



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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# DÁIL ÉIREANN

*Dé Máirt, 29 Meán Fómhair 2015*

*Tuesday, 29 September 2015*

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

*Paidir.*

*Prayer.*

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## Ceisteanna - Questions

### Priority Questions

#### Mortgage Interest Rates

118. **Deputy Michael McGrath** asked the Minister for Finance his views that reductions in fixed mortgage rates offered by the banks represent an inadequate response to the widespread public concern over high variable rates; that it is important that all domestic banks reduce their core variable rate product offering; his plans to address high mortgage rates by the non-deposit taking retail credit, sub-prime, sector; and if he will make a statement on the matter. [33182/15]

**Deputy Michael McGrath:** The Minister for Finance is very familiar with the topic of high variable interest rates being charged on up to 300,000 mortgage customers. The purpose of this question is to put it back on the political agenda. Some progress, albeit modest, has been made on this issue which has been firmly put on the political agenda. I believe the Minister is in the middle of a second round of, or has concluded, meetings with the banks which he promised to hold in September. It would be good if he could give the House an update on those talks. Is he still considering the two options he outlined earlier this year, namely, increasing the levy on the banks or the introduction of legislation to deal with this issue of excessive interest rates?

**Minister for Finance (Deputy Michael Noonan):** As the Deputy knows, I have been aware of this issue for some time and have taken steps to ensure the banks provide real options for borrowers. To summarise actions taken to date, I requested a report from the Central Bank on the topic, which was published in May. I also met with the six main mortgage lenders and outlined my view that the interest rates being charged to Irish customers were too high.

I have recently concluded a further series of meetings with these banks and the reality is that the majority have put options in place to allow borrowers to reduce their monthly repayments. Traditionally borrowers focused on standard variable rates but borrowers should at least consider other options. While individual borrowers must decide what suits their particular circumstances, some of the fixed rates being offered are now substantially below what the standard variable rate, SVR, was in May. These rates offer substantial savings to borrowers and also offer security as to monthly repayments over a specific period of time. At the end of that term, borrowers can then revert to a standard variable rate if that is what they prefer. I would, therefore, encourage borrowers to contact their bank to see what is available to them in their particular circumstances or consider moving to another bank if the offer is not satisfactory.

I would also point out that lenders have not just reduced fixed rates. One lender significantly reduced its SVR, for example, while another has embarked on a new pricing strategy based on property valuation. I asked the banks to provide options by which customers might reduce their monthly repayments and I believe options have been put in place.

While I have not met all mortgage providers operating in Ireland, changes to interest rates by the main lenders should drive competition in the market and exert downward pressure on other lenders to reduce their rates in line with other providers. Sub-prime lenders operate in a particular niche and deal with customers who present a different risk profile to other customers, hence their rates will be higher other lenders.

Competition is the best long-term way of reducing interest rates paid by Irish borrowers and ensuring that Irish banks offer a sustainable product range. Higher than warranted mortgage interest rates will encourage new entrants to the Irish market over the long term. As the Deputy will be aware, the Government has undertaken a number of initiatives in order to promote competition in the market. For example, it introduced the changes to section 149 of the Consumer Credit Act 1995 in the Central Bank (Supervision and Enforcement) Act 2013 for new entrants. This section regulates fees and charges and the changes mean that it does not apply for the first three years of operation of new entrants to the Irish banking sector as new entrants to the mortgage market bring welcome competition to this sector.

**Deputy Michael McGrath:** I thank the Minister for his reply. Several banks have introduced new options, which are always a good thing, but these options are very selective. They are of most benefit to new customers in particular. Many existing customers continue to be discriminated against and the options simply are not for everyone.

The following are the actual standard variable rates still being charged by the banks today: Bank of Ireland, 4.5%; Permanent TSB, 4.3%; KBC 4.5%. or 4.3% if the customer opens a current account with it; Ulster Bank, 4.3%; AIB, 3.65%; ACC, 4.4%; and Danske Bank, 4.95%. I could go on and get into the vulture funds and the servicing companies now managing loan books that have been sold.

Greater fixed rate products have been offered but they come at a price, as the Minister well knows. Existing customers continue to be charged much higher rates than new customers. The Minister has concluded his second round of meetings with the banks. Is he satisfied that they have done enough? Have the banks satisfied the Minister, because I am not satisfied? Is the threat of a levy and-or legislation now off the table? Has the Minister concluded his assessment or is it still an open book on his file?

**Deputy Michael Noonan:** I thank the Deputy for his supplementary question. He will recall that the Central Bank report published last May, to which I referred, stated that there was an excessive margin being charged in Ireland on variable interest rates but it disagreed that the margin was as big as has been cited in debates here on several occasions. The banks have moved to lower that particular margin. AIB has had made three reductions and it is the biggest mortgage provider in the country. It is down to 3.65% and it does not vary between new mortgages and existing ones. Permanent TSB has moved from its variable standard rate to what it describes as a managed variable rate and has introduced the concept of loan to value. In the best loan-to-value situations they are offering money at 3.6%, I believe, and then it varies with loan-to-value rates, so there is significant movement. There are dozens of interest rates being offered now in different circumstances and I wish to see how the market operates and if competition will kick in. There is a reluctance among people to change. There is a type of inertia which is leading to individuals staying with their existing mortgage holders, but there is much better value if people shop around. It is not something one must fix for life - one will not get that option anyway. Normally, one fixes for one, two or three years and people can then revert to standard variable rates. At the conclusion of my meetings with the banks I said that if we are all around, we will talk again early in the new year and we will see how competition is operating.

On the question of the levy, there has been a levy in place over the last number of budgets. It will be a matter for the budget, and whether the levy will be maintained as it is, increased or reduced is a matter for announcement on budget day.

**Deputy Michael McGrath:** Reading between the lines, it sounds as if the Minister has made up his mind that the banks have gone far enough to satisfy him. I believe he is letting the banks off the hook, because they have not gone far enough. Yes, there have been improvements in the product offering, the fixed rates have come down and the managed variable rates are an innovation, but for many customers who are in negative equity or have very little equity and are really struggling there is little or no improvement. I have outlined all the variable rates still being charged by banks. Many of them are still up around the 4% to 4.5% rate and they are even higher in some cases. That is excessive when one considers the very low cost of funds that the banks are facing at present, the price that consumers must pay by entering into a fixed rate, the loss of flexibility they encounter when they do that and the fact that existing customers are being discriminated against. When the Minister says that if he is still here he will meet the banks again in the new year, it sounds as if the threat of the levy being increased or of legislation being introduced to give more powers to the Central Bank appears to be off the table. The Minister has been bought off too easily by the banks on this matter.

**Deputy Michael Noonan:** The Deputy is jumping to conclusions. While the headline variable rates that the Deputy outlined in his initial contribution are correct, other much lower rates are available to mortgage holders-----

**Deputy Michael McGrath:** For some customers.

**Deputy Michael Noonan:** -----either from their own bank or mortgage provider or by switching.

**Deputy Michael McGrath:** It is very difficult to switch.

**Deputy Michael Noonan:** What puzzles me at present is why more people are not switching. There is demonstrably an amount of money to be saved if people change, yet there appears

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to be an inertia in the system and they are not changing.

**Deputy Michael McGrath:** It is not easy to do.

**Deputy Michael Noonan:** I wish to let it go for a few months and see if the new competitive situation will operate to the benefit of customers. We have made significant progress. The Deputy's Private Members' Bill, which I complimented as a good initiative, sought to provide that the Central Bank should intervene to fix interest rates if they went above 3%. We have the two biggest mortgage providers down to 3.65% now, so we are coming close to the position the Deputy outlined.

I am not sure what will happen with interest rates internationally but there are very strong indications that the cycle of rising interest rates could commence this autumn when the US authorities increase interest rates. People should look seriously at fixing now because we might be at the bottom of the cycle. If one fixes, one does not fix irretrievably. One can always revert to a variable rate subsequently.

### **NAMA Loan Book**

119. **Deputy Pearse Doherty** asked the Minister for Finance the date on which the National Asset Management Agency notified him of an unsolicited approach by representatives of the Pacific Investment Management Company related to the sale of the agency's Northern Ireland loan book; and the action that he took after this notification was received. [33184/15]

**Deputy Pearse Doherty:** This issue is being discussed on both sides of the Border. It relates to the sale of the Northern Ireland loan book by the National Asset Management Agency, NAMA, and the fact that it is alleged there were fixer fees in the sales process. On what date was the Minister informed by NAMA of the unsolicited approach by representatives of Pacific Investment Management Company, PIMCO, relating to the sale of the Northern Ireland loan book by NAMA and what action did he take on hearing that fixer fees were to be applied to this sale?

**Deputy Michael Noonan:** As the Deputy will be aware, it was I who initially received the unsolicited expression of interest for the NAMA Northern Ireland loan book, via the then Northern Ireland Minister for Finance, Mr. Sammy Wilson, from Brown Rudnick on behalf of its client, PIMCO, on 24 June 2013. On 9 July 2015 I published on the Department of Finance website both the representation from the Minister, Mr. Wilson, the Brown Rudnick approach on behalf of PIMCO and my own response to the Minister, Mr. Wilson. My officials also provided these documents to the Committee of Public Accounts. The Brown Rudnick letter suggested a semi-exclusive sales process which considered a number of suggestions regarding the future management of the portfolio for the Minister, Mr. Wilson, to consider. This would not typically be a cause for concern. A buyer will often seek a closed or exclusive sales process because it is in their interest to remove competition and increase their chances of success. Therefore, while it may be somewhat naive to suggest such an approach to NAMA, it is not surprising and gave me no cause for concern, as I was aware NAMA would favour conducting an open market process for any sale process.

In my reply to the Minister, Mr. Wilson, on 25 July 2013, I advised that Brown Rudnick should approach NAMA directly with its expression of interest and clarified that NAMA would

not run an exclusive process but would have to run a competitive and transparent sales process. At that time, I also referred the letter I had received to NAMA for its information. NAMA subsequently received a third party approach on behalf of PIMCO to sell the loan portfolio on an exclusive basis in September 2013. Following this expression of interest, NAMA, in line with its well-established policy on asset and loan sales, instigated a competitive market sales process in February 2014. NAMA appointed Lazard, a major international investment bank, in January 2014 to advise on and oversee the sales process for Project Eagle. Based on its assessment of the market, Lazard invited eight other major global investment groups, alongside PIMCO, to participate in the process.

**An Leas-Cheann Comhairle:** Thank you, Minister. The time is up.

**Deputy Michael Noonan:** Allegations have been made about this. If the House would allow me, I would like to put my reply on the record.

**An Leas-Cheann Comhairle:** Is that agreed? Agreed. I am only operating according to the Standing Orders.

**Deputy Michael Noonan:** I thank the Leas-Cheann Comhairle.

Regarding PIMCO's subsequent withdrawal from the sales process, I am advised that on 10 March 2014 PIMCO informed NAMA that PIMCO's compliance staff had discovered that PIMCO's proposed fee arrangement with Brown Rudnick included a proposed payment of fees to Tughans and to a former external member of NAMA's Northern Ireland advisory committee, NIAC, who resigned in early November 2013. NAMA viewed this disclosure as a very serious development and I am advised that the NAMA board met on 11 March 2014 to consider the most appropriate course of action. The board decided that if PIMCO did not withdraw, NAMA could not permit it to remain in the sales process. NAMA advises that on 12 March 2014 it indicated serious concerns to PIMCO about the proposed fee arrangement and, in particular, the proposed fee payment to the former member of the NIAC. I am further advised that on the following day, 13 March 2014, PIMCO informed NAMA that it would withdraw as a potential bidder from the Project Eagle process.

We must credit PIMCO in coming forward to NAMA with this information when it was questioned by its compliance department. We must also credit NAMA for doing what was best for the integrity of the sales process.

**Deputy Pearse Doherty:** I thank the Minister for putting that on the record. Now, hopefully, he will answer the question I specifically asked him, namely, when was he informed, in regard to the call from representatives of PIMCO about the sale of the Northern loan book, that there was a £15 million fixer's fee? When was he informed by NAMA of that? What did he tell NAMA to do on receipt of information to the effect that one of the potential bidders had a fixer's fee with somebody who was advising NAMA in regard to its Northern loan book?

**Deputy Michael Noonan:** I have given the Deputy the information he requested in his initial question but I will reread it for him.

**Deputy Pearse Doherty:** No, that is not it.

**Deputy Michael Noonan:** Regarding PIMCO's subsequent withdrawal from the sales process, I am advised that on 10 March 2014 PIMCO informed NAMA that its compliance staff

had discovered that PIMCO's proposed fee arrangement with Brown Rudnick included a proposed payment of fees to Tughans and to a former external member of NAMA's Northern Ireland advisory committee who resigned in early November 2013. I was informed by the chairman of NAMA shortly afterwards - the following day or maybe two days later, but around that time. There was no delay. Then PIMCO had discussions with NAMA. NAMA told PIMCO that if it did not withdraw, it would not proceed to deal with it, so PIMCO withdrew. That is the position.

**Deputy Pearse Doherty:** From what we believe from Frank Daly, the Minister was informed on 13 March that one of NAMA's biggest sales processes had a potential conflict of interest. I know from the Minister's briefing notes which we obtained under a freedom of information request that this potential conflict of interest would have shone negatively on NAMA. The Minister was informed of this fixer's fee, this three-way split between Brown Rudnick, Tughans and Frank Cushnahan, the adviser on the Northern Ireland board of NAMA. What did he do at that point? Was he not concerned that the sale process should be halted? What reassurances did he seek that Mr. Cushnahan would not continue to be involved in the sale process as it moved along, as the allegations today suggest that these same parties or some of them were involved in the sale by Cerberus.

Is the Minister concerned, as stated in his briefing document in regard to the potential conflict of interest, that there should at least be a commission of investigation here? At the very least should the Minister not call, as he did for example when the ECB was refusing to present itself before the banking inquiry, for NAMA to present itself before the investigation currently ongoing in the Northern Ireland Executive? Can the Minister give us some specific details as to why he was not concerned, knowing there was a €15 million fixer's fee involved here with these firms and one of the advisers? Was it because they would drop out and, hopefully, Mr. Cushnahan or Tughans would not get involved with the other buyers and we would settle for whatever words of reassurance they would give us, such as "sure it was only €4 billion worth of assets involved in the sale"?

**Deputy Michael Noonan:** As I said in my initial reply, it was the compliance section of PIMCO that informed NAMA there was a potential conflict of interest. As a result of that, NAMA took action. It let it be known to PIMCO that under the new circumstances brought to its attention, it would ask PIMCO to withdraw from the sales process or, alternatively, it would not continue to negotiate with PIMCO. Either way, PIMCO was out. The Deputy asked what I did. I listened to the advice of the NAMA Chairman, who communicated with me the views of the NAMA board, and I fully agreed it should not continue with PIMCO. Since there were eight investors in all involved, the process continued and the other investors were considered. However, the lead bidder was out because of the potential conflict of interest.

On whether it is worth investigating this, the NAMA Act shows that NAMA is accountable to the Houses of the Oireachtas, specifically through the Committee of Public Accounts. I understand a meeting has been arranged and NAMA is quite willing to explain everything. Also, it has submitted all documentation in connection with this and answered all the questions presented by the relevant Northern Ireland committee investigating this on the website. In my view, NAMA acted absolutely properly. If other people acted improperly, it was on the purchasing side, not on the selling side.

## **Mortgage Interest Rates**

120. **Deputy John Halligan** asked the Minister for Finance if he has requested the banks to cut their high variable rates; the nature of their response; the reason his Department did not exert more pressure on the banks to introduce more variable rate reductions; his views that it is acceptable that some banks have reduced their fixed rates, but have left variable rates unchanged; his plans to amend regulations to stop banks overcharging for variable rate mortgages; and if he will make a statement on the matter. [33090/15]

**Deputy John Halligan:** My question is in a similar vein to that asked by Deputy Michael McGrath. However, is the Minister comfortable in the belief that he has exerted enough pressure on the banks to introduce more variable rate reductions? Does he accept that some banks have reduced their fixed rates but have left variable rates unchanged? Is the Minister prepared to change the law, as suggested by many Members? As recently as last week, the Tánaiste, Deputy Joan Burton spoke about something being done in the upcoming budget that would force banks which are overcharging to reduce their interest rates down in line with Europe.

**Deputy Michael Noonan:** As the Deputy is aware, I have taken steps to ensure that the banks provide options for mortgage holders to reduce their monthly repayments. Last May, I requested a report from the Central Bank on the topic, which I subsequently published. I also met with the six main mortgage lenders in May and outlined my view that the standard variable rate being charged to Irish customers was too high. The banks agreed to review their rates and products and, by the beginning of July, to have simple options to reduce monthly mortgage payments for standard variable rate customers. Last week, I concluded a series of follow-up meetings with these banks and the reality is that the majority have put options in place to allow borrowers reduce their repayments. As the Deputy will be aware, these options range from lower variable rates to new suites of variable rates based on loan to value, and reductions in fixed rates.

It is a matter for each individual borrower to decide what suits his or her circumstances. Borrowers should carefully consider that some fixed rates on offer are now substantially lower than the standard variable rate, SVR, and would result in savings for some customers. I therefore encourage borrowers to contact their bank to see what is available to them in their circumstances or consider moving to another bank if the offer is not satisfactory.

I also point out that lenders have not just reduced fixed rates. One lender reduced its SVR, for example, while another has embarked on a new pricing strategy based on property valuation. Banks have also put measures in place to attract new customers who might switch from existing borrowers. I asked the banks to provide options by which mortgage customers might reduce their monthly repayments and I believe options have been put in place.

The issue of regulating interest rates was the subject of two Private Members' Bills before the recess. Discussions on the Bills illustrated the unintended consequences which can arise when a Government intervenes in the market. As the Governor of the Central Bank said, in most advanced economies, including Ireland, it has long been understood that tight administrative control over the rates charged by banks would be counterproductive to ensuring a sufficient flow of properly priced credit on a lasting basis. Such control would strongly discourage new entrants. The Central Bank has not sought any power to regulate interest rates and I have made it clear that I would be willing to consider such regulation if the Central Bank requested it.

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*Additional information not given on the floor of the House*

My Department and I exerted pressure on lenders by calling them in to discuss the issue twice and by reviewing the possibility of regulating interest rates or imposing a levy on the banks. Our opinion is that regulation would have negative consequences for customers in the long run and this position is supported by Central Bank and ESRI research. Competition represents the best long term solution to the problem. The Government made a commitment in the statement of Government priorities 2014 to 2016 to applying downward pressure on mortgage rates by increasing and supporting competition in the market and it will continue to work to fulfil that commitment.

**Deputy John Halligan:** Aside from unemployment, would the Minister accept that mortgage arrears are the single biggest issue facing Irish homes today? He will be all too aware of the many people in long-term arrears on their homes. At the end of June, it was estimated that there were 38,000 mortgage accounts over two years behind in payments. This figure continues to grow as, I believe, will the number of evictions.

The high costs being paid by those on variable mortgages is a huge factor. There is no question about that. While some borrowers on tracker loans are paying less than 1%, from what I can gather, others on variable rates are paying 4.5%, which is significantly higher than the equivalent Euro rate which, while I am open to discussion on that point, I reckon is about 2.2%.

For some families, the extra cost will determine whether they can heat their homes this winter. Others are being forced into further arrears, bringing them closer to the limit at which they will not be able to keep their homes. The Minister made the point that they should consider moving to a different lender. That should not have to be an option. We should be able to bring in legislation to force the banks to reduce their variable interest rates, as has been said in this House on numerous occasions by Deputies from all parties.

**Deputy Michael Noonan:** While I will consider the option which the Deputy has outlined for me, I rely on the Central Bank to advise me on these matters. It has advised very strongly not to introduce legislation along the lines of the very good Bill which Deputy McGrath produced. While we might have short-term gains for persons on variable mortgage rates, the availability of mortgage funding could dry up. There would be another tranche of people who would not be able to get mortgages on the market if there was a strict fixing of rates applied by the Central Bank or some other agency.

**Deputy John Halligan:** Despite the significantly lower cost of wholesale funding, not to mention the €20.8 billion we used to bail out the banks, there is no question in ordinary people's minds that the banks have been underwhelming, to say the least, in their response to this crisis. Of all the institutions I deal with, such as State institutions, the health service, credit unions or whatever, some of the banks have been the most inhuman. They have very little compassion for people. It is no wonder that people are furious. The Minister cannot blame them for looking to Europe and the variable rate there. There is now a fear that we seem to have no control over the banks. I have gone out my way not to criticise the Minister personally but the point remains that I am dubious about the reasons he is giving for the Central Bank saying it would mean very little to bring in legislation. That matter should be put to the banks. I would like to have debated in the House the effects the Central Bank says the introduction of legislation would have on future lending. I am not too sure that what is being said is the case. However, the case remains that there are 30,000 people who cannot pay the rates as they stand today.

**Deputy Michael Noonan:** I agree with some of the views expressed by the Deputy. When I entered office in March 2011, the banks were insolvent. Anglo Irish Bank was gone out of business completely and Allied Irish Banks, Bank of Ireland and Permanent TSB were insolvent. After three weeks in office, in order to try to make them solvent, I had to recapitalise them. That was on the last day of March 2011. The banks were severely damaged institutions and had great difficulties with their customers. We have been working our way through this ever since. We are now in a position in which we have viable banks trading again and providing the kinds of credit lines we need to keep an economy growing at a rate of 5%. Mortgage interest and mortgage provision are part of that. People need houses and have to have mortgages to purchase them. The interest rates are higher than in the rest of Europe. It is arguable what the margin actually is, but much of the additional margin is due to the first statement of the Deputy, the fact that there are so many mortgages in arrears. The banks have to cover the mortgage book. However, we are working our way through it and circumstances are improving on a monthly basis. I hope they continue to improve.

