borrowing requirements by €50 billion over a decade, including €10 billion in cash savings. IBRC, the wind-down vehicle of Anglo Irish Bank and the Irish Nationwide Building Society, was liquidated as part of the deal to restructure the onerous promissory notes. We do not hear talk of promissory notes any more because they have been taken out of the vocabulary. We inherited those promissory notes from the previous Government. Restructuring led to stabilisation of public finances and a clean exit from the bailout without a precautionary credit line.

Those in Fianna Fáil have some neck to criticise one of the many messes they left this Government to clean up under their framework structure. The public can rest assured and can have full confidence in this Government when it comes to handling matters of a financial nature where the State is concerned. Our track record in restoring the public finances in the past four years is proof of that.

If Fianna Fáil did one good thing in the past it was the appointment of a man of integrity and a fantastic track record of service to this State to oversee IBRC and the wind-down of the bank. I have no doubt that Alan Dukes and the board of IBRC carried out their fiduciary duties with great integrity and I expect there to be nothing to see in this matter.

Fianna Fáil wants a full inquiry that would take years and cost the taxpayer far more. This Fine Gael Government has basically offered a quick investigation that will report by August. We know how much previous inquiries initiated by previous Fianna Fáil Governments have cost and how long they have gone on for. The one thing we know from this motion is that if Fianna Fáil got back into power we could expect more of the same in future.

Acting Chairman (Deputy Jack Wall): Deputy Brian Walsh has three minutes.

Deputy Brian Walsh: I thought I had a little more than three minutes. Anyway, it has been difficult to listen to Deputy Micheál Martin and his colleagues in Fianna Fáil pontificate and criticise us this evening. Let us be clear. The only reason we are debating this issue is because the Minister changed the relationship framework put in place by Fianna Fáil. Under the Fianna Fáil-negotiated relationship framework there was no requirement for the board of IBRC to consult the Department of Finance or the Minister and it was particularly difficult for the Department to investigate any transactions. Let us make no mistake about it. We would not be in the House debating this issue tonight had the Minister not strengthened the relationship framework, since this allowed him to examine these issues. He went a step further and decided to avail of the new relationship framework to investigate retrospectively the decision of the board of IBRC, a board appointed by the Fianna Fáil Cabinet at the time, including Deputy Micheál Martin and Brian Cowen. The criticism of the Minister for Finance, Deputy Noonan, that I have listened to tonight is entirely unjustified, unwarranted and unfair.

Reference has been made tonight by members of Fianna Fáil to the €105 million of losses

on this particular transaction. It is true that €105 million is a considerable amount of money, but there was no mention of the fact that this was €105 million of €34 billion lost by Anglo Irish Bank or IBRC during Fianna Fáil's reign of office and under the catastrophic mismanagement of the economy that the Fianna Fáil Government oversaw.

Do they not realise the commercial reality of the case? The fact is that a significant number of the losses in banks were created because the banks decided to dispose of assets at a figure far below the value of the loan. That is what has created the losses and that is why Fianna Fáil had to introduce the bank guarantee and create the bad bank and NAMA. It was to crystallise the losses in the Irish banks.

Some of these Members came to the House to speak on a Private Members' motion on mortgage arrears last week. They were critical of the Government, suggesting that it was not forcing the banks to write off mortgage debt for individuals caught in the spiral of rising house prices, and rightly so. They were right to ask and force the banks to do that. However, when the same principle is applied to commercial entities, as in this case, they are critical of the Government.

I thought I had more time. Anyway, the criticism of the Minister in the debate tonight is very unfair. He acted prudently when he strengthened the relationship framework. As I said earlier, the only reason we are in the House discussing this matter is because he strengthened the relationship framework. That allowed departmental officials and the Minister's office to investigate these transactions.

Deputy Andrew Doyle: I welcome the opportunity to speak briefly on this matter. Like the Leas-Cheann Comhairle, Deputy Michael Kitt, I was in the House in 2008 when the infamous night of the bank guarantee came to pass. I recall how we were all overwhelmed with shock and, to a certain degree, panic. None the less we tried to salvage what was a disastrous position. It is ironic that in another part of this House there is an ongoing inquiry into the banking crisis, a proposal regarded cynically by some people opposite when it was established. However, it has proven to be very effective and it is to the credit of all members of that committee that it is carrying out its functions so diligently. Following the bank guarantee we saw the establishment of IBRC and then €34 billion was pumped in. The obligation on IBRC was to redeem as much of that money as possible in the interests of the taxpayer.

The chain of events is well documented. When concerns were presented in 2012 about the sale of the Siteserv, the responsible civil servants could have done what civil servants and Ministers are sometimes accused of doing, that is to say, they could have said the relationship was already set up and there was nothing they could do about it. Instead, the Minister and his Department officials acted. It would be interesting to know whether, in respect of the relationship arrangements being set up in July 2009, senior officials in the Department of Finance were given any opportunity to express a point of view. It would seem they were told that it was being done in a given way, although I have no proof of that. I can understand that to a certain degree the rationale was to keep at arm's length the workings of IBRC from any political interference from any Minister of the day, and for good reason. Instead, the Minister and his senior officials took an active and concerned interest in what went on. It was sometimes heated. On foot of a review in June 2012 they got assurances from the then chief executive and chairman, who had a fiduciary responsibilities and had to take those responsibilities seriously.