### **Budget 2016**

121. **Deputy Michael McGrath** asked the Minister for Finance his views on the constraints on budget 2016 tax decisions arising from European Union and domestic rules; the impact of the carrying forward of previous taxation measures on the scope for tax changes in 2016; and if he will make a statement on the matter. [33183/15]

**Deputy Michael McGrath:** Budget day is just two weeks away, as the Minister well knows. The fiscal space of €1.2 billion to €1.5 billion was announced by the Government back in April. The purpose of my question is to bring that announcement up to date and focus, in particular, on the taxation side. The Minister has said it is his intention to split the expenditure and tax sides broadly evenly, so that amounts to €750 million on the tax side. Can the Minister clarify the impact of carry-forward measures, for example, and the first-year effect versus the effect for subsequent years? Can he confirm the capacity he has to announce new taxation measures in the budget in two weeks' time?

**Deputy Michael Noonan:** Again, I thank the Deputy for his question. The budget will be on this day in two weeks so we are getting close.

Budget 2016 will be the first budget framed under the reformed and strengthened preventive arm of the Stability and Growth Pact. As published in the spring economic statement, fiscal space of €1.2 billion to €1.5 billion will be available for new expenditure or revenue measures in budget 2016. This estimate of fiscal space was designed to ensure compliance with the fiscal rules, particularly the expenditure benchmark pillar. This quantum of fiscal space and the breakdown agreed by the Government is already well known, namely a 50:50 split between revenue and expenditure. This formed the basis for discussion at the national economic dialogue, held in July, at which there was broad consensus that budgetary demands would have to be met from this package.

The exact size of the fiscal space will be finalised in the coming weeks, taking into account various inputs, such as the projected inflation rate — the GDP deflator — any discretionary tax measures and other elements of general Government expenditure outside central government.

With regard to the carryover effect of measures previously introduced or due to expire in

2016, this estimated cost of just over €0.3 billion was taken fully into account in the calculation of the estimated fiscal space of €1.2 billion to €1.5 billion.

A budgetary package of €1.2 billion to €1.5 billion will provide for increases in key expenditure areas and lower the high tax burden on the squeezed middle. I reiterate the importance of delivering a budget that is consistent with the pre-announced fiscal space. The quantum is appropriate from an economic and fiscal policy perspective, a view which is shared by the Irish Fiscal Advisory Council, as stated in its recent pre-budget statement. This will give further confidence to the markets that the Government remains committed to sensible and prudent fiscal policy.

**Deputy Michael McGrath:** I thank the Minister for his reply. Can he clarify that, in terms of taxation, he has a potential envelope of up to €750 million? Is that the quantum of net new measures on the taxation side? Obviously it is open to the Minister to increase taxation in certain areas and he has made some comments in that direction. Therefore, is he talking about net new tax measures of up to €750 million? Will that then be reduced by the €300 million to €340 million of carry-forward measures or is this already taken into account in the context of the €750 million? I think the Minister confirmed in reply to a parliamentary question that the figure of 1.2% to 1.5% - so, in effect, the €750 million on the tax side - is the first-year effect. Of course, the subsequent year effect is greater. Perhaps €750 million in the first year could be a tax package of €1 billion in terms of a full tax year.

If the Minister could clarify those matters, it would be really helpful. We all recall that, last year, questions to the Minister for Finance were taken less than two weeks prior to the introduction of the budget and that the latter was expected to be neutral. Then, however, it an expansionary budget of €1 billion was brought forward. Can the Minister please tell us, therefore, what exactly are the answers to those questions?

**Deputy Michael Noonan:** I thank the Deputy again. First of all, the carryover is in the base as published in the spring statement, so the €750 million is net of that. The €750 million is available for tax reductions amounting to that value in 2016 and the full-year effect is higher. All those announcements will be made on budget day, but this is not a new departure. Every time a budget is introduced here there is a first-year effect and a full-year effect, and that is not going to change. Deputies will be given full information in two weeks' time, either in the budget statement or in the documents accompanying the budget.

**Deputy Michael McGrath:** I have a supplementary question on that. Given that the economic data are changing constantly and, thankfully, are moving in a positive direction in terms of employment and Exchequer figures - I presume that in the next two or three days the Minister will receive the Exchequer figures for September - is there scope to go beyond that overall envelope if the updated information is more positive than he has anticipated or is he constrained by EU and domestic rules to remain within the 1.2% to 1.5%, irrespective of the resources actually available?

**An Leas-Cheann Comhairle:** I call on the Minister to conclude.

**Deputy Michael Noonan:** The Deputy is correct that Exchequer returns will be available to me late on Wednesday evening. They will be announced on Friday in the normal way. Not only do those returns reflect the monthly position, they are also a reflection of the end-of-quarter position at the end of September. With the information available as of yesterday evening, they

will either be on profile or slightly ahead. They may, in fact, be a little bit more ahead. One never knows what is going to happen in the final days of a tax returns period, especially in a VAT month. That is the position. Any additional resources that come in can be used, for example, to fund Supplementary Estimates for 2015 but they cannot be carried over in terms of 2016. In calculating the base for 2016 and tax flows for 2016, stronger flows on individual heads coming into the fourth quarter of the year could influence the estimation. We have already sent our forecasts to the Irish Fiscal Advisory Council, however, so there is little or no scope for moving beyond the parameters of 1.2% to 1.5%. In any event, it is my policy, as Minister for Finance - that policy is endorsed by the Government - that we remain within that particular scope for the budget.

## **Budget 2016**

122. **Deputy Pearse Doherty** asked the Minister for Finance if he will confirm the permissible fiscal space under the expenditure benchmark available to him in budget 2016 and for the remainder of 2015, as part of the Government's budget 2016 announcements; if these figures take into account the need for increased spending due to demographics changes and inflation in 2016; and if he will make a statement on the matter. [33185/15]

**Deputy Pearse Doherty:** My question follows on from Deputy Michael McGrath's and amplifies the need for a better process for having more information available in respect of the budget. The Minister referred to staying within the fiscal space of 1.5%, which applies to the expenditure benchmark in budget 2016. However, he has strongly indicated that there is scope to introduce supplementary Estimates to deal with the buoyancy in taxation and the additional receipts that have come in. Because expenditure in the next three months does not count as part of the expenditure benchmark rule, we could spend a couple of hundred million euro on education, health and social welfare - for example, restoring the Christmas bonus or putting child benefit back in place - and it would not count in relation to the fiscal space. Can the Minister confirm this and does he have any intention of following that line, which would be a way of avoiding the constraints the expenditure benchmark has placed on the Government?

**Deputy Michael Noonan:** I thank the Deputy for his question and his elaboration on it. As indicated in the spring economic statement, fiscal space of €1.2 billion to €1.5 billion will be available for new expenditure or revenue measures in budget 2016. This estimate of fiscal space was designed to ensure compliance with the fiscal rules that Ireland is now subject to under the preventive arm of the Stability and Growth Pact, in particular the expenditure benchmark pillar. This quantum of fiscal space formed the basis for discussion at the national economic dialogue held in July at which there was a broad consensus that budgetary demands would have to be met from this package. The exact size of the fiscal space will be finalised in the coming weeks taking into account various inputs, such as the projected inflation rate - GDP deflator - any discretionary tax measures and other elements of general government expenditure outside of central Government. Inflation is taken into account in the calculation of fiscal space through the incorporation of the GDP deflator in the expenditure benchmark. It should also be noted that the fiscal space will have to accommodate all Government priorities, including additional expenditure arising from demographic pressures.

A budgetary package of between €1.2 billion and €1.5 billion will provide for increases in key expenditure areas and reduce the high tax burden on the squeezed middle. I reiterate the

importance of delivering a budget which is consistent with the pre-announced fiscal space. The quantum is appropriate from an economic and fiscal policy perspective, a view which is shared by the Irish Fiscal Advisory Council, as stated in its recent pre-budget statement. This will give further confidence to the markets that the Government remains committed to sensible and prudent fiscal policy.

With regard to 2015, the stability programme update published in April forecast a deficit of 2.3% of GDP. Notwithstanding emerging pressures on expenditure, given the performance of revenue through the first eight months of the year, I am confident that we will at least achieve, if not better, this target. Importantly, it is now increasingly likely that the debt ratio will fall below 100% of GDP at the end of the year.

In response to the issues raised by the Deputy when he introduced his question, the figure of 2.3% is one that I will achieve. It was in the spring statement. If a lot of extra tax accrues up to the end of September, I am still bound by the figure of 2.3%. Of course, if Government Departments overspend - and we know that the Department of Health is already ahead of budget allocation - that must be met. The point I was making to Deputy Michael McGrath is that I believe there will be sufficient taxes above profile to meet issues that arise on the expenditure side. Some Departments are below their level of expenditure so there is a possibility of diverting expenditure budget funds to the areas in which overruns have occurred from those where there has been an underspend.

**Deputy Pearse Doherty:** I want to dig a bit deeper into this. I hear the Minister loud and clear in terms of the 2.3% deficit target. The issue arises as to whether there might be space for additional expenditure to be made in 2015 in circumstances where that target could still be met. Is there any space to spend or have supplementary welfare budgets beyond the overruns in the Department at this point that would allow the Minister to reach the 2.3% target and spend money on social welfare? It is a way of circumventing the expenditure benchmark rules. Otherwise, it would not be done and it would be announced in the budget and would take effect in 2016. It has been signalled by Government that the intention is to introduce a number of supplementary budgets that would allow for measures such as restoring the Christmas bonus or increasing child benefit but that would not be included in the fiscal space in terms of expenditure of €750 million. Is there space in that regard?

I have a question on the White Paper on expenditure and receipts. It comes out at midnight the Friday before the budget. I do not believe that it could not be brought forward or that information like that could not be provided with all the caveats closer to budget day to have a better informed debate, particularly from the Opposition parties and other interested parties outside the House.

**An Leas-Cheann Comhairle:** I thank the Deputy.

**Deputy Pearse Doherty:** If we are talking about genuine reform, we should not repeat that in future years.

**Deputy Michael Noonan:** The additional tax above profile at the end of eight months, at the end of August, was €1.4 billion but a big chunk of that is needed to get the deficit down to 2.3%. Our requirement under the rules was to get the deficit below 3% and we budgeted for 2.7%. As it is well below that, it consumes much of the extra tax. I will know better on Friday and I will make a full statement then on where we are at the end of nine months. The trend of

additional tax over profile coming in seems to be continuing in September. Based on the final figures that we will have on Wednesday, we can guesstimate our forecast, if one wants to use that word, of how it might end up at the end.

If there is a decision in government, obviously one has to cover overruns in Departments and that is through the Supplementary Estimate process with which the Deputy is familiar. If anything new is proposed, it would have to be in 2015 and it would have to be once-off because if there is a carryover into the following year - it affects the figures.

**An Leas-Cheann Comhairle:** I thank the Minister.

**Deputy Michael Noonan:** The White Paper comes out at the end because the figures keep changing. If I were to commit to the Deputy to publish the White Paper this week, he would have inaccurate information. People need to have it down to the very end before they have full accurate information. However, there are many other sources of information and the Deputy can have a fairly good estimate of where it is. I will give him as much information as I can in my statement on Friday.

**Deputy Pearse Doherty:** I appreciate that.

I wish to discuss the once-off expenditure measures. Let us consider the hypothetical example of restoring the Christmas bonus. Am I not correct in saying the expenditure benchmark will be measured against the expenditure of 2015? If there is an expenditure increase in the Department of Social Protection, that would be the baseline against which one will be measured in 2016 and it would allow the Minister to circumvent the expenditure benchmark rules.

The Minister told Deputy Michael McGrath that the carry-forward in taxation is not included in the €750 million of taxation measures he will propose. On expenditure and how we comply with the rules, given the demographic pressures and the €300 million that is needed just to stand still in terms of policy, is that part of the €750 million that is earmarked for expenditure and in relation to the restoration of pay coming from the unwinding of the financial emergency measures in the public interest legislation or does that all need to be accommodated within that budget to meet the rules by which we must abide?

**Deputy Michael Noonan:** The demographic pressures for 2016 are included in the base. The pay agreement and unwinding the financial emergency measures in the public interest legislation are included, but will have to be taken out of the expenditure side, the €750 million.

**Deputy Pearse Doherty:** Both.

**Deputy Michael Noonan:** However, projecting forward to subsequent years, I cannot vouch for the accuracy of the forecasting of demographic pressures in 2017, 2018 and 2019. Money is included but its accuracy is a matter of best judgment on that basis.

## Other Questions

### Property Tax Exemptions

123. **Deputy Clare Daly** asked the Minister for Finance regarding the review of the local property tax, if he will explain why the pyrite issue was included in this process, rather than being dealt with promptly, as the difficulty with the manner in which the pyrite exemption was worded and implemented had been apparent since the inception of the tax. [32833/15]

**Deputy Clare Daly:** It is a very poor reflection on the Department of Finance and very regrettable that I have to ask this question again. I have spoken about it on the record for almost two years and the Minister is on the record as agreeing with me. Home owners whose properties are virtually valueless because they have pyrite are supposed to have an exemption from the property tax. However, because the manner in which that tax is being implemented, they have not been able to avail of it. It is something the Minister said he would have addressed long before now but, as we speak, people in that situation are getting demands from Revenue for a tax on a property that is worthless. Why has this been buried in the overall property tax review when it was well flagged as something that needed independent action before now?

**Deputy Michael Noonan:** I thank the Deputy for the question. As she is aware, I had initiated a review of the operation of the local property tax, LPT, earlier this year. The review was carried out by Dr. Don Thornhill, who chaired the interdepartmental group on the design of a local property tax in 2012. While Dr. Thornhill's current review focused mainly on property price developments, it also considered and made recommendations on a limited number of other issues relating to the efficient and effective operation of LPT. I considered it appropriate that Dr. Thornhill's review included the operation of the pyrite exemption for local property tax.

It was made clear during the passage of the Finance (Local Property Tax) (Amendment) Act in 2013 that the exemption would be restricted to properties with significant pyritic damage and that not all damaged properties could avail of the exemption. Regulations made by the Minister for the Environment, Community and Local Government in relation to testing, certification and the NSAI protocol were published in May 2013 and these restricted the LPT exemption to properties with significant pyritic damage where such damage had been proven by the appropriate testing and subsequently certified.

Before its establishment, it would have been envisaged that the Pyrite Remediation Board, PRB, would have remediated those properties that would have qualified for a LPT exemption and that the requirement to have the level of pyrite damage verified and certified would be a precondition for remediation. However, it transpired that only properties with a damage condition rating of 2 are being accepted for remediation by the PRB. Also, I understand the PRB is not testing and certifying all properties that are being remediated. That gives rise to two issues - first, properties with a damage condition rating of 1, with progression, are not being accepted for remediation by the PRB and, second, not all properties that are accepted for remediation are tested and certified. A property owner who might have only a damage condition rating of 1, or 1, with progression, established by a second test, and who wants to claim the LPT exemption, has to spend €1,500 to €2,000 on testing and certification. Properties with a damage condition rating of 2 are accepted for remediation but are not eligible for the LPT exemption unless they have the required certificate.

**Deputy Clare Daly:** With respect, there is nothing new in the Minister's response. We debated the issues during an amendment I tabled to the Finance Bill last year. I have the transcript of the debate. The problem is there was an anomaly in the drafting of the statutory instrument in the legislation, which means that for somebody to get his or her exemption of hundreds of euro, he or she will have to spend thousands of euro. The Minister is on the record of the Dáil as saying that was never envisaged but he is almost on the record almost a year ago as saying that he had instructed his officials to deal with the matter, he was examining all the options and he expected an early resolution. The reality is the State is remediating properties, probably at a cost of approximately €40,000 per house because it accepts those properties have pyrite, even though an infill test was not done, but the other arm of the State, namely, Revenue, expects those very same people to get a test done at a cost to them of approximately €2,000 to get an exemption of perhaps €400 or €500 over the course of three years. It is completely unworkable. I do not ask the Minister to identify the problem - we know what that is - but could he outline whether the solution is any nearer than it was two years ago when I first asked him?

**Deputy Michael Noonan:** The outcome of Dr. Thornhill's review has been presented to me in report form and is currently being considered and will be published on budget day, in two weeks' time. I will outline my response to this very important issue on budget day.

Any resolution to the pyrite issues may necessitate a change in the relevant provisions of the Finance (Local Property Tax) Act 2012, as amended, and-or the Finance (Local Property Tax) (Pyrite Exemption) Regulations 2013. If legislative change is required, then I will examine the possibilities for its advance application on an administrative basis with the Revenue Commissioners.

**Deputy Clare Daly:** We have a problem because that is really not good enough. We have been told previously that the Thornhill report would be available no later than the summer, which I took to mean I would have it no later than then. We are well into autumn now and we are expecting yet another announcement on budget day. The points the Minister made about legislative change were well flagged last year. Is his Government going to announce, on budget day, that it has a potential solution even though, three years ago, its backbenchers were telling people they would be exempt from the property tax if their homes were affected by pyrite? I plead with the Minister on behalf of homeowners who, as we speak, are struggling to pay their mortgages and who, in some instances, have had their houses accepted into the remediation scheme but who are receiving harassment letters from Revenue demanding payment and are being told that this money will be deducted from their salaries. These individuals find themselves in their current position not through any fault of their own but because of the manner in which the legislation was drafted. To receive a response now which is - almost word for word - what I got 20 months ago to the effect that it may need a legislative change, or something else, is not really good enough. If it was the other way around and homeowners owed Revenue money, the latter would not be as tardy as it has been on this issue.

**Deputy Michael Noonan:** I am considering Dr. Thornhill's report and I hope to be able to announce, on budget day, an appropriate response which will meet many of the concerns the Deputy has raised.

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## Insurance Compensation Fund

124. **Deputy Peadar Tóibín** asked the Minister for Finance if he will provide an update on the liquidation process at Setanta Insurance; and the estimated total cost to the State through the use of the insurance compensation fund, and any legal costs arising from same. [32879/15]

**Deputy Peadar Tóibín:** I am seeking to discover what is to become of the hundreds of people who are in insurance limbo in the context of the problems relating to Setanta Insurance. Many of these people have suffered delays due to legal inaccuracies and confusion at Government level. What are the costs to the State of this?

**(Deputy Michael Noonan):** The liquidation of an insurance company is a legally complex and time-consuming process. Setanta is a Maltese incorporated company and, therefore, the Setanta liquidation is being carried out under Maltese law. Progress in the liquidation of Setanta has been awaiting the outcome of the High Court case of the Law Society of Ireland v. the Motor Insurers Bureau of Ireland. As this case is still *sub judice*, there are certain matters upon which I am not in a position to comment at this time. I will, however, respond to the Deputy's question as best I can within these constraints.

The Setanta liquidator informed me that he has made the following progress. The number of open claims was 1,696 at the end of August. The claims reserves position stands at between €87.7 million and €95.2 million. The liquidator will accept new claims up until May 2016, two years after the insurance policies issued by Setanta were cancelled. Final settlements can only be paid out after all of the company's liabilities are quantified, including claims. On foot of work already done, the liquidator was in a position to move quickly to start the process of paying claims in the event that the insurance compensation fund, ICF, had been deemed liable.

It has proven difficult to settle claims in advance of the High Court judgment because there is a lack of clarity as to whether the MIBI or the ICF is to be held liable. There is a cap on payments from the ICF of 65% per claim or €825,000, whichever is less. This cap does not apply in the case of payments by the MIBI. The liquidator continues to await a final outcome to the High Court case. On 4 September 2015 the High Court held that the MIBI is liable in respect of claims against the policy holders of Setanta. The matter has been further listed for 13 October 2015, when the matter of costs will be dealt with. I understand that after that point the MIBI will have a further 28 days to consider an appeal.

The State has no direct liability for costs, but may advance funds to the ICF which would be recouped. The ICF is financed through contributions received from non-life insurance companies in respect of risks in the State, up to a maximum of 2% of gross written premium. Legal costs for administration of the fund are also charged on the fund itself. The MIBI is also funded through industry contributions.

**Deputy Peadar Tóibín:** I welcome the developments in respect of this issue and the fact that the High Court has ruled the MIBI liable for this. When my colleague, Deputy Pearse Doherty, raised this issue with the Minister a great many months ago, the Minister said, on the record, that he felt the MIBI would be called upon, saying "The Motor Insurers' Bureau of Ireland, MIBI, has indicated that it intends to accept all third party claims connected to Setanta policies." The insurance industry then piped up and proffered legal advice and, suddenly, there was a backtracking by the State which then said the insurance compensation fund would be called upon.

*3 o'clock*

In fact, if one reads the letters from the Law Society, which were published, it is striking that both the insurance industry and the Attorney General's office cite unambiguous legal advice on the issue. It is 19 months since Sinn Féin raised this with the Minister and it is now time to do something for these individuals. One Law Society letter cites an example of a very ill gentleman with a shortened life expectancy who is awaiting a payout of €400,000. He remains in this legal limbo and he will not be paid until the end of this process. Why is there confusion within government and why is it there a delay on the government side? When will some level of compensation be given to these individuals?

**Deputy Michael Noonan:** There is no confusion within government. I set out clearly in my reply that there were two possible sources of compensation and it ended up in the High Court. The court has decided that MIBI is the responsible agency but that could be appealed. There is a further hearing in the court on 13 October to decide on costs and then there will be 28 days for MIBI to decide whether it will proceed. It has been a difficult situation for the policyholders but it was not the State that caused the delay; it was the legal proceedings that were being taken.

The Deputy asked when the first compensation payments would be made. It is not clear yet as the court case must be fully resolved but it is close to being resolved at this stage.

**Deputy Peadar Tóibín:** There is confusion on this because the Attorney General's office contradicted the Minister's initial opinion in this House that it would be the MIBI. The advice of the Attorney General's office has proved inaccurate because of the High Court decision. Urgency is not something, obviously, one associates with the Government's approach and accuracy is not something that we would necessarily associate with the Attorney General's office. Why did the Minister change his view? Did he object to the Attorney General's intervention? Would he apologise on behalf of the Government regarding the delay and confusion involved? Will he review his interactions and those of the Department of Transport, Tourism and Sport with the Attorney General's office regarding this debacle?

**Deputy Michael Noonan:** The Deputy should reserve that kind of commentary for the chapel gate in the forthcoming general election where, I am sure, he will impress his constituents no end. I cannot answer allegations; I have set out what is the position.

**Deputy Peadar Tóibín:** These are not allegations: they are facts.

**Deputy Michael Noonan:** The position is being resolved with all due speed but the matter is before the courts. I do not intervene in a process that is before the High Court.

**Deputy Peadar Tóibín:** Will the Minister review his interactions-----

**An Leas-Cheann Comhairle:** I call Deputy Michael McGrath on the next question.

### **Insurance Compensation Fund**

125. **Deputy Michael McGrath** asked the Minister for Finance the current position regarding the payment of claims due by Setanta Insurance following the recent court ruling regarding the role of the Motor Insurance Bureau of Ireland; the level of payments that are expected to be made; the approximate timeframe for this matter to be dealt with; and if he will make a state-

ment on the matter. [32866/15]

**Deputy Michael McGrath:** My question is on the same subject. This has been a shambles from the beginning because when Setanta Insurance was liquidated in April last year, we were told initially on the record of the House that the MIBI would be responsible. Subsequently, the bureau received legal advice to the contrary and the issue ended up before the courts because another arm of the State took the MIBI to court. The net effect has been that, for almost a year and a half, 1,700 claimants have been left in limbo. The Joint Committee on Finance, Public Expenditure and Reform examined this issue and all the relevant parties appeared before us. They all sat around looking at each other and no one had answers. It has been a complete shambles for almost 18 months. The issue has ended up in the courts, which is not satisfactory. At this stage, we should be able to provide some clarity to people who are waiting on outstanding claims as to when the issue will finally be decided and when payments, which have been awarded, will be made.

**Deputy Michael Noonan:** My reply to Deputy's question is much the same as my reply to the previous question.

The liquidation of an insurance company is a legally complex and time-consuming process. Setanta is a Maltese incorporated company and, therefore, the Setanta liquidation is being carried out under Maltese law.

Progress in the liquidation of Setanta has been awaiting the outcome of the High Court case of the Law Society of Ireland v. the Motor Insurers' Bureau of Ireland. As this case is still *sub judice*, there are certain matters upon which I am not in a position to comment at this time. I will, however, respond to the Deputy's question as best I can within these constraints.

The Setanta liquidator informed me that he has made the following progress: the number of open claims was 1,696 at the end of August; the claims reserves position stands at between €87.7 million and €95.2 million; the liquidator will accept new claims up until May 2016, two years after the insurance policies issued by Setanta were cancelled - final settlements can only be paid out after all of the company's liabilities are quantified; and on foot of work already done with the Office of the Accountant of the Courts of Justice and the State Claims Agency, the liquidator was in a position to move quickly to start the process of paying claims in the event that the ICF had been deemed liable.

It has proven difficult to settle claims in advance of the High Court judgment as there is a lack of clarity as to whether the MIBI or the ICF is to be held liable. There is a cap on payments from the ICF of 65% per claim or €825,000, whichever is less. This cap does not apply in the case of payments by the MIBI.

The liquidator continues to await a final outcome to the High Court case. On 4 September 2015, the High Court held that the MIBI is liable in respect of claims against the policyholders of Setanta. The matter has been further listed for 13 October 2015, when the matter of costs in these proceedings will be dealt with. I understand that after that point the MIBI will have a further 28 days to appeal the case.

I am not currently in a position to confirm the level of payments expected to be made or the timeframe for the matter to be dealt with. I expect, however, to be in a better position to advise the House once the High Court proceedings have finally concluded.

**Deputy Michael McGrath:** The main point I would put to the Minister is that he should appoint somebody to examine this whole saga with a view to bringing in changes if this happens in the future. In view of the way insurance companies can passport in their services, they can be regulated primarily in another European country and regulated here for conduct of business purposes only. We are at the mercy of the strength of the regulation in another country. It is being standardised with a new European directive and so forth but that will take time to settle down.

The reality is that there are 1,700 individual stories involved here. They are very human stories and some of them are harrowing. I have seen solicitors' letters sent to many of the Setanta policyholders who were involved in accidents whereby they were being personally threatened that they would be held liable themselves, including by way of a judgment mortgage against their home if a payout was not made. That is the human dimension of this. It is not satisfactory that almost a year and a half on these people have no clarity as to where they stand.

It is a fact that the Attorney General advised that the MIBI was not responsible. The High Court subsequently found in the other direction, that, ultimately, whatever the outcome, the MIBI's policyholders are going to pay, whether it be through the insurance compensation fund by way of the 2% levy or the MIBI members who will simply pass it on to policyholders. The Minister needs to take account of, and learn from, this experience and get all the parties together to ensure that if something like this happens again, there will be a much better and more efficient way of dealing with a liquidation scenario.

**Deputy Michael Noonan:** I do not disagree with what the Deputy has said and I could agree with most parts of his intervention. On the Deputy's question regarding the situation following the High Court decision and what we will do to ensure this does not happen again, I would point out that many of the arrangements are subject to European law and European regulation. That is why a Maltese company can write insurance here in this jurisdiction. I would ask for the assistance of Deputies, perhaps through the finance committee, when the High Court finally decides on this, such that the finance committee would consider what lessons we can learn from this and if there are any changes in domestic law which would be required, or if there is any advocacy which we could conduct in Europe to improve the situation to ensure there is no repeat of what the Deputy rightly said was a tragic situation for many of the 1,700 people who were affected by this.

**Deputy Michael McGrath:** The final point I would make is directed towards consumers and policyholders, namely, that they should listen very carefully to the tag-lines we hear on radio advertisements, for example, that an insurer is regulated by the Central Bank for conduct of business purposes. That does not mean that the Central Bank is the principal regulator of that insurance company; that insurance company could be regulated in Malta or Slovenia and it could just passport its services into Ireland. There is no consumer awareness of the difference between a firm being prudentially regulated in Ireland and being regulated here for conduct of business purposes. There should be an awareness campaign to ensure consumers are more informed about this issue. As a result of the Setanta collapse, we saw the difference it can make. We also saw the difficulties presented when a company, essentially regulated abroad, collapses in Ireland with the claims of 1,700 customers directly affected, as well as the 70,000 customers who did not get the full value of the premium they had paid for the year ahead. This issue needs to be examined.

**Deputy Michael Noonan:** As in many other matters dealing with insurance companies,

there is the issue of *caveat emptor*. It is hard to let the buyer beware, however, if he or she does not have the full facts. In any review that takes place after the liquidation and the court case are completed, we should certainly take into account the suggestions the Deputy has made about raising awareness for people purchasing motor insurance if their policies are underwritten in another jurisdiction.

### **Mortgage Interest Rates**

126. **Deputy Michael McGrath** asked the Minister for Finance the action he is taking to deal with overcharging of tracker mortgage customers; his views that it is a widespread problem in the banking industry; and if he will make a statement on the matter. [32864/15]

**Deputy Michael McGrath:** I raised the issue last week about the overcharging of certain tracker mortgage customers by way of a Topical Issue debate with the Minister's colleague, the Minister of State, Deputy Deenihan. As the Minister knows, a scandal has emerged with Permanent TSB and 1,400 of its customers wrongly denied a tracker rate, having come off a fixed-rate mortgage, for example, or not properly informed of their right to a tracker rate. Of course, a tracker mortgage rate in the current interest rate environment is very lucrative and essential to the customer who is entitled to it.

I believe, however, a much wider review across the banking system is needed because evidence is emerging that other banks have employed similar tactics against customers. I am not satisfied with the Central Bank's response to date. The Minister should intervene and make his views known that there needs to be a system-wide review of how customers entitled to tracker mortgages were denied them and how other customers were coaxed from their tracker products by certain methods used by the banks.

**(Deputy Michael Noonan):** This topic was considered in a Topical Issue debate last Wednesday, taken by my colleague, the Minister of State, Deputy Deenihan. The Central Bank has taken direct and very public action on the failures by Permanent TSB and Springboard Mortgages associated with tracker mortgage options and rates. Arising from the Central Bank's enforcement investigation, Permanent TSB has agreed to implement a redress and compensation programme to address the detriment suffered by 1,372 customer accounts. The consequences of these failures are serious and include mortgage overpayments, mortgage arrears, legal proceedings and, in certain cases, loss of ownership of properties, including some homes.

I understand from the Central Bank that enforcement investigations into these issues at Permanent TSB and Springboard are ongoing. For that reason, it is not in a position to provide any additional information in respect of these enforcement investigations at this time.

I also understand the Central Bank is examining several lender-specific practices, particularly with regard to transparency of disclosure for borrowers. The determination of the most effective and appropriate further supervisory engagement will be informed by the outcome of this current supervisory work, as well as any other market intelligence, including its engagement with the Financial Services Ombudsman. If the Deputy is aware of other banks that have behaved in similar ways, leading to failures similar to that of Permanent TSB, he should bring them to the attention of the Central Bank. Although it does not investigate individual consumer complaints, it does welcome information from consumers of financial products. Individual customers can complain to the Financial Services Ombudsman if they are unable to resolve a

complaint satisfactorily with their financial services provider.

The Central Bank is an independent institution and I do not have a role in directing its enforcement or investigative activities, nor does it report to me on specific investigations it undertakes. That said, the Government expects the Central Bank to use the powers available to it and to take whatever steps are necessary to ensure all customers are protected, whether this involves formal investigations or other means.

**Deputy Michael McGrath:** As the Minister knows in the case of Permanent TSB, it lost a High Court case on this matter and had findings made against it by the Financial Services Ombudsman. However, it still took it to the steps of the Supreme Court before, under duress from the Central Bank because of an enforcement investigation, it bowed to the inevitable, put its hands up and acknowledged up to 1,400 customers had been mistreated, denied a tracker mortgage rate after coming off a fixed-rate or given the wrong information about their entitlement to a tracker rate. That is a serious matter. At least 22 families lost their homes directly because of the overcharging by the bank. They are now in the process of going through a compensation scheme.

I do not believe the matter ends there, however. It was reported in the Sunday newspapers that AIB has reinstated tracker mortgage rates to certain customers who were wrongly denied the rate after coming off a fixed-rate mortgage for some time and that some customers have had a write-down of their mortgages because of this issue. Action needs to be taken on this. There must be a system-wide review by the Central Bank across the banking system as to how customers, entitled to return to a tracker rate having come off a fixed rate, were treated. The six-year limitations rule for complaints to the Financial Services Ombudsman means many customers who should have been entitled to go back on a tracker rate in 2009 and 2010 will have the window for recourse to the Ombudsman shut in their faces shortly. This issue needs to be dealt with.

**Deputy Michael Noonan:** The bulk of the decisions taken by Permanent TSB were taken between 2004 and 2008, which was before my watch. Practices were not corrected then. Subsequently, it went to a Supreme Court case and on into 2013.

The Central Bank is independent but is responsible under law to investigate matters such as this and to rule out malpractice in financial institutions. I will bring the Deputy's concerns to the attention of the Central Bank because he has indicated he firmly believes the practice also prevailed in other institutions. If that is so, it should be fully investigated.

**Deputy Michael McGrath:** Before the end of this Dáil, will the Minister address the issue of the six-year limitation rule for access to the Financial Service Ombudsman, not just for customers denied a tracker rate but those affected by the mis-selling of payment protection policies, for example? They are being denied justice and recourse in respect of financial products which were defective or unsuitable for them from the very beginning. While the issue seems to be tied up with a wider statute of limitations review, will the Minister deal with this? The Central Bank investigation into payment protection insurance policies only dealt with cases from 2007, meaning tens of thousands of other customers have been denied justice in respect of these financial service products. If the Minister could amend that six-year rule, it would open the door for those customers to be properly and fairly treated.

**Deputy Michael Noonan:** If the Deputy frames a suitable parliamentary written question,

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which covers the ground he has indicated now, I will ensure he gets a full and detailed considered reply.

### **Topical Issue Matters**

**An Leas-Cheann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Noel Harrington - the need for funding to address flood damage caused in areas of west Cork in recent weeks; (2) Deputy Marcella Corcoran Kennedy - the need to incentivise the building industry, in view of the challenges it is facing, by providing grant aid for the installation of renewable energy products; (3) Deputy Pearse Doherty - the need to identify alternative accommodation for a Health Service Executive operated training centre for people with disabilities in the Cleary centre, Donegal town; (4) Deputy Brian Stanley - the need to support an extension of the ban on smoky coal; (5) Deputy Mattie McGrath - the need to clarify the measures being taken to combat the theft of scrap and precious metals; (6) Deputy Patrick O'Donovan - the need for a modern definition of what constitutes public service broadcasting in the context of the distribution of the TV licence; (7) Deputy Barry Cowen - the need for the Minister for the Environment, Community and Local Government to explain why the financial position of Sligo County Council has not been addressed by central government and to address the fact that residents of the local authority area are being deprived of core services due to the financial constraints in the county executive; (8) Deputy Mick Wallace - to discuss the Saudi bombing of a wedding in Yemen yesterday and the need for the Government to condemn this at European level; (9) Deputy Jonathan O'Brien - to discuss the urgent matter of whistleblower claims that learning support hours designated for special needs in schools are being redeployed to general management duties; (10) Deputy Colm Keaveney - the need for the Minister for Health to ensure an increase in the number of personal assistant hours for people with disabilities; (11) Deputy Clare Daly - to discuss the increased Saudi aggression in Yemen and the need for the Government to highlight and take action on this issue in the European Union; (12) Deputy Billy Kelleher - the need for the Minister for Health to improve working conditions for home helps; and (13) Deputy Michael Moynihan - the need to ensure a postal service is maintained in the event of possible industrial action this week at An Post.

The matters raised by Deputies Marcella Corcoran Kennedy, Michael Moynihan, Brian Stanley and Mattie McGrath have been selected for discussion.

### **Leaders' Questions**

**Deputy Micheál Martin:** I am sure the Taoiseach will recall his billboards from the last general election on which he declared he would end the scandal of patients on trolleys. I fast forward to 30 June of this year when in a new form of government by e-mail the Minister for Health, Deputy Varadkar, e-mailed the chief executive officer of the Health Service Executive

and said we are losing the battle, any thoughts? We move forward to more choreography, more leaked e-mails, where the Minister is now saying to his officials heads will roll, and a senior head will have to roll-----

**Deputy Mattie McGrath:** They will be on the trolleys.

**Deputy Micheál Martin:** -----if this is not fixed. Then the CEO of the HSE is put in charge of the task force. Why he was not put in all along I do not know. Strangely, he has been put in from now until March, presumably to take care of the election for the Government and to try to deal with this issue during the electoral period.

The real cynicism at the heart of the Minister's position is that when he became Minister he was given a briefing. He was told what would happen back in summer 2014 if action was not taken immediately in terms of delayed discharges, resources for the fair deal scheme, and not the possibility or probability, but the certainty that there would be a crisis in accident and emergency departments during that winter if action was not taken. He ignored that advice. He now wants heads to roll. He wants the heads of people whose advice he and his predecessor, Deputy James Reilly, have consistently ignored in respect of health matters.

We remember the CEO of Beaumont Hospital who said that the accident and emergency department was unsafe. The Government's tactic then was to undermine the people making these comments. There is fear in the health sector. People are afraid to speak their minds, lest the Government get them. I recall the CEOs of the maternity hospitals and how they were dealt with because they put their heads above the parapet saying the situation in the maternity services was appalling. Their salaries were leaked by Government to undermine their position and as a signal to everybody else to keep quiet and not to embarrass the Government about the health services. It has its own way of sorting things out.

The waiting lists have gone through the roof, as have waiting times and the number of patients on trolleys. There are 400,000 on the outpatient lists. The Taoiseach got rid of Deputy Reilly and said that he was taking charge two years ago but he appointed Deputy Varadkar as Minister for Health. Will he accept that we are now witnessing appalling cynicism from the Government and from the Minister, in respect of his stewardship of the health service, as we head into a general election campaign?

**The Taoiseach:** No I do not, actually.

**Deputy Finian McGrath:** The Taoiseach does not get it so.

**The Taoiseach:** What I see is, for the first time, a Minister for Health saying we have to have accountability for taxpayers' money and the services we run, I am not happy with the way things are being run, I need people to step up to the mark and take responsibility, unlike what happened in Deputy Martin's time-----

**Deputy Finian McGrath:** Including himself.

**The Taoiseach:** -----when he denied publicly that he had ever been given any responsibility. The Minister is quite entitled to say he is not happy with the situation he finds in some services that we run and he needs people to be able to accept responsibility for the charges they have been given. It has been a trying time. There was a modest increase in the health budget last year despite the fact that new beds were opened and €70 million extra was allocated but

it did not deal completely with the situation in so far as waiting lists were concerned. That is unsatisfactory. Today, however, and over the next few years, it has been possible to allocate €3 billion in respect of hospital and health capital facilities. It is a warning from the Minister for Health that he is not content to have a situation in which year after year a budget is agreed and that, year after year, it is not met. It is not possible to meet it in all circumstances. Many of the services are severely challenged, given what went on in years gone by.

Far from being a cynical exercise, I think it is realistic to expect from any Minister for Health that there is not a bottomless pit of money from the taxpayers to deal with any situation. While the health service is primary in people's view, with an overrun every year for the past 30 years, perhaps it is time the Minister signalled that he will require that accountability and responsibility be accepted by those who are in those positions.

**Deputy Micheál Martin:** The accountability should be with the Minister and with the Taoiseach. The Taoiseach said four and a half years ago he would end the scandal of people waiting on trolleys. He said that. There was a supplementary budget of €680 million last year. What is that saying? That speaks to the dishonesty at the heart of the Government's approach to the health service, consistently, deliberately falsifying the health budget every year to suit its own budgetary figures, allowing no planning, ignoring all the advice. When Deputy Varadkar became Minister for Health he was told that Deputy Reilly's reform proposals were unworkable. The Taoiseach has some neck. Look at his programme for Government. He should read the eight pages on the health service. It is complete fantasy.

**Deputy Paul Kehoe:** Deputy Martin has some neck.

**Deputy Micheál Martin:** The Government has wasted health officials' time for the past three years going on about universal health insurance. It should read what it said:

This Government will introduce Universal Health Insurance with equal access to care for all. Under this system there will be no discrimination between patients on the grounds of income or insurance status. The two-tier system of unequal access to hospital care will end.

I could go on, paragraph after paragraph, not a single bit of it implemented. Things have got much worse. It is debacle after debacle, and the Minister, and the Government have the neck at the end of their term in office, when they had no blueprint coming in, when their reform proposals were pie in the sky with no substance or depth to say that they will do a Martin Callinan on it, they will do a Fennelly on it: when all else fails, to save our political hide we are going to sack people, we are going to sack civil servants; that will look good; that is good public relations. The Taoiseach can ask Deputy Reilly and Deputy Shatter and the former Garda Commissioner. That is what we have been reduced to because of the Government's appalling abject failure in terms of delivery of its own health care policies.

**Deputy Paul Kehoe:** It is remarkable the Deputy was not as vocal in government.

**The Taoiseach:** Deputy Martin is the champion of false anger.

**Deputy Paul Kehoe:** Absolutely.

**Deputy Bernard J. Durkan:** Hear, hear.

**Deputy Regina Doherty:** Hear, hear.

**Deputy Patrick O'Donovan:** Hear, hear.

**Deputy Mattie McGrath:** The Taoiseach will meet the anger if he goes out on the streets. They are waiting in the grass.

**The Taoiseach:** If I recall correctly the Minister for Health back in 2002 was one Deputy Micheál Martin.

**Deputy Patrick O'Donovan:** Amnesia.

**The Taoiseach:** He proclaimed to the nation and internationally that he would end and abolish waiting lists. He had a plan to do it. He still has a plan to do it.

**Deputy Micheál Martin:** No, no. We implemented incredible reductions in waiting times.

**The Taoiseach:** He comes in here floundering around in desperation. His party, with a few notable exceptions, has not come up with a constructive suggestion in the past four and a half years. He started his period in opposition-----

**Deputy Micheál Martin:** Bring back the national treatment purchase fund.

**The Taoiseach:** -----saying he would work in the interests of the country-----

**Deputy Micheál Martin:** This Government abolished it.

**The Taoiseach:** -----but what he has been at here, week after week and month after month-----

**Deputy Timmy Dooley:** -----is holding the Taoiseach to account but he does not like it.

**The Taoiseach:** -----is typical of somebody who has no vision of where his party should be or where his country should be.

**Deputy Mattie McGrath:** The Taoiseach should change the record.

**The Taoiseach:** What he has given out there in that diatribe does not warrant a response.

**Deputy Micheál Martin:** It is the Taoiseach's plan. The Taoiseach should read it.

*(Interruptions).*

**Deputy Micheál Martin:** I would invite anybody to read the eight pages of the Government's programme for Government.

**Deputy Timmy Dooley:** Is it any wonder the Minister of State, Deputy Dara Murphy, is so arrogant?

**Deputy Mary Lou McDonald:** Alan Murphy died on the streets of our city last Friday. He was a man in his thirties, sleeping rough only minutes away from this place. Alan was not the first person to die on our streets and I fear he will not be the last.

Last December, Jonathan Corrie tragically lost his life while sleeping rough minutes from the Dáil. In response to the public outcry, the Minister for the Environment, Community and Local Government, who has responsibility for housing, Deputy Alan Kelly, promised action. The Taoiseach gave an emotional message of support to people left homeless, assuring them

that they were not on their own.

Alan Murphy died alone on our streets last week. His death is yet another symbol of the failure of the Government to address the housing crisis. Since Mr. Corrie's death last December the number of families presenting as homeless has increased. The number of children sleeping in emergency accommodation every night has increased. Rents have continued to spiral upwards and evictions are becoming more frequent. More and more families turn to the State for help but instead of being offered shelter we have the appalling situation of scores of families being turned away every night, unable to source even emergency accommodation. Meanwhile, councils desperately wait for the funds to build the homes these families need and charities desperately wait for funds to provide much-needed emergency accommodation.

What will the Taoiseach do for the families who will not be able to access emergency accommodation tonight? When will the Taoiseach and his Minister release the long-promised funding to allow councils to start building?