We are now moving on to what is probably going to be a quick and efficient method of trawling through the records. This will be overseen by a reputable former member of the

6 May 2015

Bench. If anything comes out of that then let us have a full inquiry, but what is the point in kicking something into an inquiry that will have no result until this time next year, or perhaps beyond, and at a considerable cost, when the facts are clear? Any facts or concerns raised were presented or divulged by the Minister and his officials.

Acting Chairman (Deputy Jack Wall): Deputy Michael Kitt is next. The Deputy has five minutes and is sharing time with Deputies Keaveney, Catherine Murphy and Charlie McConalogue.

Deputy Michael P. Kitt: I welcome the opportunity to speak. I commend Deputy Sean Fleming on proposing this motion and calling for an independent commission of inquiry to examine the circumstances surrounding the sale of Siteserv and other companies by IBRC.

I have listened to some Government Deputies. I remind them that when public meetings are taking place throughout my constituency, whether the issue is crime, housing, agriculture, education or health issues, people are raising questions about the shortage of money for various projects. People are beginning ask about the taxpayers' loss of €105 million on account of Siteserv.

The bank guarantee has been mentioned. However, if I were to tell people at these meetings that the problem was the relationship framework or that the Minister was going to change the relationship framework I would be laughed out of court. I imagine this is the reason Government Deputies do not refer to the relationship framework when they attend public meetings.

I will set out an example. Last night I attended a meeting with my colleagues in east Galway in respect of a proposal for a new primary school in County Galway, a school first sought over 15 years ago. It has been on the list for construction twice and has been twice taken off the list, something that might merit an investigation on its own. People raised the issue of funding, because funding is needed. Unfortunately, however, the taxpayer must fork out money in respect of Siteserv. The fact is that in 2012 Siteserv owed €150 million to IBRC and, in the same year, IBRC sold Siteserv for €45 million. As our motion states, some bidders and external trade buyers were excluded from the sale. Of course, the major concern among many people is the fact that Siteserv shareholders received €5 million at the time of the sale. We need to have a fully independent commission to examine the circumstances surrounding the sale of Siteserv and other company sell-offs by IBRC to ensure the interests of the taxpayer can be fully protected in a transparent way.

The Tánaiste, Deputy Joan Burton, said, "I want to see all of the relevant information made available and published." I wonder if other members of the Cabinet share the Tánaiste's views and whether all of the various authorities agree with her, because that certainly does not seem to be the case. Deputy Catherine Murphy asked the Minister, Deputy Noonan, in a parliamentary question, whether he was aware that share acquisitions may have arisen as a result of privileged information in regard to the sale and what the Irish Stock Exchange had done by way of investigation. The reply, I understand, was that the Department does not have a role in investigating allegations of insider trading. Therefore, we see both the Minister and the Central Bank saying it is a matter for the regulator of the market - in other words, the Irish Stock Exchange - yet we do not really get a reply. I was interested in *The Sunday Times* report in which the Office of the Director of Corporate Enforcement was asked if it had ever investigated allegations of insider dealing at Siteserv. The answer was that it was not policy to comment. Again, there is no reply. Given the controversy - the shareholders getting a €5 million payout and the taxpayer taking a

€105 million loss - there is a clear public interest argument as to whether the share trading was ever the subject of an investigation.

This is why we need a full investigation. If we are to have a review, then, as most commentators have said, it is not appropriate for KPMG to carry out the investigation, as this company was one of the financial advisers to Siteserv when it was sold for €45 million in April 2012. Surely the purpose of the review should be to restore confidence in the manner in which deals involving huge amounts of public money were conducted by IBRC. The Government has missed an opportunity by not having an independent commission. In fact, this is a classic kick to touch. Many people have now questioned whether the Department of Finance would be kept fully informed if there was another sale process. I also wonder whether freedom of information requests can continue during this investigation.

I will finish by quoting Professor David Farrell, UCD professor of politics, who said the controversy highlighted two major weaknesses in our political system. The first, he said, was “a Government that is not held adequately to account by parliament,” and the second was “a mindset that privileges secrecy over openness”.

Deputy Colm Keaveney: The Moriarty tribunal report, which was delivered early in 2011, almost simultaneous with the formation of the current Government, contained very serious findings against two named individuals, a former Fine Gael Minister and a prominent businessman. There was much pious rhetoric in this House and much hullabaloo about what was going to be done in the next four years and in the programme for Government. One of the key commitments in the programme for Government was that there was going to be a democratic revolution. The public were reassured that this democratic revolution had been proclaimed to ensure there would be accountability and transparency, and that the sins of the past would never happen again.

As with much else over the course of the last four years, the Government parties took the sayings and doings of Government for granted. It has insisted that we judge it on its words, not on its actual intentions, and it has ignored its commitments, particularly with respect to the most vulnerable people. Within months of taking office, the Government oversaw the beginning of several significant sales of State assets through contracts within IBRC, with the writing down of large amounts of debt - initially, debt indirectly owed to the State's own citizens. Many of these dealings involved a businessman named in the tribunal report in 2011. In my view, this constituted a profound failure of Government, a failure of public policy and a failure of constitutional policy. It demonstrated a lack of prudence and oversight by this Government in terms of a re-engagement one month after the publication of the Moriarty report. Why was the State, under the Government, being permitted to involve itself again in dealing with a person named in the Moriarty tribunal? One cannot fault a businessman for wanting to make a profit, but one has to fault a Government for failing to have proper oversight.