**The Taoiseach:** Gabhaim mo bhuíochas le clann Alan Ó Murchú, go ndéanfaidh Dia trócaire ar a anam.

The Deputy's party has tabled a motion on housing for debate this evening when this matter can be dealt with in greater detail in the response by the Minister for the Environment, Community and Local Government. Clearly, one cannot beat this problem until one supplies more houses and that requires building-----

**Deputy Joe Higgins:** Yes, four and a half years later.

**An Ceann Comhairle:** Settle down, Deputy Higgins.

**The Taoiseach:** That means we must continue the programme of social housing and returning so-called voids to habitable use - of which it is expected there will be 2,500 this year - and that the housing construction sector begins to move. As Deputy McDonald is aware, there are numbers of components to this. There is the social housing element, the renovation of units or apartments that are void at present and the private housing sector. Believe me, it is not a shortage of money that has caused the exacerbation here. It is not fit to have children and families in bed and breakfast accommodation or to have children homeless or staying in hotel rooms.

Last year, when the homeless situation became very public from September to Christmas, the Government responded very strongly in respect of the rough sleepers who were homeless, through the acquisition of new accommodation and providing money for extra accommodation, night cafés and constant engagement with people who were sleeping rough on the streets. At the end of that saga, in January and February, there was a bed for everybody who wanted one. Now, it has broadened far more because of the situation where landlords are concerned and people not being in a position to pay rent. The rent supplement scheme operated by the Department of Social Protection is available for any person who is having difficulty with a landlord at present where rent is being increased and who are likely to have uncertainty about being able to stay in their home. A total of 4,000 individual cases have been helped under this scheme.

I note the Deputy's comment about the capital programme today, in which she indicated that it appeared as if the Government is reducing the amount of money being made available for social housing. In fact, the programme extends out to the budget of October 2020, which will be for the year 2021, and an extra €500 million is allocated there. I bring that to her attention

for her information. It is not being shortened, but is being extended and broadened.

What will happen this evening for people who are homeless and on the streets? It is a very difficult situation and is not satisfactory. However, we cannot and will not be able to deal with it until we provide more houses on the ground. This morning the Cabinet agreed to the Minister's proposition for modular housing and to move immediately with 150. The Deputy might have seen and visited these units. They are in different shapes and forms. They are very acceptable and are guaranteed for insulation, warmth and comfort. They are also for families, so they are not in bed and breakfast accommodation or hotel rooms. The Minister for Finance and the Minister for the Environment, Community and Local Government have met and engaged on a range of opportunities that will help us to move this forward and to provide more houses. The Minister for Finance has referred to the opportunities that might exist with NAMA's land bank and the possibility of more housing there.

No matter what happens, however, we cannot deal with the situation effectively until one starts to put blocks and concrete on the ground. We hope to start on that very strongly in the time ahead.

**Deputy Joe Higgins:** The Taoiseach must have been off looking for water on Mars for the last four years.

**An Ceann Comhairle:** Settle down, Deputy.

**Deputy Joe Higgins:** Are we for real here?

**An Ceann Comhairle:** Deputy, your party spokesperson is due to ask questions, so do not interfere with Deputy McDonald in the meantime.

**Deputy Mary Lou McDonald:** The sum total is that the Taoiseach has no answer for families who will seek emergency accommodation tonight and will be sent away. Some of them will sleep in cars. Some of them have slept in parks. The Government has acknowledged that we have what amounts to a humanitarian crisis at this stage. There are 130,000 households on the housing waiting list. The Taoiseach cannot claim with a straight face, or with any level of honesty, that any real progress has been made in terms of social housing provision. The Taoiseach, I and all of the families on the waiting list know that.

It is curious to hear the Taoiseach say that it is not a matter of funding and that money is not the issue. The facts do not bear that out. It appears that the Taoiseach lays the blame for this crisis at the feet of almost everybody. The Minister, Deputy Alan Kelly, blames the local authorities, the Tánaiste has blamed the planning process and, at times, it almost appears as if homeless people and families are being blamed. The Government's record is that it cut the social housing budgets in its first years in office. It has not released the funding for local authorities to build the homes so desperately needed, despite the fact that there are shovel ready projects good to go since 2013. The fact is that the Government fails to fund appropriate and sufficient emergency accommodation. That is the Government's record.

**An Ceann Comhairle:** You are way over time, Deputy. Put your question.

**Deputy Mary Lou McDonald:** High profile announcements and promises on the never-never are no good. They are no good to the families who do not have a roof over their heads tonight. When does the Taoiseach and the Minister, Deputy Alan Kelly, propose to release the

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funding to local authorities to let the building begin, for work to begin today on the shovel ready projects? The Taoiseach tells us it is not a matter of money or funding.

**An Ceann Comhairle:** Deputy, you are way over time.

**Deputy Mary Lou McDonald:** Demonstrate that and tell us when the money will flow to the local authorities.

**The Taoiseach:** It has already been allocated to local authorities. In fact, the Minister and the Minister of State at the Department of the Environment, Community and Local Government are meeting with the chief executives of all of the local authorities tomorrow to hear their responses in terms of the targets that have been set, the objectives laid out, the money awarded to them and how they are getting on with the job. In some cases, local authorities are not very anxious to get back into direct house building and might prefer agencies to build the houses for them. That meeting will take place tomorrow.

I never hear interviews with a homeless person who has been awarded a house.

**Deputy Mattie McGrath:** They have not got them.

**Deputy Mary Lou McDonald:** One cannot find them.

**An Ceann Comhairle:** Settle down. Watch your blood pressure.

**The Taoiseach:** The Minister for the Environment, Community and Local Government has issued an order in respect of the allocation of social housing to ensure that 50% of all allocations go to homeless people. I also do not hear interviews with anybody who has been awarded a voided apartment or house that has been renovated and made fit for living in again. There will be 765 of those in Dublin by the end of this year, with 633 provided to date.

The social housing budget has already been set out. The Deputy might have been misinformed in her comment on it, but it has been extended from what she said. The money for Dublin city amounts to €37 million for 2015. By the end of August, €33.4 million of that had been expended. That leaves money available for further expenditure to deal with housing. As I said, the chief executives have all been called to Dublin tomorrow by the Minister. Some 70% of all the funding allocated has been allocated to Dublin.

**Deputy Mary Lou McDonald:** The Taoiseach is living in cloud cuckoo land.

**Deputy Dessie Ellis:** How many houses is that?

**An Ceann Comhairle:** Sorry, Taoiseach, we are over time.

**The Taoiseach:** For any person out there now who is under pressure from a landlord who says, "You will have to get out because I am going to increase the rent", the scheme that has already helped 4,000 cases is there for them. The Department of Social Protection will deal with each of those cases individually according to their circumstances and extend the remit it has of their tenancy so they do not have to become homeless.

**Deputy Dessie Ellis:** A further 80 families are becoming homeless each month.

**The Taoiseach:** As a public representative, Deputy McDonald is in a position to talk to many people who might be in that category and to tell them the Department is there with money

to help them now.

**Deputy Mary Lou McDonald:** I speak to them every day. In that case, there is no crisis - we are just imagining it.

**The Taoiseach:** Between that and rent supplement, modular housing, the allocation of tenancies to homeless people and the results that are now going to come through in the proposals from the Ministers for Finance and the Environment, Community and Local Government, I hope it can have an impact on this in the immediate future.

**Deputy Mick Wallace:** In January 2014, US investor Blackstone acquired three properties from Project Platinum for €100 million. It is now looking to offload them for €170 million. That is a profit of 70%, not 7%. Despite the fact the buildings were yielding approximately 6% per annum in rents, while NAMA's cost of money was less than 1%, there was still a panic to sell them.

Following PIMCO's allegations regarding kickbacks for fixers, why did NAMA allow the deal to proceed with the same players, Brown Rudnick and Tughans, involved? Did NAMA report the PIMCO allegations to the relevant law enforcement or the Government, and if it did, when? In a confidential letter from Brown Rudnick to the Minister for Finance in the North, Sammy Wilson, Brown Rudnick admits to acting for two clients with a strong interest in Project Eagle. Brown Rudnick ended up acting for PIMCO and Cerberus, which is not legal. This matter is now being investigated by the Securities Exchange Commission in America. Why did NAMA have no concerns about the involvement of Brown Rudnick and Tughans despite the revelations? The reserve price for Project Eagle was €1.3 billion. This was adjusted to €1.24 billion in April 2014 to reflect, NAMA told us, asset disposals which took place in the intervening period between the launch of the loan sale and its closing. Can the Taoiseach find out what are the details of these disposals?

**An Ceann Comhairle:** Thank you, Deputy.

**Deputy Mick Wallace:** Can the Taoiseach tell me why the reserve price was reduced by €60 million? Can he find out if this might be connected to reports regarding a developer whose loans were in Project Eagle and who came to NAMA to complain about being approached by fixers who were seeking a backhander in order for him to buy his loans back at 50p in the pound from Cerberus in the autumn of 2013, months before Cerberus even bought it? Can the Taoiseach find out if NAMA actually did a deal with this developer? Can he tell us what disposals were involved in this €60 million?

**An Ceann Comhairle:** The Deputy is over time.

**Deputy Mick Wallace:** I raised this with the Taoiseach before the summer recess. Why does he insist on doing nothing about it? Why does he not want to get answers to the questions that have been raised? We have loads of questions and there are more every week, but we have received no answers. Why is the Taoiseach not interested?

**The Taoiseach:** It is not a question of not having an interest. On the issue relating to NAMA and the Northern Ireland portfolio, for example, there are two investigations ongoing, one by the police and one by the parliamentary commission. Questions have been answered at some considerable length here in the House by the Minister for Finance on this matter. Whatever papers or correspondence is necessary or available will be presented to either of those two

investigations.

PIMCO was dropped, as the Deputy is aware, under the legislation by means of which NAMA was set up. NAMA is responsible to the Houses of the Oireachtas. It is before the Committee of Public Accounts on Thursday. I suggest that the questions the Deputy has just asked, and any other questions he wishes to pose, be given to a member of the Committee of Public Accounts in order that they might be put directly to the representatives from NAMA on Thursday. NAMA is responsible to the Houses of the Oireachtas.

The Deputy has made strong statements and comments or allegations about fixers and bags of money. I suggest to Deputy Wallace that if he can back up that information, he should bring it to the notice of the Comptroller and Auditor General immediately and also to the attention of the police authorities. These are very serious allegations and the questions he raises can legitimately be asked of NAMA, which is responsible to the House, at the Committee of Public Accounts on Thursday.

In respect of the Northern Ireland portfolio, there are two investigations ongoing and these are taking place outside this jurisdiction.

**Deputy Mick Wallace:** I get the impression the Taoiseach is trying to hide behind the fig leaf of Oireachtas committees. I have already been to the Garda and I have been to the National Crime Agency, the British authority that is investigating the matter. I have already been to both of them. However, I cannot understand why the Taoiseach does not want to do anything about it.

Cerberus is under criminal investigation in two countries and it still has not been disqualified from looking at Project Arrow, which it is threatening to buy. Project Arrow has a par value of €7.2 billion and it appears it may be sold for something in the region of €1 billion. As 50% of it is made up of residential units in the Republic, and we have a housing crisis, where is the logic of selling Project Arrow to an entity such as Cerberus, which is being investigated for criminal activity in two countries? The Taoiseach could not make this up. It is absolute nonsense.

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

**Deputy Mick Wallace:** I realise these are serious players. I was recently summoned to a meeting by a public figure and a message was passed on to me from a leading member of Cerberus Ireland that I was going to get sorted. Why would they have to say that if I am telling the truth? Can the Taoiseach understand that?

**An Ceann Comhairle:** Sorry, this is Leaders' Questions. Will the Deputy put a question to the Taoiseach?

**Deputy Mick Wallace:** Is the Taoiseach going to give serious consideration to the questions that are swirling around in respect of NAMA? As I said before, the workings of NAMA have left too much to be desired and there is a lot which is rotten about it. Is it going to be the Taoiseach's legacy that he ignored all of this? Is it going to be part of his history that he chose to ignore what is going on in NAMA?

**The Taoiseach:** That is another allegation the Deputy makes. It will not be part of our history. NAMA is responsible to the Houses of the Oireachtas, of which Deputy Wallace is a Member. He comes in here week after week with very strong statements and allegations. I

cannot say whether what he says is true or whether he can back it up.

**Deputy Mick Wallace:** Why does the Taoiseach not find out?

**Deputy Micheál Martin:** The Government told NAMA to accelerate the sales process.

**The Taoiseach:** I am glad the Deputy has gone to the police force and the crime investigations unit but perhaps he does not want these questions raised - or to have somebody raise them on his behalf - at the body to which NAMA is responsible, and through which it is responsible to this House.

**Deputy Mattie McGrath:** Rein them in.

**The Taoiseach:** It is not good enough for Deputy Wallace to come in here like this, given that he is the centre of attention for receiving these kinds of allegations. I hope that when such allegations presented to him, the Deputy, who has full privilege in here, demands that proof be given.

**Deputy Mick Wallace:** Is the Taoiseach going to stop Project Arrow?

**The Taoiseach:** I am quite sure Deputy Wallace wants to use that privilege with responsibility.

**Deputy Micheál Martin:** Nobody is denying the €7 million is in an offshore account.

**The Taoiseach:** If there is an issue here, the questions that have been asked and the questions that have been answered by NAMA mean there is nothing wrong on the seller's side. If there is anything wrong, it seems to be on the purchaser's side.

**Deputy Mick Wallace:** The Taoiseach cannot be serious.

**Deputy Clare Daly:** The Taoiseach needs to catch up with what is already in the public domain.

**The Taoiseach:** I suggest the Deputy should write out his list of questions. These can be raised-----

*(Interruptions).*

**An Ceann Comhairle:** Order, please.

**The Taoiseach:** The Deputy wants to find out the truth about these issues. In that case, he must use the facility available to public representatives - in the public interest - in order to ask his questions. I would like the Deputy to furnish to the Committee of Public Accounts the basis of the evidence given to him that will make the allegations he makes stand up.

**Deputy Clare Daly:** The Taoiseach would love that.

**The Taoiseach:** I thank the Deputy for going to the Garda and the crime investigations unit. I hope he will supply a full list of questions in order that NAMA can comprehensively address these issues at the Committee of Public Accounts.

**Deputy Mick Wallace:** I gave the Taoiseach the questions.

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

### **UK Referendum on EU Membership**

1. **Deputy Micheál Martin** asked the Taoiseach if his Department is assessing the impact of an exit by the United Kingdom from the European Union following a referendum being held; and if he will make a statement on the matter. [11634/15]

2. **Deputy Gerry Adams** asked the Taoiseach if he discussed with the British Prime Minister, Mr David Cameron, in any of his recent conversations, the issue of a referendum in Britain seeking British withdrawal from the European Union. [15227/15]

3. **Deputy Gerry Adams** asked the Taoiseach if his departmental officials have prepared a report on the likely impact to this State of a British withdrawal from the European Union. [15228/15]

4. **Deputy Gerry Adams** asked the Taoiseach if he has discussed with other European Union leaders at recent European Union Council meetings, or in bilateral meetings, plans for a referendum in Britain on an exit from the European Union; and if he will make a statement on the matter. [15229/15]

5. **Deputy Micheál Martin** asked the Taoiseach the actions he and his Department are taking to protect the business and trading relationship between Ireland and the United Kingdom, which now amounts to over €1 billion per week, in the event of the United Kingdom voting to leave the European Union; and if he will make a statement on the matter. [16206/15]

6. **Deputy Micheál Martin** asked the Taoiseach if he is setting up a special working group that includes business representatives, to prepare for the possibility of the United Kingdom leaving the European Union; and if he will make a statement on the matter. [16207/15]

7. **Deputy Micheál Martin** asked the Taoiseach his plans to speak at the next European Union Council meeting regarding the possible exit of the United Kingdom from the European Union; and if he will make a statement on the matter. [19226/15]

8. **Deputy Micheál Martin** asked the Taoiseach if he and his Department have considered or deliberated on whether Ireland will agree to changes to the European Union treaty, when it is discussed at European Union Council level, to allow the United Kingdom to remain within the European Union; and if he will make a statement on the matter. [20237/15]

9. **Deputy Gerry Adams** asked the Taoiseach the preparatory steps he has taken, or is planning to take, in the event that the British Government's proposed in-out referendum goes ahead; and if he will make a statement on the matter. [22950/15]

10. **Deputy Gerry Adams** asked the Taoiseach his plans to raise the British Government's in-out European Union referendum at the next meeting of European Union leaders; and if he will make a statement on the matter. [22951/15]

11. **Deputy Gerry Adams** asked the Taoiseach if he has commissioned a report and-or analysis into the British Government's demands for changes to the treaty of the European Union as part of its negotiations in advance of its planned European Union in-out referendum; and if he will make a statement on the matter. [22952/15]

12. **Deputy Gerry Adams** asked the Taoiseach if the Government is prepared to countenance changes to the treaty of the European Union in any negotiations with the British Government on its planned in-out European Union referendum; and if he will make a statement on the matter. [22953/15]

13. **Deputy Micheál Martin** asked the Taoiseach the specific concerns for Ireland he discussed with the British Prime Minister, Mr David Cameron, in the event of the planned referendum on the United Kingdom's future membership of the European Union being passed; and if he will make a statement on the matter. [25705/15]

14. **Deputy Micheál Martin** asked the Taoiseach if he was requested by the British Prime Minister, Mr David Cameron, to support certain reforms in the European Union, to allow a compromise to be negotiated in relation to the 2017 referendum in Britain; and if he will make a statement on the matter. [25712/15]

15. **Deputy Micheál Martin** asked the Taoiseach if he or his Department officials are exploring the options of a referendum being held here in the event of changes being made to European Union treaties prior to the referendum taking place in Britain; and if he will make a statement on the matter. [25713/15]

16. **Deputy Joe Higgins** asked the Taoiseach if he has discussed with the British Prime Minister, Mr David Cameron, the proposed referendum on British membership of the European Union. [32852/15]

17. **Deputy Richard Boyd Barrett** asked the Taoiseach if he has discussed the issue of a referendum and the possible withdrawal of Britain from the European Union in his recent discussions with the British Prime Minister, Mr David Cameron; and if he will make a statement on the matter. [32854/15]

18. **Deputy Richard Boyd Barrett** asked the Taoiseach the Government's position on British demands for changes to the treaty of the European Union; and if he will make a statement on the matter. [32855/15]

**The Taoiseach:** I propose to take Questions Nos. 1 to 18, inclusive, together.

The place of the UK in the European Union is of real national importance for Ireland and is a strategic priority for the Government. We are, therefore, watching developments very closely, engaging with our counterparts and doing all we can to help to keep the United Kingdom in the European Union. When I met with Prime Minister Cameron in London on 18 June, we discussed his pledge to hold an in-out referendum on EU membership before the end of 2017, the general outline of his proposals for EU reform, the thinking around treaty change and other issues relating to the EU-UK relationship. We also discussed our specific concerns about the impact a change in the nature of the EU-UK relationship could have on economic and trade links between our two countries and on stability in Northern Ireland. As I described previously in the House, on 23 June, that meeting was both positive and constructive. The Prime Minister did not ask for any particular support in respect of any proposal. However, I made it clear to

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him how much value we attach to the fact that both our countries are members of the European Union. I said that, without necessarily agreeing on all points, Ireland will be as helpful as it can be in the negotiations.

The issue is obviously of great importance to the European Union as a whole and it arises frequently in discussions with my EU counterparts, as it did last weekend. At the European Council on 25 and 26 June, Prime Minister Cameron presented a brief outline of his thinking, following meetings with most of the leaders of the European Union. A lengthy debate did not take place at that meeting, but it was agreed that consultations would be undertaken to see how the issues might be progressed. At the October European Council meeting, which will be held on 15 and 16 October, President Tusk intends updating Heads of State and Government on the state of play of the technical work that has been under way in Brussels since the June discussion.

Prime Minister Cameron has informed his colleagues and partners of his intention to present his proposals after the European Council meeting in October. The arrangements for detailed discussions on these proposals have yet to be agreed, but it is expected that there will be further consideration by Heads of State or Government at the European Council meeting to be held in December. It is not clear at this stage whether the British reform proposals will require treaty change. We would in general have serious reservations about opening up the European Union treaties. However, the substance and scope of the proposals and what is eventually acceptable to all EU partners will need to be examined before the possible need for treaty change and the form of such change can be assessed.

I welcome the publication in June by the Joint Committee on European Union Affairs on the EU-UK relationship. It acknowledges that British membership is important not just for Ireland, but for the European Union as a whole. The report makes a valuable contribution to our understanding of the issues at stake and is a powerful symbol of the cross-party consensus that Ireland is best served by our closest neighbour and good friend remaining in the Union.

Departments, led by my the Department, are also very much engaged on the matter and have been for some time. In May, a new division was established in my Department to focus specifically on relations between Ireland and Britain, including bilateral issues that arise in the context of the EU-UK debate. That division also has responsibility for Northern Ireland where, of course, the impact of a British exit would be most severely and acutely felt. Preparatory work has already been undertaken on questions that might arise for Ireland in the event of a possible British exit from the Union. Of course, in that hypothetical situation much would depend on future EU-UK arrangements.

I wish to emphasise that the main aspect of our work has been on examining how to support UK membership of the Union rather than on planning for its withdrawal. The Government fully recognises that the economic dimension is significant. We are in regular contact with business groups and other civil society organisations which appreciate directly how crucial common EU membership is for the Irish-British bilateral economic relationship. Further work is being undertaken to enhance that understanding, including research that the Department of Finance has commissioned from the Economic and Social Research Institute on macro economic links between the United Kingdom and Ireland in the context of our joint membership of the European Union.

I would add that the Government will continue to seek to ensure that Irish perspectives

and concerns are understood in the United Kingdom. Our position was set out once again in recent speeches in Britain by myself and by the Minister for Foreign Affairs and Trade. In my contribution to the British Irish Association in Cambridge earlier this month, I emphasised the importance of Britain's continuing membership of the European Union, including in the context of stability and prosperity on the island of Ireland. Our embassy in London is also very much engaged in public diplomacy on the issue. However, we are very clear that the final question will be exclusively for the electorate in the United Kingdom to decide.

**Deputy Micheál Martin:** I thank the Taoiseach for his reply. I am sure many postgraduate students in foreign relations and diplomacy would like to get their teeth into such a reply, because it is a lengthy masterpiece that says nothing of substance. It is full of banal generalities, which is what we have been getting on this issue for the past year and a half since Prime Minister Cameron said what he said. I am very unclear as to what the Irish position is and do not know where we stand on any of the issues that have been raised by the British Government in regard to its membership of and participation in the European Union. Unfortunately, the House has not had the opportunity to debate issues discussed prior to or after the past three EU Council meetings. This is unfortunate and unacceptable. The Government cannot be complacent about people's attitude to the European Union and cutting debate does not help. Will the Taoiseach confirm that statements will be scheduled before and after EU Council meetings from now on?

I am unclear, and the Taoiseach said nothing in his reply today, of Ireland's position on any of Britain's demands. We need to be careful. The Taoiseach is using language saying "we will be supportive" and "we will be helpful". Has this country anything to bring to the debate? Of course we support fair trade, free trade, competitiveness and all of that, but Britain's own review of the balance of competencies within the Union showed that the bulk of European powers help individual states to compete on a level playing field and give them fair access to trade. Britain's and the British Government's own analysis had little to show at the end in terms of meeting the views of eurosceptics, who tend to be sceptical of and against the European Union on emotional grounds as opposed to factual and substantive grounds.

It is important the guarantees that exist within the European Union which allow for basic working conditions and social supports are maintained. One of the bigger issues emerging in our two-tiered recovery is the high number of people on low incomes and wages within our economy. This is a trend across Europe and we need a proper debate in Europe on the issue. In our never-ending move towards what is labelled as competitiveness, we are shoe-horning a significant cohort of the population into permanent, low wage jobs with exploitative, zero hour and low hour contracts and so on.

*4 o'clock*

These things have taken from many families and young people any certainty about security of tenure in housing, mortgages, buying a car, and so on. At European level and at the level of leaders all of this terminology gets thrown around. Of course we must be more competitive, but there are different ways of doing so. Competitiveness cannot mean reducing the means of middle and lower income groups on a continual basis while wealth in the stratosphere of the corporates or whoever goes to a higher level. This needs to be critically examined within the European Union and is part of the British debate. Ireland should be saying to Britain that it does not agree with it on that front. We are not going to undermine social supports or protections for workers.

There has been no public debate initiated by the Government on this issue. Our party held a significant meeting in Cavan with a number of academics presenting. The agricultural economist with the Irish Farmers Association was very informative and enlightening on the devastating potential impact of a British exit on agriculture and food here and in Northern Ireland. It was the first time I had heard an articulation of concrete impacts, which I have never heard from the Government or from any Minister. There is a complete absence of substantive debate and information on the issue.

Can the Taoiseach tell me what specific changes the British Government is looking for? Has it made a formal statement to him in that regard? Everyone is now saying that it will not be treaty change, as the capacity of Europe to facilitate that is not there. Now we are looking at something short of treaty change. What is it? In what specific areas is the British Government seeking change? What is our position? I get a sense that the Prime Minister, Mr. Cameron, has landed himself in it. To appease the sceptics within his own party, he announced the “in or out” referendum without a clear agenda or pathway as to how it would work out. He will now want other EU countries to help him and to facilitate Britain in getting a “Yes” vote in the referendum when it transpires.

What plans are in place to protect Irish business and enterprise in this context? Does the Taoiseach accept the ESRI estimate that a British exit from the European Union could wipe about €4 billion off the value of Irish exports? We know the European Union has played a very significant role in assisting Northern Ireland’s recovery. EU funds totalling about €500 million have been invested in Northern Ireland through the peace initiative and other initiatives. Brexit would have a very significant impact on Northern Ireland and on the entire island. Would, for example, controls be reintroduced at the Border? Has the Taoiseach a position paper on this? Could he publish the position papers which must have been drawn up by his Department and the Department of Foreign Affairs and Trade?

There was a decision in May of this year, only a month or two ago, to set up a new division within the Department of the Taoiseach to cover the relationship between Britain, Ireland and Northern Ireland. That suggests an acknowledgement of what we have been saying for years about the detachment of the Government from issues pertaining to Northern Ireland, North-South relationships and the Good Friday Agreement. There has been an increase in the Civil Service capacity within the Department of an Taoiseach to deal with these issues.

**The Taoiseach:** The Deputy started by saying that my response was full of banal generalities and that it was unclear what the Irish position is. Let me deal with that. I do not think it is a banal generality to say that the place of the UK in the European Union is of real national importance for Ireland, and is a strategic priority for the Government.

I said to the Deputy that we also discussed our specific concerns about the impact of a change in the nature of the EU-UK relationship on economic and trade links between Ireland and Britain, and on stability in Northern Ireland. I do not regard that as a banal generality. I said to him that without necessarily agreeing on all points, Ireland will be as helpful in the negotiations as we can be. That is not a banal generality.

**Deputy Micheál Martin:** What are those points?

**The Taoiseach:** I said to the Deputy that the President of the European Council, Mr. Tusk, intends to inform the leaders of the Council on 15 and 16 October of the state of play in regard

to the technical work arising from the visits of the Prime Minister, Mr. Cameron, since the June discussion. That is not a banal generality. Deputy Martin asked what Mr. Cameron wants and what the British Government is looking for. The British Prime Minister has informed his EU partners of his intention to present his proposals after the October European Council. That is not a banal generality.

**Deputy Micheál Martin:** It is.

**The Taoiseach:** It is a statement of fact that the British Prime Minister has said he intends to present his proposals after the October European Council.

**Deputy Micheál Martin:** On what?

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

**The Taoiseach:** On the four points he has started out. These are first, measures to make the European Union more competitive, which are likely to include completion of the Single Market, better regulation and expediting international trade agreements. Does Ireland support those measures? It does.

**Deputy Micheál Martin:** There is nothing new in that.

**The Taoiseach:** Second, steps to enhance national sovereignty. This relates to the role of national parliaments as well as the concept of ever-closer union. That needs careful analysis and scrutiny.

Third, making the European Union more fair, preventing non-eurozone countries from being disadvantaged by decisions taken solely by the eurozone. The Prime Minister, Mr. Cameron has said repeatedly that he sits at the European Council and that as he is not a member of the eurozone, he would not like to think that decisions made within that zone will impact adversely on countries which are outside it but which are within the European Union.

Fourth, addressing migration and welfare. They are the four main points Mr. Cameron set out in terms of wanting change. The Prime Minister presented those general principles and they are doing technical work on what that actually means. The Prime Minister has visited quite a number of the leaders and intends to present his proposals in detail after the October meeting. As I stand here talking to the Deputy, we still only have that broad sense of the issues that are of concern to the British Government. We do not have the detail. It is important to see what exactly is put on the table.

As I indicated to the Prime Minister, given that there is a large Irish contingent living in England - 70,000 on the boards of British companies - we appreciate how important it would be that the British electorate - it is its business - would eventually decide on the nature of the question it is being asked and that it would respond by saying it wants Britain to continue to be a forthright and strong member of the European Union. Within that, there are aspects to which we can point from our own experience in dealing with the fiscal stability treaty in the middle of the greatest recession of 60 years.

I signed a letter some years ago with the Prime Minister, Mr. Cameron, about improving the way in which the efficiency of the Union operates, including such issues as red tape and administration. Everybody supports these and they are part of what he is concerned with. With regard to any changes that the British might require either for EU legislation or for policy,

where they are reasonable and achievable, I do not see why we cannot be supportive of them. I made it clear to him that there will more than likely be issues on which we cannot be supportive and he understands that. If a UK proposal would be unrealistic or damaging to this country's interests, we will say so and be very forthright about it. I believe the Deputy did the right thing in having a debate on it. I would not like to believe, however, that we would set out all the implications for us here because what the British people actually do is not within our control. However, the additional personnel in the section of the Department of the Taoiseach dealing with Northern Ireland and watching these issues as they unfold do not in themselves comprise a new, additional resource. There is a lot of work going on within the Departments to allow us to best understand what actually is meant here. I include the Department of Foreign Affairs and Trade and the Department of Finance. The latter has commissioned the ESRI to do work on the macro-economic links between Ireland and Britain. The focus of that is such that we should be able to promote the reasons Britain should stay in the Union. We will study carefully the indications coming from the British side before the Prime Minister presents his detailed proposals after the October meeting.

**An Ceann Comhairle:** I call Deputy Mary Lou McDonald, who is representing Deputy Gerry Adams.

**Deputy Mary Lou McDonald:** The Taoiseach moved from bland generalisations to worrying, bland generalisations.

**The Taoiseach:** Accurate and factual.

**Deputy Mary Lou McDonald:** Let me just probe this a little bit further with the Taoiseach. He referred to circumstances in which we can be helpful. He said we will try to be helpful. I find that a little worrying. Let me tell the Taoiseach why. The tenor and nature of the reservations of British Tories, UKIP and a variety of other political forces about the European Union have been very obvious for a long time, particularly in recent times. I say this as a person who herself believes the European project is on the wrong track and that the European Union is long overdue a radical reassessment and a radical overhaul. That is my position and that of Sinn Féin on these matters. Is the corollary of prioritising more competition not the downgrading of "social Europe" yet again?

With regard to the issue raised concerning migration and welfare, it is scarcely surprising to say it is code for a sort of little-England, small-minded, *in extremis* and xenophobic view of migrants who come to Britain or any other part of the Union. This has been made all the more acute by the trauma in Syria and elsewhere and the resulting refugee crisis. I would be very worried if the Taoiseach were considering even for a second being helpful to a British Tory Government set on dismantling social protections, such as they are within the European Union, and placing even greater emphasis on and according greater supremacy to competition, competition law and the forces of the market or, in many cases, the forces of the jungle. I would be very worried if he were in any way proposing to give succour to a British Tory Government that wished to roll back the tide. What was the term that Mr. Cameron used? Was it "an influx of persons seeking to get into Britain"? His rhetoric was ugly on the issue of migration only very recently.

Deputy Kenny is, of course, Taoiseach but he is also the leader of Fine Gael. He has a particular worldview and much of his outlook is shared with the British Tories. The Tories, however, are not elected in any part of Ireland, as the Taoiseach is well aware. Certainly, this ju-

risdiction and its Taoiseach should not be party to any rowing back of social protection or social provision, much less playing into the hands of a xenophobic outlook in respect of migration.

Rather than having a generalised, bland or abstract perspective on what the British may or may not be looking for, we and the Government should have a very strong view on what we believe should be prioritised by way of reform at EU level. More to the point, the Taoiseach should know and be prepared to state very publicly on the floor of the Dáil those places to which he will not go to mollify or curry favour with Mr. David Cameron and his Tory colleagues.

The Taoiseach refers to the North almost as an afterthought in this debate. He says he is worried about the stability of the North. That is fair enough but the truth is that, in terms of our national interest and the interest of Ireland, the biggest dilemma and biggest potential problem for us consequent to any Brexit is the North. That is not a minor detail. In my view, it ought to be the centrepiece of the Taoiseach's and our concerns for any British exit strategy. In the Taoiseach's conversations with Mr. Cameron, has he asked him about this referendum and the North? Has he put it to Mr. Cameron that the people of the North and the others who live on the island of Ireland need to determine for themselves whether the North stays or goes in terms of EU membership? The Taoiseach will know that, in Scotland, First Minister Nicola Sturgeon has made clear that the Scottish would regard it as their right to have Scotland decide on its membership, or otherwise, of the European Union. Equally — I am sure the Taoiseach shares this view — it is a matter for the people in the North of Ireland to make that call. While that call is so significant in terms of trade, agriculture, PEACE funding and supports, as referred to, it represents, in a much more fundamental way, big stuff for Ireland because its economy, in the medium and longer terms, will grow and develop at its optimum rate and in the best way on an all-island basis.

In responding to this matter so far, the Taoiseach has expressed concerns for Ireland, by which I presume he means this jurisdiction. By saying “our relationship with Britain”, I presume he is referring to this jurisdiction again. The North is almost a separate consideration. That is the wrong way to go about this. The Taoiseach says that Mr. Cameron has spoken to some leaders about his proposals. I doubt that Mr. Cameron has been as coy with the Taoiseach as the Taoiseach is being with us in terms of setting out precisely what he has in mind. Can the Taoiseach reassure us that he is not being quite so coy in return and that he will defend the national interest, prioritise the issue of the North and the right of its people to set its course and decide in their own right on whether it should be in the Union, and not allow a decision by England, led by Tories or anybody else, to be imposed on them, or us, as an island people?

**The Taoiseach:** I am interested in the Deputy's range of views. She talked about being bland and general. Deputy Martin talked about being banal and general. I have listed six or eight specific issues in the reply I gave to both Deputies. They are not generalities; they are quite specific about where we stand and where we want to be. Deputy Mary Lou MacDonald finds it worrying that we should be helpful in respect of Britain's position. I pointed out to Deputy Martin that we do not have the details, other than generalities and general principles, of what the Prime Minister has set out. However, the Deputy will be aware of the extent of trade across the Irish Sea every day and the extent to which jobs in this country are dependent upon British trade and on exports from Ireland to Britain. It is beyond simplistic to assume that it is not evident to everybody that being a member of a market with a population of 500 million has enormous implications and potential for Ireland. Britain is our closest neighbour and our greatest trading partner, and that also has serious implications for us. It is, therefore, in our interest - and as all other countries have said - that the European Union would continue to be stronger

with Britain as a central member.

In fairness to Prime Minister Cameron, he has been very strong about the completion of the Single Market and the digital market. He has also been very strong on getting rid of useless red tape and strangulation by administration. Everyone supports these-----

**Deputy Mary Lou McDonald:** And the working time directive.

**The Taoiseach:** -----and having them implemented. The Deputy says that the European Union is on the wrong track. That is nothing new from Sinn Féin. She has never believed in the European Union and has voted against it on every occasion during the past 30 years.

**Deputy Mary Lou McDonald:** I did not have a vote then.

**The Taoiseach:** She is completely hypocritical about it in that her party's MEPs will come home and say "We can't have this. We can't make contributions for that service but we'll write documents in Europe and vote for them and say 'We should make contributions for some of the services that we have'." Of course, the general population here might not be aware of that. As the deputy leader of her party, therefore, she is opposed to Europe. She does not want anything to do with Europe. She is quite happy to see European involvement here and European contributions for the benefit of Ireland. She sends out her MEPs and they still oppose everything except contributions for services.

Deputy McDonald mentioned social protection and social services and, of course, we will defend our national interests. We will defend and hopefully promote the way we have evolved social services here and the way we have maintained the extent of contributions through social services despite the economic recession of recent years. However, I would say this to Deputy McDonald. She comes in here with all this pious goodness.

**Deputy Mary Lou McDonald:** I was elected to serve in the House, Taoiseach.

**The Taoiseach:** Rightly so, and you are fully entitled to be here.

**Deputy Micheál Martin:** Could the Taoiseach define "pious goodness".

**The Taoiseach:** I will because-----

**An Ceann Comhairle:** I am sure there are Deputies waiting to put their questions.

**The Taoiseach:** -----suddenly the Deputy's aspirations regarding Northern Ireland and her contributions about it leave a lot to be desired. I will say why. She mentioned that the people in the North are entitled to their vote and to make their decisions. The people, North and South, made a decision in respect of the Good Friday Agreement. I would say that from her party's perspective she has lost interest in Northern Ireland being a priority and her focus down here is on the people seated to her left and all the rest of it because she is looking to a different time. However, I warn Deputy McDonald - at her peril - that her party should not lose sight of what the people, North and South, did in voting in favour of the Good Friday Agreement. As she is well aware-----

**Deputy Mary Lou McDonald:** Is this a commentary?

**The Taoiseach:** -----if the institutions in Northern Ireland and the Good Friday Agreement were to fail or fall because of her party's reluctance to accept responsibility regarding financial

matters and reform, then upon their heads would that be. The Deputy cannot have it both ways all the time. She doesn't want contributions for services down here, yet she makes them in Northern Ireland. Her party caps property tax at £400,000 so the person living in a £2 million mansion up there will pay the same as somebody in a suburban semi-detached in the more affluent areas of some towns. Yet she comes down here and screams about wealth tax and all the rest of it.

**Deputy Mary Lou McDonald:** I am actually from this city.

**The Taoiseach:** Of course you do. She asks what the British are looking for and I have outlined that in some detail to Deputy Martin. I have pointed out to him, not as a bland generality, that I do not know the detail of what the British Prime Minister is going to present to the leaders of the European Council after the October meeting.

**Deputy Micheál Martin:** That is what frightens me. It worries me.

**The Taoiseach:** That is what he intends to do, however, so we will know at that stage. For us, Northern Ireland is not an afterthought and far be it from Deputy McDonald to assume that. When Ireland held the EU Presidency at the start of 2013, we had personnel from Northern Ireland based in Brussels so that they were fully acquainted with what was happening. The issues were being discussed on the basis of an all-island economy.

We are very supportive of the British Government's move to give authority to the Northern Ireland Assembly to reduce corporation tax and make us more compatible as an island entity. We have been clear about that.

I have spoken to Prime Minister Cameron about the referendum but I do not know the question he is going to ask. I know the general nature of the question but not how it will be phrased. We have pointed out the impact of Britain leaving the European Union on both the Republic and Northern Ireland. Mr. Cameron is well aware of that.

Deputy McDonald mentioned the First Minister in Scotland. My understanding is that the SNP will be voting to stay in the European Union but if the overall British electorate, including that part of it in Northern Ireland, decided to leave, the party might take a different view about a second run at independence. However, that is a matter for the SNP. In that sense, it is important for us.

In fairness to Deputy Martin, his party stated during the referendum campaign on the fiscal stability treaty that it is important to protect the business element relating to this country whereby jobs are created, people are employed and families can have careers. We will protect it and our people voted to protect it. We have strong trade links with the British economy, as well as strong links with the euro and the eurozone.

This is a pathetic attempt to link us with Tory Government but Deputy McDonald has tried that before. We are very different parties and personalities.

**An Ceann Comhairle:** Taoiseach, I want to let Deputy Higgins in.

**The Taoiseach:** The county and country I live in are very different to those inhabited by the British Tories to whom Deputy McDonald might be referring. I wait with interest to see what the Prime Minister will present. He clearly indicated to me that he does not want to interfere with the principle of the freedom of movement within the European Union.

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**Deputy Micheál Martin:** Fair play. He cannot. There is a treaty.

**The Taoiseach:** He was very clear about that. It is a cornerstone of the European treaties in any event and he made that quite clear. I will wait and see what the detail of his presentations will be when he makes them in October.

**Deputy Joe Higgins:** I wonder if the Taoiseach has any understanding of the nature of the debate that is opening up in Britain now on the proposal of the Tory Government to hold a referendum on the European Union. Does he understand that a referendum on EU membership is due to be held in Britain by 2017 and that are powerful arguments being put forward by ordinary people there - and working class people in particular - who would vote against the European Union? I wonder if the Taoiseach understands that the manner in which the EU, as part of the troika, attempted to humiliate and cow the people and Government of Greece in recent months, showed the Union as representing the major capitalist financiers within the financial markets of Europe and not the interests of the poor, the working class or the small farming community in Greece. Does the Taoiseach understand that the British people would be fully justified in drawing the conclusion that the EU is utterly hypocritical when it proclaims in its treaties that it is a zone of solidarity, democratic rights and human rights when it trampled all over the rights of the Greek people and its democracy, for example, and also over the democratic and social rights of the Irish people when it cowed governments like the Taoiseach's to repay the private financiers of Europe for their reckless gambling in the Irish property bubble? Does he understand that he and his Government's shameful and opportunistic support for the troika in attempting to cow the Greek people has strengthened the argument among ordinary people in Britain to oppose the workings of the EU and will be another justification for them opposing it? Has he seen the opinion polls in Britain that show that despite the rantings of the Tory press, substantial cohorts of ordinary people in Britain oppose the neoliberal drive of the EU, particularly in respect of privatisation, and stand for bringing critical services like water, rail and transport into public ownership again?

Is the Taoiseach being informed about the how the debate is shaping up for the referendum campaign ahead? Does he know that socialists and significant elements of the labour movement with a small "L" in Britain are seriously discussing how they will campaign against the right-wing and neoliberal policies of the EU in the referendum and, very importantly, will counterpose to the xenophobia, racism and false right-wing populism of parties like UKIP and the fascist elements in Britain who are attempting to take advantage of the disasters that neoliberal capitalism has inflicted the idea of a really democratic and socialist Europe where real social solidarity can be based on breaking the power of the major corporations, which predominate - all one needs to do is look at Volkswagen and its scandalous carry-on in the past week and the massive tax avoidance of major multinationals operating in Europe and here - and genuine social and democratic ownership of key services in the interests of our people, including a banking industry in the interests of all people? That is the basis on which genuine solidarity can be built among the peoples of Europe. We see the scandalous situation of 25 million Europeans, particularly young people, cast on the stones of unemployment by the type of Europe that the Taoiseach and his colleagues in the EU have created. Those are the terms of a riveting debate that opens up in Britain. I doubt that the Taoiseach is aware of it though.

**The Taoiseach:** The Deputy is wrong; I am well aware of it. He asked whether I am receiving information about these things. Of course, I am. I listen to the news like everyone else. I do not get to read all of the material that comes out but we are regularly kept informed, through our own ambassador and people in Britain, about what is happening. The answer to the Deputy's

question is “Yes”. He asked whether I understand what is going on; I do, absolutely. All the polls, indicators and commentators and all the people who knew everything got it wrong in Britain. The people voted, as they are entitled to do, and elected a Government with an overall majority, small though it may be.

The Deputy spoke about ordinary people, working class people and working people. When the Greek prime minister was elected on the basis of a very populist set of proposals, Greece had been approaching a 1% growth rate but that went back. When the prime minister came to the European Council on the assumption that there would be massive write-offs, he found that he was talking to people who must also deal with ordinary, everyday people. The Spanish prime minister was not in a position to say that he would write-off €36 billion worth of moneys Spain had given to help Greece and the French president was not prepared to say that he would write-off €42 billion of the contribution France made. That was followed by a referendum and another election.

The Greek prime minister, with his new Government, must make very difficult choices and decisions because one has to pay one’s way in the world. The assumption that one can have everything for nothing and that somebody else will pay continuously is not the way it is going to be.