This is a Government that accepted the terms of the Moriarty tribunal. Once bitten, twice shy. What we have seen is something that is far from shy. We can all remember the Taoiseach proudly standing for photo opportunities with that same business person. We had a situation in which Ministers, particularly in the Fine Gael Ministries, were happy for their Departments to have a critical role in overseeing deals with respect to the changes in society and the offloading of assets through IBRC.

We can see it here tonight. I know the backbenchers in the Government are very sensitive

6 May 2015

about allusions to words and commitments, and they tread very carefully around that. There is a famous incident in a Sherlock Holmes story concerning the curious incident of the dog in the night-time. What we see here is the absence of the bark of a dog. We have seen it too many times; we see it in every incident. It involves the failure of the dog to bark, to stop and make sure this did not happen again. We cannot be surprised with the actions of Fine Gael. They act according to their nature, their instinct. The fable of the scorpion and the frog comes to mind immediately. Incidentally, Labour should realise that it is the frog and the scorpion is stinging it on this one. It is clear that the scorpion will drop the frog when it has injected its poison.

The last Fine Gael-Labour Party Government saw the single biggest act of corruption in the history of the State, whereby a State asset acquired through corruption ended up massively in the control of one businessman in this country. At that time, the Labour dog failed to bark, and history is repeating itself here tonight.

Siteserv owed €150 million to IBRC - that is to say, it owed €150 million indirectly to the State and its citizens. It was eventually sold at a discount for €45 million. As part of that sale, curiously, €5 million was used as an incentive to ensure the sale took place with the current bidder. The Department of Finance was mystified and concerned at the time about the €5 million, which is documented and has been clearly evidenced in this House. Other bidders were excluded from the process, including bidders who were prepared to bid more. In fact, they were excluded from engagement in the bidding despite the fact that they were bidding an additional €10 million or €15 million. That is not understood in this House to be prudent political oversight.

The successful bidder, we are told, was favoured because he was willing to waive any due diligence and to effectively buy the company on the blind. It is extraordinary that a company should be willing to spend €45 million on a pig in a poke, on a company that was flatlining, with a penny stock. Of course, it turned out to be a very fortunate purchase and, in fact, it was a blind sale that was a wonderful gamble. I know the Acting Chairman is prone to the odd gamble, but this was one of the best blind sale gambles in this country. This is a company that landed on its feet. There was no due diligence, it put €45 million on the table and there was a kickback of €5 million to the shareholders.

Of course, Siteserv is only one of many companies that were sold off. Questions are now being raised with respect to other deals that took place involving IBRC. That is why it is critical that we have a full and open commission of investigation. The Minister will no doubt continue to prevaricate around answering questions. I was alarmed to hear Deputy Catherine Murphy raise over the course of the weekend the possibility that obtaining freedom of information data in the coming months will be highly unlikely as a consequence of the construct of this investigation.

In all of this, unfortunately, the Labour Party has turned its blind eye. It has done it before as a result of a significant decision around State assets. Labour Party Members cannot continue to keep their hands clean. It simply is not possible, because the public are aware of what is happening. They cannot, by absenting themselves from this discussion, wash their hands of the sins happening here and turn a blind eye to IBRC in the context of what is clearly the creation of a Fine Gael baby. The Labour Party turned a blind eye to the construct of IBRC. It was a monster which became unaccountable, and it was the Minister for Finance who was the significant shareholder who, by default, hid behind that monster. The Government cannot turn a blind eye to the situation and I appeal to the Labour Party to grow a pair and to stand up for decency.

Deputy Rabbitte murmured an alarm and would have had conniptions on this side of the House. The only conniption we have seen with respect to his actions was to control the dominance of one business owner in this country with respect to private print and broadcast media by the State. It is not in any way a negative comment to the journalists who work in this House. They are some of the finest people I know, but they must find it very difficult to file copy tonight on this debate.

The Tánaiste made noises on Siteserv and called for the relevant information about the sale to be brought into the public domain. She seemed at times to be in favour of an inquiry. Instead, however, she has quietly gone along with the farce Fine Gael is now proposing. That involves a massive conflict of interest for a body being called in to review a conflict of interest because it is in the middle of it. It is disgraceful. There is nothing surprising when it comes to Fine Gael because it is abusing the position of the Labour Party in this respect. We are learning the hard way in Irish politics because the Labour Party is quite content to go along with the right-wing instincts of a Government and party which are, for the second time in my generation, going to enrich the richest people in this country by arranging these sorts of deals.

This is happening at a time when the Cabinet, in the context of low income earners, will meet to discuss putting attachment orders on families who are struggling day in and day out. There are people who cannot pay their bills, including those from Irish Water, but will have money taken directly from their social welfare payments, regardless of the impact that will have. Those who have a financial interest in Irish Water will hope that decision will go down well because Irish Water desperately needs reassurance with respect to EUROSTAT on how it will secure revenue. It will come at any cost, which will mean carpet bombing the most vulnerable people in society.

Those who exist on social protection, lone parents and those who have a few bob at the end of the week to survive will be central to a Cabinet decision about cuts to child benefit, payments for those aged under 26 years and other cuts that the Labour Party promised to safeguard against in government. The motion offers it the opportunity to redeem itself. It should support a fully independent inquiry into the sale of Siteserv, other companies, IBRC and all the transactions that have taken place. An independent commission is needed. I commend Deputy Fleming, who proposed the motion.