*(Interruptions).*

**An Ceann Comhairle:** Deputy Boyd Barrett is waiting patiently to ask his question.

**The Taoiseach:** The Labour Party in Britain is perfectly entitled to decide who it wants to elect and that is what it did. I wish Mr. Corbyn the very best of luck in his endeavours. Obviously, there will be a vigorous, enthusiastic and energetic internal debate about where the party is headed with that leadership and that is its business.

In respect of where Europe is moving, we have contributed to the base erosion of profit-sharing debate. The OECD visited here recently, looked at Ireland and said that we are moving in the right direction. Challenges still exist. Those reports will be published very shortly and we have contributed to them to be up-front with everybody in terms of our corporate tax rate, which will not be moving from 12.5%, but also in respect of other issues that were central to that debate.

With the greatest of respect of the people of Britain, they have not had the same taithí, as one would put it in our native tongue, in dealing with referenda on European issues. We have had referenda over the years, such as the Maastricht and Nice referenda, and people understand the relationship between the Commission, the Parliament and the Council. They have not had that opportunity in Britain with the exception of the referendum to join the EEC. Many people in Britain would not see the EU as a friend. Whatever the question is and whenever it is put, they will be the ultimate deciders.

As a neighbouring island, we take a very clear view that the EU would be stronger if Britain can remain in it. That is through the will of the British people. In respect of both Northern Ireland and our business connections, jobs and exports, it is in our interest that Britain remains in the EU and we are quite entitled to develop that argument. As I said to Deputy Martin earlier, where we disagree regarding an issue about which we feel strongly, we will say so very clearly. When the British prime minister goes to the European Council and says that these are the detailed proposals he is putting forward, we need to look at them carefully. I do not favour treaty

change because it will open up a range of other issues not just for this country but for many others. It may be the case that when he presents his detailed proposals, they may not require treaty change in the first instance. For all the arguments concerning right-wing and left-wing populism, neoliberalism and all the things that swirl around in British political circles, at the end of the day, the people must mark the paper.

Irrespective of the nature of the question, it is in our interest for it to be answered by way of Britain staying a member of the European Union in order to protect jobs in the Deputy's constituency and to continue exports from his constituency to Britain and everywhere else. That is what I want the situation to be. In the meantime we will strongly defend our national interest where it affects our country and I have made that clear to the British Prime Minister.

**Deputy Richard Boyd Barrett:** I express great relief that the Taoiseach suggests his personality is very different from the British Prime Minister's because I would hate to think he had anything in common with some of the rather bizarre goings-on of the British Prime Minister in his younger university days, with strange engagements with pigs. That, at least, is a relief.

**An Ceann Comhairle:** The Deputy should stick to the politics.

**Deputy Richard Boyd Barrett:** Less confidence inspiring is the Taoiseach's attitude to the concerns expressed by the British Prime Minister, Mr. David Cameron, and what lies behind those concerns. There is a need for the Taoiseach to very sharply distance himself and this country from what is motivating the Prime Minister in his attitude towards the EU referendum.

I am less concerned about the European Union than I am about the future of Europe and European citizens, which is an important distinction. Would the Taoiseach agree that Europe is at quite a dangerous crossroads and the motivations behind a possible Brexit point in a rather dangerous and worrying direction? To put it simply, is the British Prime Minister not pandering to the racist and xenophobic forces in British society, particularly UKIP, whose anti-immigrant, anti-refugee rhetoric is alarming?

This comes against a background of a very worrying rise of the far-right, xenophobic, racist and in some cases outright fascist forces in Europe, most notably manifest by the growth of Golden Dawn, outright neo-Nazis, in Greece. The British Prime Minister is pandering to these people. They are getting an audience because disillusionment with the European Union is reaching crisis levels. Certain forces are willing in a cynical, nasty and reactionary way to try to channel that disillusionment with Europe in a very dark direction. We must distance ourselves from this and call it for what it is because I believe that is what the Prime Minister is doing and the dogs on the street know it. He is pandering to forces on his right that he is worried could outflank the Tories and that is a dangerous road to go down.

Is it not also the case that the disillusionment that these forces can tap into is the responsibility of the European Union itself given the kinds of things it has done to the people of Greece when they demanded an end to austerity, change, fairness, respect for their democratic mandate and were instead bullied into submission? They were told by the European Central Bank, an unaccountable, unelected body, that it would cut off the money if they tried to end the austerity policies as they promised. Is that not discrediting the European Union?

I take some hope from a different kind of reaction to disillusionment with the European Union in the form of the support for Mr. Jeremy Corbyn, MP. However, when one looks at the vicious reactionary assault of the Tory press on Mr. Corbyn, one sees the kinds of forces we are

ranged against. I would like to see the Taoiseach echo some of the things Mr. Corbyn is saying. I met Mr. Corbyn's economic advisor, Mr. Richard Murphy, the renowned international tax expert who is advising him on his economic policies. He told me something very interesting that relates to the issue of competition and so on that the Taoiseach mentioned, which is one of the other concerns of the British Prime Minister in all this. Mr. Murphy told how he used to be in business here in Ireland when he engaged in the manufacture of game boards for Trivial Pursuit in County Clare. He said he had an interesting engagement with our tax regime at the time he was setting that up. He said he met IDA Ireland officials who were selling him the advantages of the low corporate tax regime here and special tax designated zones.

**An Ceann Comhairle:** Sorry, Deputy, we are on Question Time.

**Deputy Richard Boyd Barrett:** I am nearly finished.

He was taken to some part of the west and was told that basically, he would have to pay not tax if he set up his business there. His response was that was all very fine, not paying tax, but he asked where were the roads and said taxes have to be paid in order to have roads. He went on from that to say that the key issue facing Europe - Mr. Corbyn is now also saying this - is that unless we tax the multinationals and corporates to a far greater extent than we are doing now, the gap between rich and poor in Europe, which is growing spectacularly, will undermine the fabric of not just the European Union but social cohesion across Europe.

**An Ceann Comhairle:** I thank the Deputy.

**Deputy Richard Boyd Barrett:** That was his point. It is that sort of disillusionment, that growing gap between rich and poor, that growing alienation from the political institutions across Europe that is the biggest threat to Europe and the European Union.

**An Ceann Comhairle:** Sorry, Deputy, it is Question Time.

**The Taoiseach:** The Deputy talks about Europe being at a dangerous crossroads and he is right. There are a range of issues that are very sensitive, very difficult to resolve and very real. At last week's European Council meeting, which was a very constructive meeting, the fault lines that now apply because of what is happening in Syria, Libya and other places were very clear with more than 1 million refugees in south Lebanon and 1 million in Jordan. Were both of these countries to collapse because there is no real plan to deal with that humanitarian crisis, the issue for Europe would not just be millions of refugees in single figures but millions in double figures.

When one hears a prime minister saying that what happens when refugees leave Turkey, which is a very short distance from some of the Greek isles, that as soon as a boat appears, dinghies that are grossly overladen with people are ripped asunder with knives so that they end up in the water and have to be saved or drowned, one can understand the challenge that this presents. The huge numbers of people, including women and children, walking into small countries in many cases exhausted and expected to be registered under the Dublin Agreement and the Schengen Agreement, has presented logistical issues they are unable to cope with.

Germany has taken in 500,000 refugees this year. Ireland, a small country that is not a member of Schengen and not inside the protocol, is because of our own tradition offering voluntarily to take in 4,000 refugees. Clearly the discussions that took place in New York yesterday are not conclusive in respect of what is going to happen in Syria. In this regard I have referred

on other occasions to why things should be done to deal with migration. I recently opened a facility where one of the managing directors was a young woman who came here as a refugee with her parents. She was educated here and is contributing greatly to our society in a really important position.

The Deputy made the point about young people being unemployed and he is right. Let us consider where Ireland was four and a half years ago, locked out of all markets, interest rates of 15%, borrowings of €22.5 billion and haemorrhaging thousands of jobs every year. However, in a short time, because the Government and people made difficult decisions, some economic indicators say we will grow by more than 5.5% this year and even more next year. Whether that will be the case or not remains to be seen. In many countries that have real difficulties, it is a question of making difficult decisions in those countries' interest to move them forward. It is grossly unacceptable to have 25 million young people unemployed. Everybody accepts that. We would like to think that due to our efforts here we will see more people with experience coming back next year than will leave.

Deputy Boyd Barrett mentioned right and left and extremes. Where young people are not given the opportunity to be challenged in terms of their careers and opportunities, they get frustrated, angry and take to the streets. They could be either on the right or the left. The centre, centre right and centre left are often forgotten. That is the momentum in terms of having to pull people in from the sides and move forward with any individual country. The Deputy might differ on that, from a political perspective. I am glad he said that one has to pay taxes to have roads. One has to pay taxes to have any service because nothing is free in this world. I hope that by the time we get to 2018, our country will have a balanced budget and the rules of the European Commission that tie us down in terms of the fiscal stability treaty will be very much relaxed.

**Deputy Richard Boyd Barrett:** Could we get the rich to pay taxes?

**The Taoiseach:** The more people we have working, the less tax they will have to pay and the greater the range of services there can be.

*Written Answers follow Adjournment.*

### **Order of Business**

**The Taoiseach:** It is proposed to take No. 13, motion re referral to joint committee of proposed approval by Dáil Éireann of the transfer of proceeds from the sale of the State's shareholding in Aer Lingus; and No. 46, Climate Action and Low Carbon Development Bill 2015 - Report Stage, resumed.

It is proposed, notwithstanding anything in Standing Orders, that: (1) in the event a division is in progress at the time fixed for taking Private Members' business, the Dáil shall sit later than 9 p.m. and shall adjourn on the adjournment of Private Members' business, which shall be No. 206, motion re social housing and shall, if not previously concluded, adjourn after 90 minutes; (2) No. 13 shall be decided without debate; and tomorrow's business after Oral Questions shall

be: No. 46, Climate Action and Low Carbon Development Bill 2015 - Report Stage, resumed; No. 6, Finance (Tax Appeals) Bill 2015 - Order for Second Stage and Second Stage: and No. 7, Criminal Justice (Burglary of Dwellings) Bill 2015 - Order for Second Stage and Second Stage.

**An Ceann Comhairle:** There are two proposals to put to the House. Is the proposal for dealing with the late sitting agreed to? Agreed. Is the proposal for dealing with No. 13, motion re referral to joint committee of the transfer of proceeds from the sale of the State's shareholding in Aer Lingus, without debate, agreed to? Agreed.

**Deputy Micheál Martin:** We read today that a 90 year old woman faces a €1,500 bill in a satellite dish case following a planning enforcement by Dublin City Council. Is this what we have come to? All of us in this House have heard of numerous cases where councils failed to take enforcement measures against people who flagrantly disregarded planning laws, yet a 90-year old woman was taken to court over a satellite dish which she got as a birthday present. The context is the promised planning and development Bill. I ask that a clause would be inserted in the Bill to ensure something like this does not happen again, and that some sense of decency and humanity prevails in terms of how we enforce planning laws, because God knows an awful lot of them have not been enforced. People with far greater clout get away with far more than a senior citizen who has been dragged through the courts at such an age.

The planning and development Bill was promised by the Government. We read on Sunday and Monday about rent now being tied to inflation for a four-year period. Could the Taoiseach confirm that such a legislative proposal will be introduced within the next month? When can we expect the legislation about rent certainty and tying rent to inflation for a four-year period?

I seek clarification from the Taoiseach on the implementation of the programme for Government in terms of health. The Government said in the programme that it would introduce universal health insurance, UHI, with equal access to care for all. The document stated that under this system, there would be no discrimination between patients on the grounds of income or insurance status and the two-tier system of unequal access to hospital care would end. For good measure, the Government was very clear and specific four and a half years ago when it stated that a system of universal health insurance would be introduced by 2016, with the legislative and organisational groundwork for the system complete within this Government's term of office. It was further stated that everyone would have a choice between competing insurers and that UHI would provide guaranteed access to care for all in public and private hospitals. It was stated that Exchequer funding for hospital care would go into a hospital insurance fund. There is an entire page on it but I will not go on about it at length, except to say that it was stated that the legislative basis for UHI would be established by the universal health insurance Act.

It was stated that a patient safety authority, incorporating HIQA, would be established and that the Government would act speedily to reduce costs in the delivery of both public and private health care and in the administration of the health care system. The document goes on and on for approximately eight pages in terms of the pathway to universal care insurance, the hospital care purchase agency and stating that legislation would be introduced. Reference was made to an expansion in the care for older people and community care. The programme for Government stated that there would be additional money every year and more home care packages every year. It was stated that the fair deal system of financing nursing home care would be reviewed, with a view to developing a secure and equitable system of financing for community and long-term care which supports older people to stay in their homes. Four and a half years later-----

**Deputy Emmet Stagg:** They are all the things Deputy Martin did not do when he was in government.

**Deputy Micheál Martin:** -----the review is being published but no system has been put in place. There is also reference to integrated care, cost control, health administration, capital developments and mental health, among other areas. This is important. Will the Taoiseach confirm to the House that everything I have outlined that he said would be implemented within the lifetime of the Government will not be so implemented, in terms of legislative commitments on universal health insurance? The reason that is important is the Government is now producing a whole series of new five-year plans – capital development plans and plans for this and that-----

**Deputy Paul Kehoe:** Plans Deputy Martin only ever dreamed of.

**Deputy Micheál Martin:** I remind the Government and Government Deputies that they should please be very careful-----

**Deputy Bernard J. Durkan:** Deputy Martin should know.

**Deputy Micheál Martin:** -----about what they will promise the people, because they will not buy it in the context of the programme for Government. It is an extraordinary document. I asked the Taoiseach two years ago whether he would review it, rewrite it or update it, but he refused.

**An Ceann Comhairle:** Deputy Martin has made his point.

**Deputy Micheál Martin:** When the Minister for Health, Deputy Varadkar, said he could not implement the changes, the Taoiseach gave out to him and said, “Behave yourself, Minister Varadkar, you had better implement it.” Could the Taoiseach confirm that this is not going to happen within the lifetime of the Government?

**Deputy Paul Kehoe:** Is that what Mr. Ahern said to Deputy Martin?

**Deputy Micheál Martin:** Could he also explain why the health information Bill has been taken off the list of legislation that was published by the Chief Whip recently? It has been on the legislative schedule for four and a half years, each year without fail. It was a commitment to introduce a major upgrade in IT capabilities in the health systems.

**Deputy Paul Kehoe:** I am pleased Deputy Martin reads my correspondence.

**Deputy Micheál Martin:** Why is the Bill no longer listed?

In the context of the health reform Bill, the Government promised that the HSE would cease to exist over time. That was promised in 2011. While the Bill is listed, it states that it is not possible to indicate when publication is expected at this stage. That is a phrase we have become used to over the past four years but now that we are getting to the end stage, I suggest to the Chief Whip that he would change the terminology and say the Bill will not be introduced during the lifetime of the Government.

Could the Taoiseach indicate when we can expect the finance Bill? Will it contain any provision for a bank levy in terms of banks that refuse to cut their variable mortgage interest rate? The Minister, Deputy Noonan, has said different things at different times. He has huffed and puffed and said he would talk to the banks, that he would intervene, that he would introduce a

bank levy, yet today he said competition is a better way of doing it. That was his most recent iteration on the interest rate saga. He has taken no action whatsoever.

*5 o'clock*

**Deputy Bernard J. Durkan:** He has done fairly well so far, though.

**Deputy Micheál Martin:** In respect of the criminal justice Bill, gardaí are dealing with very outdated equipment and surveillance technology and they are hopelessly under-resourced to fight organised crime, general criminality, fuel smuggling and laundering, smuggling and so on. When can we expect the criminal justice (offences relating to information systems) Bill, which is to deal with cybercrime, to be introduced? I thank the Ceann Comhairle for his forbearance.

**The Taoiseach:** The planning and development Bill does not need a clause that requires common sense. I do not know the details of the senior citizen in question but I have heard the headlines on the radio. Clearly, anybody dealing with an issue like that should be able to apply a measure of common sense and not have this end up in court.

Universal health insurance will not be introduced in 2016. I will have to update Deputy Martin about the list he read out to see what has happened in respect of the nine or ten issues he legitimately raised.

**Deputy Micheál Martin:** It has not happened yet.

**The Taoiseach:** That has happened. I am talking about what has happened with the issues he has raised. I confirm to him that universal health insurance will not be introduced by 2016 and the Minister has made that clear already. As a result of the fact that we now have a fiscal space, we are able to put together a programme out as far as the budget of October 2020, which will be just over €3 billion in respect of capital expenditure for health facilities, primary care centres, hospital facilities and so on. We can and will be able to afford that and, hopefully, it will go a long way towards improving the facilities for people who work in the health services and for patients.

The health information and patient safety Bill is there in section B. The bank levy is a matter for the budget and the Minister has referred to this on a number of occasions. He has been having meetings with the banks and will present his budget on 13 October.

The criminal justice Bill to which the Deputy referred will be taken this session. I will send Deputy Martin a note on what has or has not happened in respect of the list of issues he raised.

**Deputy Micheál Martin:** I have already received the note. It states that nothing has happened.

**The Taoiseach:** I will see that it does not contain bland generalities.

**Deputy Mary Lou McDonald:** I am sure that will be a massive relief to Deputy Martin.

I wish to raise three issues. We have been promised the reformed and consolidated domestic violence Bill and we were led to believe it would be prioritised in the course of this Administration's tenure. It now appears the legislation will not have come through the Oireachtas by the time the Dáil is dissolved and we go to the people. This is a matter of immense frustration. I

engaged in lengthy correspondence with the previous Minister, Deputy Shatter, on this issue. He rather unhelpfully wrote to inform me he was not considering this legislation because he had better and more important things to do. That was when the troika was in town but we were then told the legislation would be prioritised and it clearly has not been. The Bill is listed in section B and its expected publication date is 2016. It is very poor that the Taoiseach and his Government have failed to bring forward this legislation despite all the crocodile tears. It is a matter of huge disappointment.

The disability and equality (miscellaneous provisions) Bill was to ratify the UN Convention on the Rights of People with Disabilities and to make further technical amendments to disability and equality legislation. This has been anticipated for quite some time but the Taoiseach and all of us will discover, when we speak to people in the course of the election campaign, the extent to which those with disabilities feel they have suffered very serious and disproportionate cutbacks at the hands of the Government. The Government has now failed to introduce this and other items of legislation to underpin the rights of these people and to ratify international instruments.

Third, and finally, the criminal justice (Stormont House Agreement) implementation Bill refers not to budgetary matters or sustainable budgets but is to give effect to the provisions of the Stormont House Agreement that deal with the legacy of the past. There remains a difficulty in respect of so-called Tory welfare reform, for which one must read “cuts”, but both the British Government and the Government in Dublin have been slow and taken their eye off the ball by not bringing forward the legislation relating to the Stormont House Agreement that was expected. The Taoiseach rather ironically suggested that Sinn Féin - which, unlike his party, is elected in the North - not take its eye off the ball but it is, in fact, the Taoiseach who has taken his eye off the ball. Under “Status of Bill” it reads, “Publication Expected - Not possible to indicate at this stage.” That is not great, is it? It is not helpful or the sign of a Government or a Taoiseach with their eye on the ball as regards stability and peacemaking in the North.

**The Taoiseach:** Believe me, the eye is very much on the ball. On the Stormont House Agreement, negotiations are very much advanced in respect of concluding an international agreement that will set up a commission of information retrieval, which is a new body to be established in both jurisdictions. I cannot give a date for publication except to say that those negotiations have gone very well and are very well advanced.

The Deputy also mentioned the reformed and consolidated domestic violence Bill. The heads of this were cleared in July and the estimated time for publication is early next year so the Deputy is not in a position to say it will not be published before the House is dissolved, unless she knows something I do not know.

On the Deputy’s third point in respect of disability, I met representatives of disabled groups recently. We have taken a different line in Ireland from that taken by other countries which have signed the convention but not introduced the legislation. There are a number of pieces of quite complex legislation which we have now put into a roadmap so that we know exactly what we have to do to legislate before we actually sign. This includes the Assisted Decision-Making (Capacity) Bill, which was published in 2013 and which is currently ready for Report Stage in the Dáil. It will address the existing legislation governing capacity and will provide a series of options to support people with decision-making capacity difficulties to make decisions and exercise their basic rights in line with the principles of the convention. This morning there was another presentation where the categorisation of persons of unsound mind, a category which

has existed from way back along the line and who are not in a position to stand for any electoral office, will be dealt with under an amendment to this Bill.

There is mental health legislation and there are other Department of Health issues and a review of the Mental Health Act 2001 has been completed. The report of the expert group was published on 5 March last. The bulk of the 165 recommendations relate to changes in mental health legislation and the Department is working on a general scheme to reflect those changes in revised legislation. The Minister for Health will separately deal with reform of the legislation regarding the use of electroconvulsive therapy, ECT. The Mental Health (Amendment) Bill 2008, which passed all stages in the Seanad in 2011, is currently on Second Stage in the Dáil. When enacted, it will make immediate changes to the Mental Health Act 2001 to ensure that ECT cannot be administered to an involuntary patient who has capacity and who refuses such treatment.

There are two main elements to the criminal law legislation. Section 5 of the Criminal Law (Sexual Offences) Act 1993 needs to be replaced and work is well under way on that. On 16 December last the Government approved the Criminal Law (Sexual Offences) Bill 2014 for publication, which includes wide-ranging provisions to protect and enhance the protection of children and vulnerable persons from sexual abuse and exploitation. Amendments to repeal section 5 of the Act are being prepared. Second, an amendment to section 4 of the Criminal Law (Insanity) Act 2006 will be necessary to address the issue of discriminatory treatment of persons whose decision-making capacity is in question. That was the subject of a judgment of the High Court in *G v. District Judge Murphy*. In that case, the court found that the failure to provide a mechanism whereby a person charged with an indictable offence whose fitness to be tried is called into question but is later established can obtain the benefit of a guilty plea before the District Court violated the requirement of equality before the law under Article 41 of the Constitution.

The final category comprises all other necessary miscellaneous amendments, including those needed to update outmoded, unsuitable and sometimes archaic language and provisions. This category will also include necessary amendments to the disability and equality Acts.

That is the road map that we need to legislate for and then sign the UN convention. Other countries signed first and are now in difficulty in not having legislation to give effect to what the declaration means.