Deputy Catherine Murphy: I thank Fianna Fáil for tabling the motion and allocating me some of its speaking time. While Siteserv is at the centre of this controversy, it is part of a wider set of issues.

I want to refer briefly to an article in *The Sunday Times* from last Sunday. It states that in summer 2011, around the same time as the decision was made to sell Siteserv, Sierra Support Services, a Siteserv subsidiary, started preparing a bid for contracts to install water meters. Siteserv already had a contract with Bord Gáis to service boilers. According to Sierra's managing director the company began hiring water meter specialists in mid 2011. Siteserv was haemorrhaging cash and owed IBRC and the taxpayer €150 million, yet was planning for the future which involved water metering.

On 26 July 2013, a Sierra joint venture, GMC Sierra, won three contracts, worth €62 million each, to install water meters for Irish Water. To understand that, one has to go back to June 2011 when the sales process for Siteserv, led by Siteserv itself rather than an examiner, was commenced. IBRC took a hands-off approach despite being owed €150 million. A sales

6 May 2015

team was assembled, comprising Walter Hobbs, four Siteserv executives and board members, Davy Corporate Finance and KPMG. Somewhere along the way a decision was made to exclude trade buyers. Some 50 candidates were whittled down to nine expressions of interest in November 2011. On 11 November 2011 those interested parties were contacted and asked to sign a confidentiality agreement.

Once they were signed, an information pack about Siteserv was sent to potential bidders. This allowed for due diligence and there was a deadline of 5 p.m. on 7 December 2011, a date which should be remembered because it is important. Parties were informed that the sales team wanted the entire process to be concluded by mid-January, which was quite hasty. We now know that Millington, which was the eventual bidder, was not incorporated until 7 December 2011. Given that the entity did not exist, how could it have undertaken the three week due diligence period required of the other bidders?

Millington could not have signed a confidentiality agreement in November 2011, nor could it have received a Siteserv information pack because it did not exist at the time. If Millington was able to make a bid later in the process than all other bids, how did it come by the information it needed to make the bid? These things are not made on the back of an envelope. Who gave it the information?

It is possible that Millington used a proxy to obtain that information on its behalf. If so, how does that sit with confidentiality agreements? Given that Millington only came into existence on 7 December, the same day as the deadline for the first round of bids, how can we find out how soon after that Millington made a bid? Did that bid follow the 16 point checklist required of the other bids or was it a three page submission to which Mr. Dukes referred when he confirmed that Mr. O'Brien had advance knowledge of the sale?

Acting Chairman (Deputy Jack Wall): Deputy, you must not use people's names.

Deputy Catherine Murphy: Various sources involved in the process have indicated to me that they always felt that all bidders were not playing from the same starting line. In the information pack sent to prospective bidders who had signed confidentiality agreements it stated that it should be assumed that the company will be acquired on a debt free and cash free basis, yet I have had strong indications that when Siteserv was sold to Millington it had €10 million on its balance sheet, a combination of cash and debtors, something which has to be inquired into.

We now know that Millington paid €40 million to IBRC and €5 million went to the shareholders of Siteserv in order to get them to agree to the deal. Yet others involved in the process clearly said they would have paid more. When a person from Altrad, a trade buyer which was excluded from the bidding process, turned up at the shareholders' meeting on 5 April 2012 the person commented that they wondered about the confidentiality aspect of the deal. It was said that if one looked at any of the acquisitions it made, it kept everything in total confidence.

He went on to dismiss claims by Siteserv that there was only a slim chance that Altrad would stick with the higher bid. He said that the reality was that with the synergies it had with Siteserv, €60 million would have been a low bid, but that was his company's opening bid. If an open fight had been taken place and people with synergy had been allowed in, the deal could have gone well beyond €60 million.

Another point that leads to a question is share activity. At the start of November 2011, the share price for Siteserv was 3.5 cent, yet over the course of the month as the supposed con-

fidential process intensified, the purchasing of Siteserv shares increased 53 fold. The review the Minister has commissioned is to be undertaken by Kieran Wallace of KPMG. It cannot be considered to be independent, no matter how much one tries to stretch the imagination. It led the sale and represented the personal interests of many of the key players involved in the sale, and Kieran Wallace led the liquidation of Siteserv plc. The Siteserv special liquidator's report was signed off by him and he was the one who distributed the €5 million to the shareholders when it was formally signed off. A map of almost all the key players in the Siteserv saga leads back to one place and that is KPMG. Let me read a list. The chairman of Siteserv during the sale is a consultant and company director with KPMG. Robert Dix, a non-executive director at Siteserv, was a partner in KPMG-----

Acting Chairman (Deputy Jack Wall): Deputy Murphy should not be referring to names.

Deputy Catherine Murphy: We have to be able to create these links.

Acting Chairman (Deputy Jack Wall): Please do not refer to names.

Deputy Catherine Murphy: The independent person appointed by IBRC was himself a former director of IBRC. The person who acted for Davy in the sale and now works in the shareholder management unit at the Department of Finance was a former KPMG employee. KPMG's Kieran Wallace and Eamonn Richardson were sued by Mike Aynsley, Tom Hunersen and Richard Woodhouse, following the winding up of IBRC.