**Deputy Bernard J. Durkan:** What is the proposed schedule for the passage of the adoption (amendment) Bill, which will make a number of changes to adoption in respect of children within a family? Similarly, the health insurance (amendment) Bill is to provide for revised risk equalisation credits, corresponding stamp duty levies and a number of other changes. Are both Bills likely to go through the House in their entirety this session?

**The Taoiseach:** Yes, both Bills are due this session.

**Deputy Bernard J. Durkan:** I thank the Taoiseach.

**Deputy Martin Heydon:** In Newbridge and south Kildare in general there is significant pressure on secondary school places. Parents of children in sixth class face a moment of panic as their children apply for school places and the parents do not know if their children will get into their chosen school next September. While the demographic survey the Department of Education and Skills is undertaking will address some of these issues relating to future school

provision either through a new school or extension, what is the status of the Education (Admission to Schools) Bill? This important legislation has been published. When can we expect it before the House to address some of the issues regarding waiting lists and fees and to streamline schools' admission policy?

**The Taoiseach:** It is awaiting Second Stage in the House and it will probably be in the next couple of weeks. We hope to provide 43,000 additional postprimary school places by 2022 under the capital plan. When the details are provided by the Minister over the next few weeks, that will bring relief and clarity for people about where their children will be able to go to school.

### **Central Bank (Code of Conduct) Bill 2015: First Stage**

**Deputy Michael McGrath:** I move:

That leave be granted to introduce a Bill entitled an Act to provide for measures to ensure a primary residence of a borrower is not repossessed by court order in circumstances where the lender in question has not complied with a relevant code of practice.

I seek leave to introduce this Bill. In May of this year, the Supreme Court held that lenders were not required to comply with the Code of Conduct on Mortgage Arrears, CCMA, prior to seeking a court order for the repossession of a person's home. It found that the only circumstance where the courts could use the code as a reason not to grant a repossession order was where a lender sought repossession while ignoring the moratorium periods set out in the code, otherwise non-compliance with the code does not interfere with a lender's entitlement to seek repossession of a home.

The Supreme Court also found that the code is not deemed by current legislation to be an implied term in the agreement between a homeowner and his or her lender. The fact that lenders no longer have to comply fully with the CCMA could lead to a significant increase in the number of home repossession cases before the courts unless emergency legislation is introduced to close this loophole. In August, I called on the Government to introduce the necessary emergency legislation to close the loophole and made it clear that Fianna Fáil would publish its own legislation if the Government failed to do so. Remarkably, the Government has failed to include the necessary legislation in the legislative programme and, therefore, I have brought forward this Bill.

This draft legislation would require lenders to show that they had materially complied with the CCMA and its mortgage arrears resolution process, MARP, before they became entitled to seek a court order for the repossession of somebody's home. The Bill envisages that the courts would dismiss a repossession application where it concluded that a lender had not complied with the relevant code or resolution process. This legislation would also apply to so-called vulture funds that buy mortgage books from lenders. They would be required to comply with the code and resolution process, even if these did not otherwise apply to such funds for other reasons. The CCMA is important because it requires lenders to explore alternative repayment arrangements such as reducing the mortgage interest rate, split mortgage or extending the term of the mortgage. A lender may only commence legal proceedings for repossession of a borrower's primary residence where it has made every reasonable effort to agree an alternative

arrangement with the borrower but, as it stands, because of the loophole this legislation seeks to close, there is no effective remedy for homeowners when a lender ignores that requirement and commences legal proceedings for repossession without making an effort to agree an alternative arrangement.

The loophole exposed by the Supreme Court also permits repossessions where lenders have illegally imposed charges or surcharge interest on arrears where borrowers have been co-operating with the lender as best they can. It also devalues the requirement under the code whereby lenders must ensure their communications with borrowers are not aggressive, intimidating or harassing. There have been shocking revelations that some people were forced out of their homes by lenders failing to return them to their original tracker mortgage interest rate after they had temporarily fixed their interest rate. I raised this as a Topical Issue last Wednesday and, in that context, it is particularly significant that the CCMA prevents lenders from forcing a borrower to move from an existing tracker rate to another type of mortgage as part of an alternative repayment arrangement. It seems that the loophole that was discovered in the Dunne case last May could permit a lender to repossess a family home where the borrower has been illegally forced into further mortgage arrears by being forced off their tracker rate, which is unacceptable.

The judgment revealed a massive loophole, which merited emergency legislation immediately to repair it. I have been taken aback that the Government has shown no sign of being willing to require banks to comply with what is supposed to be a mandatory code of conduct before they seek to repossess a family home. I therefore introduce the Bill on behalf of Fianna Fáil to remedy this loophole and the huge injustice that would occur in a case where a bank has acted illegally but is nevertheless entitled to repossess a family home because of a technical flaw in the legislation.

**An Ceann Comhairle:** Is the Bill opposed?

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

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

**Deputy Michael McGrath:** I move: "That the Bill be taken in Private Members' time."

Question put and agreed to.

### **Aer Lingus Sale Proceeds Transfer: Referral to Joint Committee**

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

That the proposal that Dáil Éireann approves the payment by the Minister for Finance, pursuant to section 46(1) of the National Treasury Management Agency (Amendment) Act 2014, from the Central Fund to the Ireland Strategic Investment Fund of €335,272,562.50 (three-hundred and thirtyfive million, two-hundred and seventy-two thousand, five-hundred

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and sixty-two euro and fifty cent) being the amount of the funds derived from the proceeds of the sale of the State's shareholding in Aer Lingus, be referred to the Joint Committee on Finance, Public Expenditure and Reform, in accordance with Standing Order 82A(4)(j), which, not later than 15th October, 2015, shall send a message to the Dáil in the manner prescribed in Standing Order 87, and Standing Order 86(2) shall accordingly apply.

Question put and agreed to.

## **Topical Issue Debate**

### **Industrial Disputes**

**Deputy Michael Moynihan:** Possible strike action by people contracted to work in An Post main delivery centres could bring a halt to all postal services on Thursday next as 34 maintenance delivery centre workers go on strike. I. O. Systems is contracted by An Post to maintain the postal machinery crucial to the operation of its main delivery centres in Cork, Dublin, Athlone and Portlaoise. The long-running dispute flared up once more last week after it was reported that An Post's sub-contracted maintenance suppliers docked some of their employees' wages by as much as €2,000 or 60% for refusing to work new rosters. This is not acceptable industrial relations practice and any employer introducing reforms should exhaust all efforts to ensure that workers are consulted and that they agree, where possible, to the introduction of changes. Shockingly for workers, the company tried to change the work rosters from 12-hour to eight-hour shifts without their agreement. Such a change would result in more than a 20% cut for workers and also means some employees would have to work permanent night shifts, according to Communications Workers' Union, which represents the maintenance workers.

The company was served with strike notice by maintenance workers last week after it cut workers' wages because of their refusal to work the new roster. I ask the Minister to make a statement on the matter of great seriousness for An Post and our postal services later in the week.

**Minister for Communications, Energy and Natural Resources (Deputy Alex White):** The issue the Deputy has raised relates, as I understand, to a third party dispute concerning a company contracted to An Post to provide maintenance services at the four An Post mails processing plants.

It would not be appropriate for me to comment on an issue which is an operational matter for the service provider company and which is also being dealt with through the normal industrial relations machinery. Should there be an industrial relations difficulty regarding the provision of services by the service provider to An Post in the future, that would be an operational matter for An Post to manage. In that regard, I understand from An Post that a contingency plan is in place should that eventuality materialise. I would hope, and expect, that all reasonable means will be used by the parties involved in this dispute to bring the matter to a satisfactory resolution as soon as possible. I would not be appropriate for me to comment any further on the matter in these circumstances.

In the wider context, the postal sector is undergoing systemic change with migration towards electronic communications resulting in significant core mail volume decline year on year. Undoubtedly, this trend places pressures on both An Post and its staff. However, it is Government policy that An Post remains a strong and viable company in a position to provide a high quality postal service. In January of this year I appointed Bobby Kerr to chair the Post Office Network Business Development Group in order to ensure the continued viability of the nationwide network of customer focused post offices. The post office network plays an important role in serving the needs of business and domestic customers alike, and this Government is committed to its retention.

Following the recent public consultation on the initial report of the Post Office Network Business Development Group, a total of 16 responses were received. These responses, along with the initial report, are published on my Department's website. The consultation responses will assist the business development group in identifying opportunities that can benefit the post office network and will inform the final report of the group which I expect later in the autumn. It is clear from the responses that were received that there is a strong public desire to maintain the nationwide network of post offices.

With regard to the mails processing plants, I am assured that An Post will ensure that its contingency plan in regard to such plants will be put in place should the eventuality arise that has been raised by the Deputy and that it will endeavour to ensure the ongoing provision of the postal service relied upon by the citizens of the country.

**Deputy Michael Moynihan:** Two questions arise. How has a subcontractor of An Post, which is wholly owned by the State, attempted to drastically change workers' pay and conditions due to the terms of a tender and not through normal negotiating practices? Workers have had their job security eroded by the drastic cut in shift hours and pay. The workers are taking the ultimate step to strike, with the Communications Workers' Union providing financial help where necessary.

There is concern about this issue. I take the point the Minister made in respect of An Post, but I would be more reassured if he could seek the assistance of the Labour Relations Commission again to make sure that with respect to whatever issues exist between the company that is contacted by An Post and its workers, the company treats its workers fairly and makes sure that the issues are brought to a satisfactory conclusion. I understand industrial mediation attempts were made by Kevin Foley and Phil Flynn to have these issues resolved - if I am not correct on that, the Minister might advise me - and that a decision was made by the Labour Court at some stage in this regard. I ask the Minister to do all in his power to make sure that there is no issue on Thursday and that in respect of the outstanding issue between the company and its employees, who are represented by the Communications Workers' Union, they try to resolve their difficulties without having strike notice served on them or on the company.

**Deputy Alex White:** The Deputy is correct in that I am advised that there was a Labour Court recommendation in February 2015 and it backed the implementation of the restructuring but subject to a number of amendments. I am not, nor would I in the normal run of events be, aware of the detail of the dispute or the issues in the dispute, other than that I would agree with the Deputy, or certainly I would say on my own behalf, it is important that there should always be meaningful consultation. It is important that the industrial relations machinery of the State should be availed of. That is what I hope and expect would occur in these circumstances. Beyond that, I would not, as Minister, be in a position to comment on the specifics, other than to

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urge the parties to ensure that they avoid an escalation of the dispute and that they do so through the available third party machinery that is in place.

### **Bituminous Fuel Ban**

**An Ceann Comhairle:** As the Deputy who tabled the first Topical Issue matter, which also falls within the Minister's area, has not appeared, I will move on to the next Topical Issue which is to Minister for the Environment, Community and Local Government. If he is outside the Chamber and hears me, he might make his way into the Chamber. He is probably waiting his turn. This Topical Issue matter is in the name of Deputy Brian Stanley. We will wait for the Minister to arrive.

**Minister for the Environment, Community and Local Government(Deputy Alan Kelly):** Apologies. Did somebody not turn up?

**An Ceann Comhairle:** The Minister is not at fault. We had one absentee. I call Deputy Stanley.

**Deputy Brian Stanley:** I thank the Ceann Comhairle for taking this issue. The announcement by the Minister yesterday of the extension of the ban on bituminous coal, or smoky coal as it is described, to 26 extra towns is important. I understand the Minister will now give his response to this matter. Is that correct or should I continue? How many minutes do I have?

**An Ceann Comhairle:** The Deputy has up to four minutes to make his case.

**Deputy Brian Stanley:** I want to give this decision a qualified welcome. The information available to Opposition Deputies and spokespersons has been scant. We read about such developments in the media at the weekend.

**Deputy Alan Kelly:** When did the Deputy first hear of it? At the weekend?

**Deputy Brian Stanley:** Yes, in terms of the speculation around it and then from the debates in the media. There is also the issue of the number of towns to which it will be extended. I understand it will involve towns with over 15,000 inhabitants. There is a question, particularly in the midlands, as to how this will affect peat products, as peat briquettes are counted as smokeless fuel. What are the implications for peat products? Are there plans to ban peat in the future?

Will the Minister give a list as to the number of towns that will come under the ban? I know Portlaoise and Tullamore are two of them. Do we have the capacity to meet the new demands for smokeless fuels?

There is an opportunity in this regard for job creation, particularly if peat could be used as one of the ingredients for smokeless fuels. Bord na Móna still has substantial tracks of bog in the midlands where moss peat has been stripped away and it is down to the fuel. There are opportunities at sites such as Cul Na Móna, County Laois. I implore the Minister, as well as his colleague who has just left the Chamber, the Minister for Communications, Energy and Natural Resources, Deputy Alex White, to examine this site. Thousands of acres of peat are located on the crossroads of Ireland, on the junction of the M7 and M8 motorways with a railway line passing through it.

**Deputy Alan Kelly:** The Deputy should not forget Littleton.

**Deputy Brian Stanley:** There is also Littleton in north Tipperary. There is an opportunity for Bord na Móna to meet the demand for smokeless fuels. However, it depends on the Government to make a policy decision in this regard as it is a semi-State company. I know the Government has a short time left in office. Whether it is a month or six months, I hope there is no ideological block to this from the Minister's partner in government, Fine Gael. It is important to see how the semi-State sector can get involved in this. Bord na Móna has shown itself to be good in diversifying and developing new business and products. This is an opportunity for it to ramp up and get seriously involved in the production of smokeless fuels.

There is also the opportunity to develop smaller collieries such as Rossmore, County Laois, which has substantial anthracite seams, one of the ingredients for smokeless fuel.

**Deputy Alan Kelly:** At the clean air conference in Dublin yesterday, I announced I intend to extend the health and environmental benefits of the ban on smoky coal in place in our cities and large towns to the entire country. It was brought in 25 years ago and, parking the politics, I thought it was innovative legislative action by the Minister at the time. It is now appropriate it is extended to other areas.

The benefits of the scheme include significant reductions in respiratory problems and mortalities from the effects of burning smoky coal. Approximately 8,000 lives have been saved in Dublin since the introduction of the smoky coal ban back in 1990. Further health, environmental and economic benefits, estimated at €53 million per year, will be realised if the ban is extended nationwide. Hundreds of lives will be saved by this action.

The success of the introduction of the ban in Dublin in 1990, as well as its subsequent extension to Cork, Limerick and Galway, has resulted in the perverse anomaly whereby air quality in some provincial towns and villages during the winter is of a vastly poorer quality than in our larger urban areas and towns. Recent research by University College Cork highlighted that air pollution in Killarney can be ten times higher during the night than throughout the day. During the winter, young people playing sports in many large towns are exposed to carcinogens in the air at higher multiples to what is acceptable. This cannot continue.

The original ban in Dublin has been cited widely as a successful policy intervention and has become a best practice icon in the international clean air community. This view was reiterated at yesterday's conference by several visiting delegates, including those from the World Health Organization, WHO. Ireland became the first country in the world to introduce a nationwide smoking ban ten years ago. We are showing similar leadership in clean air policy.

I have instructed my Department to commence the process that will see the benefits of the smoky coal ban extended nationwide. This process involves consultation with the EU, our colleagues across government, residential fuel market operators and the general public. I am encouraged by the industry's acknowledgement of the need to improve our air quality and its plans to adapt current practices, as well as investing in cleaner, lower-smoke fuels. Deputy Stanley is correct that this presents many opportunities for Bord na Móna and others involved in the industry. Many of them are already investing in alternative fuel technologies. The Government is encouraging them to do more in this regard.

I hope these consultations will be completed in time to have the necessary provisions in place for the heating season in 2016. However, I accept this is an ambitious timeline and may

stretch into the following year. The extension of the smoky coal ban is one of several initiatives my Department is examining as part of a programme to produce the first ever national clean air strategy. This strategy will provide the strategic framework for a set of cross-government policies and actions to reduce harmful emissions, as well as improving air quality and public health to meet current and future EU and international obligations. My Department will shortly issue a consultation document as a first step in this process.

I thank Deputies across the House welcoming the initiative yesterday.

**Deputy Brian Stanley:** I thank the Minister for his reply. While I welcome this announcement, it is a qualified welcome. The Minister said 8,000 lives will be saved. In a reply to Deputy Finian McGrath several months ago, he said there were 350 fewer annual deaths because of the smokeless fuel policy in Dublin.

**Deputy Alan Kelly:** The Deputy should multiply that figure by 25 years.

**Deputy Brian Stanley:** Later this evening, we will be discussing the Climate Action and Low Carbon Bill. Obviously, we must improve air quality, particularly in cities and towns where it is a problem. I am aware of the serious levels of air pollution in Killarney and other towns. Has the Department carried out an assessment of the availability of smokeless fuels? I have not been able to find a list of the towns in which the policy will be rolled out. I checked the Department's website this afternoon.

**Deputy Alan Kelly:** The air pollution levels in many towns are not acceptable.

**Deputy Brian Stanley:** Will the Minister provide me with a list of the towns that will be involved in the scheme? It will involve towns with over 15,000 inhabitants. However, the existing boundaries in some towns do not take in the whole area involved. As per his reply, I hope the Minister, along with the Minister for Communications, Energy and Natural Resources, Deputy Alex White, will steer Bord na Móna in using this as an opportunity for job creation. I know it has already done some good work in this regard.

There is an issue with fuel poverty. The fuel allowance scheme was reduced to 26 weeks. That is causing problems. Last winter was not the coldest we have had but there have been some very cold winters and a huge slice of the income of low-income households goes on that.

There may be an issue in some areas with the conversion of appliances, particularly in the homes of the elderly. Certain appliances may need to be adapted in order to burn smokeless fuel. The final issue, which I have raised many times, is the insulation of the old local authority houses with solid walls. There is a very small number of these. There are between 35 and 40 such houses in St. John's Square and O'Moore Place in Portlaoise. They have no insulation. They cannot be insulated using the method that has obtained to date because there is no cavity in the walls. However, there is new technology available now. I have raised this matter with the Minister for the Environment, Community and Local Government many times and he said he would consider it when the phases of the scheme were being completed. Will he examine that scheme again in order to see if it can be extended to accommodate people to whom I refer? It is mainly elderly individuals who live in those houses in question.

**Deputy Alan Kelly:** The ban is nationwide. There is no town size. It is nationwide.

**Deputy Mattie McGrath:** Like Shaws.

**Deputy Brian Stanley:** Rural houses.

**Deputy Alan Kelly:** It is everywhere. It covers the sale of smoky coal. It will not be possible to sell such coal; it will not be available in this country.

The Deputy asked several questions and I will try to answer as many as possible. Smokeless coal has been tested. From a fuel poverty point of view, this type of coal is able to deliver. There have been questions about it in the past but the technology has moved on and we are quite confident in respect of it.

I agree with the Deputy about diversification in respect of peat. There are no plans to do anything else. What we are doing is designed to deal with smoky coal. This is the initiative I have announced but we share a common interest in this. There are huge opportunities for Bord na Móna and other organisations in respect of diversification of products and building product, particularly in the biomass area, to extend the lifetimes of bogs. There is a great deal of work ongoing with several of those companies, particularly in respect of biomass briquettes and other products.

This ban comes into effect in the Republic of Ireland. Through the North-South Ministerial Council, I have been in discussions with my colleague, Mark Durkan, regarding Northern Ireland. We have undertaken some joint studies on this. I hope that the Northern Ireland Executive will follow our lead and come with us on such a ban because it would be preferable to have the same policy North and South. Somebody had to jump and from a health point of view, I felt it was necessary. When I saw the studies on Killarney and other towns, there was no way I was not going to do this.

The Deputy has raised issues about houses with solid walls previously. There are other issues in respect of those houses. I have asked the Department, in conjunction with the Department of Communications, Energy and Natural Resources, to examine what diversification measures could be incorporated into the solutions we are giving local authorities because I am aware of those issues from my constituency.

## **Crime Prevention**

**Deputy Mattie McGrath:** I am sad to have to raise this issue about a scrap and precious metal dealers Bill, which I introduced here in November 2011. It was debated in 2012. The Minister for Justice and Equality rejected the Bill despite cross-party support. Since then there has been report after report. There was a report from the national metal theft forum, which recommended that Oireachtas Joint Committees should examine the matter. This has not happened.

I reintroduced the Bill in 2014 after the then Minister had rejected it in 2012 and promised to introduce his own legislation. I introduced eight amendments which he had suggested were necessary and, sadly, the current Minister, Deputy Fitzgerald, rejected it. Lo and behold, only ten days ago the Minister, the Department and the Government announced a public consultation. It is a complete whitewash and a sham, an effort to get them past the election. All they had to consult were the homes, the families, communities, the Georgian Society, the ESB, Irish Rail, the Irish Aviation Authority, IAA, the Irish Farmers Association, IFA, and the Irish Creamery Milk Suppliers Association, ICMSA. All these groups and families have been devastated by

brutal attacks on their property and, above all, on their homes. One's home is one's castle. Very valuable artefacts have been taken. In Portlaoise, a monument erected on a motorway to 23 or 24 dead young people, was unceremoniously cut down and taken away. Hospitals have been attacked. Precious gold and items with sentimental value, passed down through generations, have been taken from people's homes. Some of those items can be put in an envelope and sold to a cash-for-gold outlet and the money is returned in the post. I ask the Minister of State at the Department of Health, Deputy Kathleen Lynch, who is standing in for the Minister for Justice and Equality, to consider this and act. The Garda Síochána supports it but needs the tools of the trade to tackle these roving criminals and monstrous people who do awful damage to protected and listed buildings but, above all, to people's homes and person.

My short scrap and precious metal Bill had four aims, including that precious metals and all transactions be recorded and that there be a waiting period for anybody who received an item or sold it on. Whether it is scrap metal or rings, jewellery or watches of sentimental value, the receiver should hold the item for 30 days in order that the seller or owner, and the Garda, would have a chance to identify it, if it was traced. This would ensure items were not melted down the morning after. The third aim of my Bill was that the Garda should have access to all the files and the books. The Revenue Commissioners have access to all businesses. I am a businessman. The Health and Safety Authority has access. Why can this matter not be regulated?