KPMG's own global code of conduct states specifically that it must maintain independence and objectivity and avoid actual or perceived conflicts of interest. By having KPMG undertake this process, it has undermined the process right from the word go. Of course, KPMG acts for the person who owned the process as auditor in Topaz, Communicorp, Independent News and Media and the Beacon Hospital.

There are other elements of the Siteserv transaction which need to be explored and which the terms of the review do not cover. For example, the *Sunday Independent* reported that it asked the CEO of Siteserv at the shareholders' meeting on 5 April 2012 whether the CEO had significant personal borrowings from IBRC. It is essential that any inquiry take a look at how those loans played out after the process and after a significant amount was paid to him. The ultimate buyer of Siteserv was one of the largest debtors of IBRC. His loans had expired and he had apparently written to Kieran Wallace in his role as special liquidator seeking the same terms IBRC had allowed him, which was to pay off his loans in his own time at low interest rates. When a loan expires, one expects a penalty to be put onto it, not a discount. My understanding is that it was costing IBRC 7% for its money, significantly higher than the 1% NAMA was borrowing at. Even if Denis O'Brien's loans were eventually paid off in full-----

Acting Chairman (Deputy Jack Wall): I have asked the Deputy three times not to mention names.

Deputy Catherine Murphy: The interest rate represented a subsidy. I cannot understand why this is not a factor, given that more money would have had to be borrowed to purchase the company. As I understand it, it was the State-owned AIB which put up the money for the purchase of Siteserv to Millington. I must say I find it really astonishing. Surely it is clear that the proposed review is not only conflicted; it is just not wide enough to give a true picture. KPMG should really recuse itself from the process because this will damage its reputation. This is not an independent review and it is essential that one is held.

6 May 2015

Deputy Charlie McConalogue: I commend the motion to the House and thank Deputy Fleming for tabling it. I also commend Deputy Catherine Murphy on the work she has conducted, which has been very important in bringing the matter to a head and bringing it to public attention. The public has a right to be concerned about how the Government is dealing with this issue. The Government should ensure there is a proper investigation to assess what happened and to give confidence that everything was above board. Unfortunately, the Government has not done this. There is an often used phrase that justice must not only be done, it must also be seen to be done. In respect of that key principle, the Government is starting off on a very poor footing. Much was made by earlier speakers of the move by the Government to introduce a new operational framework between the Government and IBRC. Many attacks were made on Fianna Fáil and other Members on this side of the House. When speakers become so adamant about shooting the messenger, one begins to understand that they must have a particularly big problem with the message.

In his speech, the Minister for Finance indicated that the revised relationship framework and operational protocol was actually a condition of Ireland's third review under the EU-IMF programme of financial support. Despite all its backbenchers lauding the Government tonight, we see in the Minister's own speech that the rationale for this action was that the EU and the IMF told the Government it should do it. Following the agreement of that operational protocol, IBRC was required to provide certain documentation and consult with the Government on big decisions. We see that it forwarded board documentation to the Government - for example, on 20 and 21 March and afterwards. However, the meeting in which the Siteserv deal was done took place five days before IBRC started providing the information. Again, that raises questions which need to be answered for confidence to be restored.

The Minister, Deputy Noonan, also indicated that he is appointing KPMG, the special liquidators, because, in his words, they are best placed to undertake such a review thoroughly and expeditiously, given their access to all books and records of IBRC. If one was to use that rationale, each company would be allowed to audit itself because it already has its own books. That is no basis on which to decide who should be appointed as an auditor or to conduct an investigation. It defies logic.

At the end of his speech, the Minister said that, depending on the findings of the review, further investigations will be initiated as and if appropriate. What needs to happen from the outset is a proper investigation to restore confidence and ensure that the public interest is served. When IBRC was established it had €30 billion of funds. By the time it was liquidated, there was €13 billion. If there are question marks over each of those decisions, there needs to be a genuine mechanism in place to assure the public and give confidence. Unfortunately, the oft-quoted remark from the Taoiseach that Paddy likes to know what is going on has not been a hallmark of how the Government has conducted its business. We are seeing that again in the Minister's approach to this issue, which is not what the public requires and not what a Government that is genuinely addressing an issue should be delivering.

Deputy Paudie Coffey: I thank all Deputies who have made a contribution to this evening's discussion. Having listened to the debate, the Minister for Finance is of the view that there is some common ground on both sides of the House in this matter. We are agreed to various degrees that in light of the recent concerns raised before the Houses of the Oireachtas and elsewhere regarding the Siteserv transaction and the public discourse it has caused surrounding the handling of other transactions undertaken by IBRC, a review into certain transactions is needed to serve the public interest. This review and subsequent report will evaluate whether there is

any evidence of material deficiencies in the performance of their functions by those acting on behalf of IBRC, including the board, directors, management, employees and agents of IBRC and whether it can be concluded that any of the transactions were not commercially sound.

The Minister for Finance has directed the special liquidators of IBRC to review certain transactions which occurred between 21 January 2009, the date of the nationalisation of IBRC, and 7 February 2013, the date of the appointment of the special liquidators to IBRC. The review will cover transactions that resulted in a capital loss to IBRC of at least €10 million during that period or that are specifically identified by the special liquidator as likely to give rise to potential public concern in respect of the ultimate returns to the taxpayer. It is expected that there will be at least 30 transactions which will fall under the scope of this review. The Minister for Finance stresses the commission of the review and report is to serve the public interest in light of recent speculation, and is not being undertaken as the result of any evidence that such deficiencies existed or that transactions were not commercially sound. The motion before the House seeks to derail the review process already set up. Some Members of the House have suggested the special liquidators should not have been appointed to undertake the review. The Minister is strongly of the few that the special liquidators are best placed to undertake such a review thoroughly and expeditiously given their access to all books and records of IBRC, the resources at their disposal to conduct such a review and the powers set out under the IBRC Act which allows the Minister for Finance to make this direction in the public interest.

As the Minister said, to manage and-or mitigate against any actual or perceived conflicts of interest, he has directed, with the agreement of the special liquidators, that retired High Court judge, Mr. Justice Iarfhlaith O'Neill, will monitor any actual or perceived conflict of interest in the review. The Minister for Finance is confident this will ensure the review process is robust and addresses concerns expressed on the other side of the House surrounding possible conflicts of interest.

The Minister thanks the Deputies for this constructive and helpful debate, and assures them the review process into certain transactions in IBRC, which the special liquidators have been engaged to conduct, will be conducted in a professional manner, with any actual or perceived conflict of interest in the review being monitored by retired High Court judge, Mr. Justice Iarfhlaith O'Neill. The report will be available on 31 August 2015 and will be made available to relevant committees of the Oireachtas at that stage.

Deputy Billy Kelleher: I welcome this opportunity to speak on this issue which is of significant public interest. From the commentary on the Government side, one would believe there is nothing in this worth exploring and that we will establish some form of investigation to see what, if anything, is happening. The alarm bells are ringing and have been for some time in the Department of Finance. Concerns were expressed about this particular deal.

There is no point in pretending the Government is open and transparent. The information had to be dragged from it. Deputy Catherine Murphy has done the State some service by doggedly pursuing this issue. We would not be establishing any form of investigation, and it would be swept under the carpet only for her tenacity. I remember in 1995 when allegations were made that a Minister was paid substantial sums of money to facilitate the granting of a mobile phone licence. The people who made those allegations were excoriated and a tribunal was established which found a politician was paid substantial sums of money and that Denis O'Brien-----

6 May 2015

Acting Chairman (Deputy Jack Wall): Please.

Deputy Billy Kelleher: He is named in a tribunal report lodged before the Parliament and I am entitled to state this fact without equivocation.

Acting Chairman (Deputy Jack Wall): I ask the Deputy not to name persons, please.

Deputy Billy Kelleher: It states quite clearly in the tribunal report that payments were made to facilitate the granting of a mobile phone licence, but nothing has happened. Tribunal reports are gathering dust but nothing has happened. This is why the public is angry. People are angry because they feel there is something here and they want to know the truth. Let us have the truth. The only way this can come about is through a cold-blooded clinical commission of investigation into this particular transaction.

There are many aspects of this transaction which ordinary people cannot understand. To this day, I still cannot understand how shareholders in a bust company would be paid almost €5 million. I cannot understand why, if there was confidentiality everywhere, share transactions would all of a sudden take on a new meaning. This company was going nowhere and all of a sudden share transactions occurred at a rapid pace and the price was inflated. These two things alone suggest there were issues. What I find most amazing in all of this is that moving on a small bit further we find the involvement of Sierra in the installation of water meters, and the fact it was able to have due diligence and start recruiting personnel before any contracts were awarded. It simply beggars belief that somebody did not know something.

I cannot accept that members of the Government can sit here on their hands and pretend they will establish this investigation and that if there are potential conflicts of interest retired Mr. Justice Iarfhlaith O'Neill will step in. The very fact a former judge has been appointed to oversee potential conflicts of interest suggests there are conflicts of interest all over the place. Let us be very clear, KPMG is right in the middle of this at every turn and now it is being asked to investigate itself and oversee the overall investigation. It is the special liquidator.

At some stage the Government must understand the anger being expressed on this side of the House is not that of a number of Deputies trying to point score. This goes to the very heart and principle of what this Parliament is about. It is about ensuring people's rights are upheld. The public has a duty to know the full truth of this issue. At the heart of it all is the writing off of €100 million of taxpayers' money. This is the kernel of the issue.

As has been pointed out, while we are having this debate the Cabinet is meeting to put attachment orders on people who are already on the bread line. These people see companies or people riding off into the sunset, picking the carcass of this State. This is simply not good enough. People made allegations in 1995 and were excoriated for doing so. A tribunal was established and made findings but nothing has happened. Are we to say in 2015 that allegations were made, concerns were expressed and a sham investigation was established to sweep this under the carpet? It would be shameful and the Government should do something about it. It should support the motion and ensure the public have confidence in the investigation.

Deputy Dara Calleary: Two weeks ago we debated in the Chamber the plight of SMEs throughout the country. Deputies on all sides of the House highlighted the difficulties which still exist for SMEs trying to access finance, in particular the cohort of SMEs whose banks are exiting the market, whose loans are being sold to foreign investment funds and for which there is no protection and limited finance. The lack of urgency of the Government on extending the

credit guarantee scheme and constantly long-fingering it, while jobs are being lost as a result, is absolutely exposed when one sees the €5 million that went to the shareholders in an effectively insolvent company.

Many SMEs are being told they are not solvent, which is why they are not getting bank credit, and that they got too much in the so-called good days. They see €5 million being given to shareholders and a €100 million write-off for the company involved. They see an utterly dysfunctional relationship between IBRC and the Department of Finance. They try to understand how they are exposed while nobody in the Government really gives a damn about jobs going out the door, no finance being in place and the banks still ruling the roost.

They also see this reluctance on the part of the Government to establish an independent commission. The Minister of State said we would have a report from Mr. Justice O'Neill on 31 August 2015. How suitable, just in time for the budget when everybody will be speaking about that, and we all know what we will be speaking about after the budget. The Government hopes that by delivering it at the end of the summer nobody will ask questions. The Minister, Deputy Noonan, stated depending on the findings of the review further investigations will happen if appropriate. Who will decide whether it is appropriate? Will the House decide or will it be the Minister, who has been dragged kicking and screaming at every touch and angle into this debate?

We saw the Minister's mask slip spectacularly last Thursday on "Today with Sean O'Rourke". We saw the pressure he is under. For me, what the issue exposes more than anything is the cosmetic nature and the spin of the Government towards political reform. Why is it that when Deputy Catherine Murphy and every other Deputy in the House table a parliamentary question they need a degree in English to be able to phrase the question in such a way as to get the information required? Not many people would have the tenacity to go back 16, 17 or 18 times in the way Deputy Murphy did and for this she is to be applauded. We must also learn from this. The Government has done nothing to reform the parliamentary question system. It has done nothing to reform the reluctance of the system to answer basic questions.

9 o'clock

The Government has done nothing to reform the committee system and to give the committees more power. The Government has done loads of cosmetic stuff such as sitting on Fridays and sitting extra hours. However, it is all rubbish at the end of the day when we see the Siteserv controversy and the work that Deputy Catherine Murphy and her staff had to put in. It exposes the political reform agenda as a complete sham by a Government that is driven by spin only. Pollsters tell the Government what to say, but when it is exposed by something like this, the mask slips. Parliamentary democracy should mean something, and as we celebrate and commemorate 1916, which is something that people laid down their lives for, what we have in this country is a sham. There are questions that come back unanswered, and smart people, for want of a better phrase, in the Civil Service spend their time working out how to give a load of words but not answer. That is what the controversy exposes. It could happen in any Department. The Minister knows that because he asked those questions in his time.

Every Department is reluctant to answer questions, and if we learn anything from the committee and the controversy, we need to reform how we get information. We will set up a High Court judge, appointed by people with a role in this, and he will provide a report at the end of the summer, just as we start discussing the budget and heading into an election campaign.

6 May 2015

Someone will then decide if it is appropriate to have a further investigation. Why is the Government afraid of saying that we will establish a commission of investigation on 7 May and await its report? Someone in the elected Government or the permanent government must be afraid of what such a commission would find. By long-fingering it and pushing it out to the budget or the election, they hope the interest will go away. It will not.

Deputy Sean Fleming: As I conclude the debate, I am struck by the empty benches on the Government side, with one Member from the Government parties present. That says it all about what the Government thinks of this Parliament. No wonder they do not answer parliamentary questions if they do not care to show up for a debate such as this. Where are the Ministers? They are agreeing a mechanism whereby companies such as Siteserv install water meters, which will cost Irish Water customers €500 million. There will, no doubt, be substantial additional funds for phase 2 of the water metering project. The Government is making sure that people, through attachment orders to social welfare payments, salaries or other Government payments, will pay for the installation of these water meters.

It is funny that the debate has come full circle in a few hours. The debate started about why a company called Siteserv, which owed the Irish taxpayer €150 million, was given a write-off of €110 million. Included in that sum was €5 million to buy off shareholders. Some of the shareholders owed substantial moneys to IBRC. The essence of the debate is that the Irish people were caught for €110 million to bail out Siteserv. It is borrowed money and they will pay interest on it. The Irish people paid for the bailout of the Siteserv on day one to the cost of €110 million, plus interest that they will pay for years to come. We will see on the news tonight that the Government has probably signed off on a decision to catch Irish households on the double for Siteserv. They caught them once for €110 million to write off debt, but they will impose attachment orders to make sure they pay for the installation of the water meters and they will catch the Irish people and charge them a second time. This is the second bailout for Siteserv, the first being through IBRC and the second by the Cabinet.

This is a sell-out of the Irish people, and the essence of the debate is that there is one law for the rich and another for the ordinary people. This is the Government of big business, which is the Fine Gael way. The last time it was in government, Fine Gael did it this way, and some of those Ministers who were in government the last time are doing it again. Just in case €110 million was not enough when they wrote off debt, they also make sure the company gets paid for water meters. If people do not like it, they will make attachment orders on people's wages and salaries before they receive money to pay their mortgages.

People are struggling to pay their mortgages. The €110 million written off for Siteserv would allow a write-down on mortgages of €100,000 each for 1,100 hard-pressed families. Let us think about that. Where is the bank veto? If those 1,100 people sought a write-down of €100,000 on their mortgages, the Irish banks, which the Minister for Finance owns on behalf of the Irish taxpayers, would use their veto and say that the customers would get no write-down. When they sell houses from under people, they will pay for the negative equity. In the case of big businesses connected to the people who were in government the last time, there is no bank veto, but they will get the write-down and the Government will make people pay on the double. This is about the Fine Gael way of running the country, looking after big business and the wealthy, and to hell with the ordinary people.

The Government will get its comeuppance, but the real disappointment is that, when listening to the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, I never heard

such a cheerleader for Fine Gael policy. He is more Fine Gael than the Fine Gael members. He has Stockholm syndrome and he has been captured by the trappings of office. He has single-handedly sold the Labour Party down the Swanee in an effort to cosy up to Fine Gael and look after business at the expense of ordinary people. I recommend, if Government Members come into the Chamber, that they vote in favour of the motion.

Amendment put:

<i>The Dáil divided: Tá, 73; Níl, 43.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Bannon, James.</i>	<i>Adams, Gerry.</i>
<i>Barry, Tom.</i>	<i>Boyd Barrett, Richard.</i>
<i>Burton, Joan.</i>	<i>Broughan, Thomas P.</i>
<i>Butler, Ray.</i>	<i>Calleary, Dara.</i>
<i>Buttimer, Jerry.</i>	<i>Collins, Joan.</i>
<i>Byrne, Eric.</i>	<i>Collins, Niall.</i>
<i>Cannon, Ciarán.</i>	<i>Colreavy, Michael.</i>
<i>Coffey, Paudie.</i>	<i>Crowe, Seán.</i>
<i>Conlan, Seán.</i>	<i>Doherty, Pearse.</i>
<i>Connaughton, Paul J.</i>	<i>Donnelly, Stephen S.</i>
<i>Conway, Ciara.</i>	<i>Dooley, Timmy.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Ellis, Dessie.</i>
<i>Costello, Joe.</i>	<i>Ferris, Martin.</i>
<i>Creed, Michael.</i>	<i>Fitzmaurice, Michael.</i>
<i>Daly, Jim.</i>	<i>Fleming, Sean.</i>
<i>Deering, Pat.</i>	<i>Fleming, Tom.</i>
<i>Doherty, Regina.</i>	<i>Halligan, John.</i>
<i>Donohoe, Paschal.</i>	<i>Healy, Seamus.</i>
<i>Dowds, Robert.</i>	<i>Kelleher, Billy.</i>
<i>Doyle, Andrew.</i>	<i>Kirk, Seamus.</i>
<i>Farrell, Alan.</i>	<i>Mac Lochlainn, Pádraig.</i>
<i>Feighan, Frank.</i>	<i>McConalogue, Charlie.</i>
<i>Fitzgerald, Frances.</i>	<i>McDonald, Mary Lou.</i>
<i>Fitzpatrick, Peter.</i>	<i>McGrath, Finian.</i>
<i>Griffin, Brendan.</i>	<i>McGrath, Mattie.</i>
<i>Hannigan, Dominic.</i>	<i>McGrath, Michael.</i>
<i>Harrington, Noel.</i>	<i>McLellan, Sandra.</i>
<i>Harris, Simon.</i>	<i>Martin, Micheál.</i>
<i>Hayes, Tom.</i>	<i>Moynihan, Michael.</i>
<i>Heydon, Martin.</i>	<i>Murphy, Catherine.</i>
<i>Howlin, Brendan.</i>	<i>Murphy, Paul.</i>
<i>Humphreys, Heather.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Humphreys, Kevin.</i>	<i>Ó Cuív, Éamon.</i>
<i>Keating, Derek.</i>	<i>Ó Fearghail, Seán.</i>

6 May 2015

<i>Kehoe, Paul.</i>	<i>O'Brien, Jonathan.</i>
<i>Kelly, Alan.</i>	<i>O'Sullivan, Maureen.</i>
<i>Kenny, Seán.</i>	<i>Pringle, Thomas.</i>
<i>Kyne, Seán.</i>	<i>Ross, Shane.</i>
<i>Lawlor, Anthony.</i>	<i>Shortall, Róisín.</i>
<i>Lynch, Ciarán.</i>	<i>Smith, Brendan.</i>
<i>Lyons, John.</i>	<i>Stanley, Brian.</i>
<i>McFadden, Gabrielle.</i>	<i>Tóibín, Peadar.</i>
<i>McGinley, Dinny.</i>	<i>Troy, Robert.</i>
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>McNamara, Michael.</i>	
<i>Maloney, Eamonn.</i>	
<i>Mitchell, Olivia.</i>	
<i>Mulherin, Michelle.</i>	
<i>Murphy, Dara.</i>	
<i>Murphy, Eoghan.</i>	
<i>Nash, Gerald.</i>	
<i>Neville, Dan.</i>	
<i>Noonan, Michael.</i>	
<i>O'Donnell, Kieran.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	
<i>O'Mahony, John.</i>	
<i>O'Reilly, Joe.</i>	
<i>O'Sullivan, Jan.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Pat.</i>	
<i>Reilly, James.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Brendan.</i>	
<i>Shatter, Alan.</i>	
<i>Stagg, Emmet.</i>	
<i>Stanton, David.</i>	
<i>Tuffy, Joanna.</i>	
<i>Twomey, Liam.</i>	
<i>Wall, Jack.</i>	
<i>Walsh, Brian.</i>	
<i>White, Alex.</i>	

Tellers: Tá, Deputies Paul Kehoe and Emmet Stagg; Níl, Deputies Seán Ó Fearghaíl and Sean Fleming.

Amendment declared carried.

Dáil Éireann

Motion, as amended, put and declared carried.

The Dáil adjourned at 9.20 p.m. until 9.30 a.m. on Thursday, 7 May 2015.