The final aim was to set penalties for the precious metal dealers. The penalties were pretty saucy but they were needed so that, for example, I could not sell to the Minister of State, or *vice versa*, or to anybody else, without having a personal public service, PPS, number, and the value added tax, VAT, number of the trader. All businesses, from farmers to hairdressers, must comply with regulations and have their books ready for audit. This is a rogue's industry. It is a paradise for them. The Government is either unable or unwilling to deal with this issue. I do not know why. It is visiting trauma on families and communities as precious artefacts are exported and melted down. When I introduced my Bill, some speakers said that gates at level crossings in Dublin had been taken down. The signals were taken down at Limerick Junction. There could be a head-on crash. Aviation equipment that sends signals to aeroplanes trying to land at and take off from Dublin Airport and other places has been taken.

It is a nightmare. There is a desperate accident waiting to happen, quite apart from the trauma visited on ordinary people, their property and personages. The Minister will go down in history for neglecting to deal with this severe crisis. She need only take the simple legislation that is before her, amend it, bring it to committee and debate it. I am not saying my Bill is perfect but it is something. Action is needed here, not more consultation.

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** On behalf of the Minister for Justice and Equality, I thank the Deputy for raising this matter. The Minister regrets that she is unable to be present due to other business. I assure the Deputy that the Minister is very conscious of the concerns that exist in respect of the theft of scrap and precious metals and that her Department continues to work closely with An Garda Síochána and other relevant stakeholders to ensure that an effective, whole of system response is in place. Measures in respect of the sale of scrap metal were taken by the Department of the Environment, Community and Local Government in 2014, which were designed to address this matter by improving the traceability of scrap metal. These regulations include requirements to obtain proof of identity of sellers and the keeping of records concerning the material sold. The Minister is well aware of the similar concerns that have been expressed about the theft of precious metals and stones and, particularly, in relation to the potential use of cash for gold outlets to sell stolen goods.

For that reason the Minister has recently commenced a process of public consultation on what measures may be taken in this regard. Among the potential measures on which views are being sought are the registration of such businesses, their monitoring by compliance officers, powers for An Garda Síochána in respect of such businesses and the introduction of penalties for non-compliance with any regulations put in place. An important element of this process of consultation is to ascertain the views of the many legitimate businesses that might be affected by any measures. The consultation process is open until 30 October. Once the process has concluded, the Minister will, taking into account any views expressed, determine the most appropriate approach to tackle this issue.

Other ongoing practical steps also being taken by the authorities include the establishment by An Garda Síochána of a metal theft forum involving stakeholders particularly affected by this type of crime, including the Irish Farmers' Association, IFA, the Irish Creamery Milk Suppliers Association, ICMSA, the Electricity Supply Board, ESB, telecommunications and transport companies, brewing concerns and the Department of the Environment, Community and Local Government. A metal theft crime prevention and reduction plan was published in February 2013 which was developed in close co-operation with these stakeholders. It provides for an effective multi-agency response to the problem and An Garda Síochána is implementing a range of measures arising from the plan.

The Garda has also mounted successful operations which have led to charges being brought against a number of persons involved in the theft of electricity cables in this country who appear to be connected to an international organised criminal group. An awareness campaign to help address this form of criminality has been launched through Crimestoppers in partnership with An Garda Síochána and ESB Networks. Rural dwellers are asked to notify the Garda of any suspicious activity they observe and may use the Crimestoppers confidential number 1800 25 00 25 to make reports if they wish.

**Deputy Mattie McGrath:** Again, I am disappointed the Minister of State has come here to read out the same standard reply, although I have nothing personal against her. We need action. We have had all the consultations and reports. The Garda needs support and the legislative framework whereby it can try these people. The Minister of State referred to ESB lines being taken. This beggars belief. This has happened in my neighbourhood and it is costing the ESB a fortune. However, who is paying the price? It is the people who are paying the ESB, Joe tax man and Mrs. tax woman.

We must have action. We do not have time for another consultation. The IFA and the ICMSA have contributed passionately on this. People ring the gardaí, but they are frightened in their beds at 3 a.m. or 4 a.m. when criminals, who appear to be an ESB crew, arrive at their home with all types of equipment to cut down ESB lines. They have the knowledge so they obviously have prior experience to know what lines to touch. Otherwise they would fry and there would be multiple casualties. They are coming in from eastern Europe, as the Minister of State said, because we are ripe and ready to be picked and plucked, like apples hanging from a tree.

The reason is that we have an inept Government which has refused to deal with this issue. The Government was elected by the people and Bills are regularly presented to it by Opposition Deputies. I have done so twice, including an amended Bill with eight amendments, but the Government refused point blank to accept it. What is wrong that it will not accept or implement legislation to protect our people? It passes Bill after Bill to persecute people, ranging from taxes to Irish Water, but when we need a small amount of legislation to protect people in

their homes, it refuses to entertain it. The Government is gobbled up in bureaucracy, red tape, reports, commissions and public consultation. All are sham and token.

I do not know the reason that the Government will not recognise this issue and not give the power and tools to the Garda Síochána and other agencies to deal with this perilous situation. People are frightened in their homes and have their cemetery crosses cut down. It affects the Irish Georgian Society and other groups across the country. The consultation is over and done. We need action, not another public consultation. The Minister has given no date for when it will report on what action will be taken. The Government will be long gone out of office - I do not know if the Minister of State is standing for election - and there will still be no legislation. It is not right or just.

**Deputy Kathleen Lynch:** The Minister acknowledges that the Deputy has previously brought forward legislative proposals in this regard. While they contained many elements that may be of merit for these purposes, there were both legal and practical difficulties with them. As I have outlined, important measures regarding the scrap metal trade have already been taken and the consultation process on potential measures that could be taken in respect of the trade in precious metals and stones will conclude at the end of October. Once that process is completed the Minister will consider the most appropriate way forward for addressing this problem.

The Department, of course, will continue to work closely with An Garda Síochána and other relevant agencies to ensure that a comprehensive approach is taken to dealing with this important issue. The Garda has taken a number of important and successful measures in this regard already, and it will continue to do so.

### **Climate Action and Low Carbon Development Bill 2015: Report Stage (Resumed)**

Debate resumed on amendment No. 5:

In page 4, between lines 1 and 2, to insert the following:

“baseline” means the aggregate amount of—

- (a) net Irish emissions of carbon dioxide for 1990, and
- (b) net Irish emissions of each of the greenhouse gases other than carbon dioxide for the year that is the baseline year for that gas;

“baseline years” for greenhouse gases other than carbon dioxide are—

- (a) for methane, 1990,
- (b) for nitrous oxide, 1990,
- (c) for hydrofluorocarbons, 1995,
- (d) for perfluorocarbons, 1995,

(e) for sulphur hexafluoride, 1995;”.

- (Deputy Clare Daly)

**Deputy Clare Daly:** It is a couple of months since we initiated this discussion. I will not repeat the points I made at the last session but, in essence, this amendment is about national emissions reduction targets and Ireland leading the way in tackling climate change. We are trying to make the point that one cannot measure progress unless there is a starting point from which to refer, and this is what the amendment seeks to provide.

While I do not intend to repeat the points I started with, there are some matters that must be clarified in this regard. It is not an airtight commitment to a 2050 target. Even if what the Government is proposing could be construed as such, the Government policy only references carbon dioxide and none of the highly dangerous greenhouse gases listed in the amendment. As I said on the last occasion, in the first two decades after its release methane is 84 times more potent than carbon dioxide. Both types of emissions must be addressed if we wish to reduce effectively the impact of climate change.

A large number of amendments were ruled out of order on Committee Stage because they referred to emissions target reductions. It was argued, without any supporting detailed documentation, that reduction targets cost the Exchequer money and they were ruled out of order because Opposition Deputies cannot put forward amendments which cost the Exchequer money.

*6 o'clock*

We do not accept that rationale because they are not taking into account the fact that climate change mitigation measures will save the Exchequer a fortune in reality, never mind that the failure to implement real and lasting climate change mitigation measures will actually cost the State billions in damages, as well as potentially wiping out the human race, which is by the by. Those factors have not been taken into account in ruling those amendments out of order.

If we wanted proof of the failure of so-called modern democracy to serve the interests of the public good rather than the self-interest of the political establishment, this argument says it all. What the Government is putting forward is incredibly short-sighted. On Committee Stage, the Minister said, “Setting out such definitions here is completely unnecessary as both legally binding EU and international instruments establish such matters in a far more comprehensive manner”. This stands as a perfect example of what Peter Mair saw as the externalisation of policy commitments to non-democratic decision makers. What we have unfolding here is politicians divesting themselves of responsibility for potentially unpopular policy decisions in order to cushion themselves from potential voter discontent in the future.

It is this trend that has been responsible for a bottoming out of Western democracy. It is one of the reasons we have such lack of participation and support for the political establishment across Europe. The weakness of the Bill is indicative of this process and of the whole process of neoliberalism itself, where the interests of the market are being put ahead of the interests of the public. It is precisely as a result of this mentality that we will have a continuation of austerity when, really, the crisis is demanding that we should have wartime-type investment in the public sector to boost our defences and to keep global temperature increases below 2° Celsius. That requires massive investment in public transport and so on, but the neoliberal ideology is pointing in a different way, and is prioritising the next quarter’s GDP figures ahead of the future of humanity and the need to take society forward.

We are moving this amendment based on the points made. It is critically important this would be inserted in the Bill.

**Minister of State at the Department of the Environment, Community and Local Government (Deputy Ann Phelan):** The proposed amendment wishes to set out definitions of baseline years in respect of greenhouse gas emissions, with a view to more wide-ranging amendments to sections 3 and 4 of the Bill. I will reserve my principal observations on the more wide-ranging amendments until later in this debate. However, I would make the point that, as I do not agree with the proposed large-scale amendments to sections 3 and 4, I consider this amendment to be redundant and I cannot, therefore, support it.

**Deputy Clare Daly:** It is ironic the Minister of State would say that, particularly in the context of the European Commission finding that Ireland is going to fail to meet its climate targets. The EU report published in February made the point that Ireland is not on track to reach its greenhouse gas emissions reduction targets. We are talking about 3% up to 2020 but there is no plan for how we are going to achieve that or commit to it, and targets are a critical part of this process. I believe we will rue the day. We are talking about targets to be achieved in five years but we have no plan in place to achieve this. It is a classic example of kicking the can down the road without any meat on it. It will probably take us two or three years to have a detailed plan but it will not be developed in the context of definitive targets, which is regrettable.

Amendment put:

<i>The Dáil divided: Tá, 31; Níl, 58.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Aylward, Bobby.</i>	<i>Bannon, James.</i>
<i>Broughan, Thomas P.</i>	<i>Breen, Pat.</i>
<i>Collins, Joan.</i>	<i>Butler, Ray.</i>
<i>Colreavy, Michael.</i>	<i>Buttimer, Jerry.</i>
<i>Cowen, Barry.</i>	<i>Byrne, Catherine.</i>
<i>Crowe, Seán.</i>	<i>Byrne, Eric.</i>
<i>Daly, Clare.</i>	<i>Carey, Joe.</i>
<i>Doherty, Pearse.</i>	<i>Collins, Áine.</i>
<i>Ellis, Dessie.</i>	<i>Conaghan, Michael.</i>
<i>Ferris, Martin.</i>	<i>Conway, Ciara.</i>
<i>Fleming, Sean.</i>	<i>Coonan, Noel.</i>
<i>Fleming, Tom.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>Healy, Seamus.</i>	<i>Creed, Michael.</i>
<i>Kitt, Michael P.</i>	<i>Deenihan, Jimmy.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Deering, Pat.</i>
<i>McDonald, Mary Lou.</i>	<i>Doherty, Regina.</i>
<i>McGrath, Finian.</i>	<i>Dowds, Robert.</i>
<i>McGrath, Mattie.</i>	<i>Durkan, Bernard J.</i>
<i>McGuinness, John.</i>	<i>English, Damien.</i>
<i>McLellan, Sandra.</i>	<i>Farrell, Alan.</i>
<i>Murphy, Catherine.</i>	<i>Feighan, Frank.</i>

Dáil Éireann

<i>Murphy, Paul.</i>	<i>Fitzpatrick, Peter.</i>
<i>Naughten, Denis.</i>	<i>Griffin, Brendan.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Harrington, Noel.</i>
<i>Ó Snodaigh, Aengus.</i>	<i>Hayes, Tom.</i>
<i>O’Dea, Willie.</i>	<i>Heydon, Martin.</i>
<i>Pringle, Thomas.</i>	<i>Keating, Derek.</i>
<i>Ross, Shane.</i>	<i>Kehoe, Paul.</i>
<i>Shortall, Róisín.</i>	<i>Kenny, Seán.</i>
<i>Stanley, Brian.</i>	<i>Lawlor, Anthony.</i>
<i>Wallace, Mick.</i>	<i>Lynch, Ciarán.</i>
	<i>Lynch, Kathleen.</i>
	<i>McCarthy, Michael.</i>
	<i>McEntee, Helen.</i>
	<i>McFadden, Gabrielle.</i>
	<i>McGinley, Dinny.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Eoghan.</i>
	<i>Ó Riordáin, Aodhán.</i>
	<i>O’Donovan, Patrick.</i>
	<i>O’Dowd, Fergus.</i>
	<i>O’Mahony, John.</i>
	<i>O’Sullivan, Jan.</i>
	<i>Penrose, Willie.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Rabbitte, Pat.</i>
	<i>Reilly, James.</i>
	<i>Ryan, Brendan.</i>
	<i>Shatter, Alan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Tuffy, Joanna.</i>
	<i>Twomey, Liam.</i>
	<i>White, Alex.</i>

Tellers: Tá, Deputies Clare Daly and Mick Wallace; Níl, Deputies Emmet Stagg and Paul Kehoe.

Amendment declared lost.

**Deputy Ann Phelan:** I move amendment No. 6:

In page 4, to delete line 6.

Amendment agreed to.

Amendments Nos. 7 to 16, inclusive, ruled out of order.

**Deputy Ann Phelan:** I move amendment No. 17:

In page 6, between lines 2 and 3, to insert the following:

- “(b) the policy of the Government on climate change,
- (c) climate justice.”

This amendment seeks to include references to both the policy of the Government on climate change and to climate change justice in section 3(2). In respect of national policy considerations, a key element of the Government’s climate policy is the national policy position on climate action and low carbon development, as published in April 2014. This policy position outlined the key objectives, considerations and principles in moving towards a low-carbon economy. Within this context, where a policy position evolves over time or changes to adapt to specific national circumstances, it would be important to have an appropriate reference in primary legislation which can capture relevant policy at any given time.

In respect of climate justice, as we are all aware, this concept links to human rights and development to achieve a human-centred approach, safeguarding the rights of the most vulnerable and sharing the burdens and benefits of climate change and its resolution equitably and fairly. It has been championed as an international concept, in particular by Mary Robinson.

Although legal reservations have been expressed about including a reference to climate justice, given the lack of an absolutely clear legal understanding of the concept in international law, I am nevertheless satisfied that it warrants inclusion in this Bill, given its importance as a principle. I have decided that the most appropriate point at which to reference it in the Bill is in section 3(2), which deals with the approval process of the Government in respect of both national mitigation plans and national adaptation frameworks.

Amendment agreed to.

**Acting Chairman (Deputy Derek Keating):** Amendments Nos. 18, 22, 39 and 47 are related and will be discussed together.

**Deputy Mick Wallace:** I move amendment No. 18:

In page 6, between lines 6 and 7, to insert the following:

- “(d) the principle of climate justice.”

The principle of climate justice is based on the idea that there is an ecological debt owed by the north to the south. We in the highly industrialised north are most responsible for the build-

up of atmospheric carbon. We pulled ourselves out of poverty by enormous usage of dirty fuel. If we do not want poorer countries to get out of poverty in the same way we did, we have to help them pay the bill. Developed countries represent less than 20% of the world's population, yet we have emitted around 70% of all the greenhouse gas pollution that is now destabilising the climate. To pay this debt, we have to do two things. We need to finance poorer countries in their switch to clean development models, and we have to lead the way in the move towards a carbon-free economy.

In effect, if the Government recognises and appreciates the principle of climate justice, then we must be committed to the national emissions targets which will hold our law-makers accountable. We must set the targets at levels even more ambitious than those which will come from Europe. In order for that to happen, we need the political will. We need politicians who are not afraid to put the interests of the people of Earth before the interests of those who profit from pollution and extractionism.

Recently, a coalition of more than 400 organisations called on the White House to stop issuing new fossil fuel leases on public lands and oceans. More than 67 million acres of public land and ocean are already leased to the fossil fuel industry. The coalition says that declaring unleased oil, gas and coal on public lands as unburnable would accomplish more in the global fight against climate change than any other single action taken by the Obama Administration.

We need to stop the profiteering of the fossil fuel industry. There are three central steps which we must take if we are serious about the principle of climate justice. First, we must stop issuing fossil fuel leases on our public lands and oceans. That means no more oil and gas drilling, and no fracking licences. Second, we need to divest from fossil fuel companies any funds which are connected to the public purse strings. Third, we need to properly enforce the polluter pays principle.

The vast fossil fuel subsidies estimated by the IMF for 2015 include payments, tax breaks and cut-price fuel. The largest part is the cost left unpaid by polluters and picked up by governments, including the heavy impacts of local air pollution and the floods, droughts and storms being driven by climate change. In May, the IMF published a global annual estimate of \$5.3 trillion of fossil fuel subsidies. It calculated that ending fossil fuel subsidies would slash global carbon emissions by 20%, a huge step towards taming global warming. Ending the subsidies would also prevent 1.6 million premature deaths from outdoor air pollution, a 50% cut. The money freed by ending fossil fuel subsidies could be an economic game changer for many countries, says the IMF, by driving economic growth and poverty reduction.

Christina Figueres, the UN climate change chief charged with delivering a deal to beat global warming at a crunch summit in December, said, "The IMF data reveal a simple and stunning truth: that fossil fuel subsidy reform alone would deliver far more funds than is required for the global energy transformation we need to keep the world below a 2°C temperature rise [the level Governments have promised to hold them to]".

In April, the president of the World Bank, Jim Yong Kim, told the *Guardian* that it was crazy that governments were still driving the use of coal, oil and gas by providing subsidies. He said they should be scrapped immediately as poorer nations were feeling the boot of climate change on their necks. According to the recent IMF figures, this year Ireland will subsidise fossil fuel companies to the tune of \$1.22 billion. That is \$262 per head, up from \$1.09 billion in 2013. A real commitment to the principle of climate justice would mean that we would stop this insane

practice, curb emissions and have money to fund both our own and other nations' transition. Not only are we failing to do this at present, we have a long track record of corporate welfare, and investing in the fossil fuel companies is at the heart of the problem. The last published report from the National Pensions Reserve Fund was for 2013. It showed that, of the 30 largest fossil fuel companies in the world, we had invested in 22 of them. If those 22 companies alone burned their current reserves, it would mean an increase of over 1° Celsius in the global temperature.

While we in Ireland are not feeling the effects of climate change so strongly, other countries are being wiped off the map. The Irish Government, not content that it has presided over the most dramatic rise in inequality in recent history at home by failing to acknowledge climate justice, is becoming a central player in furthering the rise in inequality at a global level. In light of the Minister's claim that he endorses the principle of climate justice, his dogged refusal to make any commitments on national targets of any kind in the legislation does not add up. He is effectively demonstrating that the Bill is solely cosmetic and cannot serve to implement meaningful action on climate change.

The UN climate chief, Ms Christiana Figueres, has warned that carbon emission reduction targets are not yet good enough. She warned on 16 September that "the targets for carbon emission reduction that 62 nations which account for 70% of emissions have so far submitted for agreement in Paris are not good enough to keep global warming below 2°C". Climate scientists have been telling us that this decade is the one that matters for climate action if we are to combat the devastating effects of climate change and to tackle catastrophic global warming. However, all amendments that refer to any specific targets have been disqualified on the grounds that they would impose a cost on the Exchequer. This is an insane position in light of what is at stake. This position is not just extremely short-sighted and narrow-minded considering that the cost in human lives and the cost to the Exchequer will be astronomical. If we do not get our act together, it will cost us, according to our own figures, a fortune in fines alone. We are currently on course for serious fines for failing to meet our climate change mitigation targets. According to the Department of Public Expenditure and Reform, the cost to the Exchequer of purchasing compliance will be in the billions of euro by 2030 in a business-as-usual scenario.

I do not understand the logic of wiping out amendments on the basis that they could cost the Exchequer money. Many proposals cost the Exchequer money. Some of them are a good idea while some of them might not be but the Government should examine the rule. I do not know where the rule comes from but I believe it is in place. If so, it should definitely be addressed because if we continue with this approach, there will be less chance of our being able to organise this country in a more progressive way and addressing problems such as climate change.

**Deputy Clare Daly:** The Oireachtas committee recommended that the legislation incorporate the principle of climate justice. The Minister has accepted that in a part of the legislation, namely, in amendment No. 17. We believe it is critical that the principle be inserted so Ministers will have to have regard to it when designing mitigation plans.

According to Naomi Klein, climate justice really means all developing countries are owed a debt for the inherent injustice of climate change and the fact that wealthy countries had used up most of the atmospheric capacity for safely absorbing carbon dioxide before the developing countries had a chance to industrialise. It is unfair to expect developing countries, whose people have contributed so little to the climate crisis, to shoulder the economic burden of climate change mitigation. However, if we are saying that and putting the principle into the Bill, we

have to mean it. The plan must support policies that will deliver on the principle. That is where we have a bit of a problem. Let us step back and consider this: the countries that have been powering their economies with fossil fuels since the Industrial Revolution have done far more to cause temperatures to rise than those that arrived on the globalisation stage in the past couple of decades. Therefore, it is not a level playing field. Developed countries, which represent less than 20% of the world's population, have emitted almost 70% of all greenhouse gas pollution, which is destabilising the climate.

Where do we fit in? Ireland is the second worst polluter *per capita* in Europe after Poland. Therefore, we in Ireland owe a debt to the developing countries. I am glad the Minister is sharing that view to the extent of saying we should build it in as a principle of our climate change Bill. However, if nothing else in the Bill is moving us nearer to that objective, it is just meaningless and actually a bit of an insult. It is a question of determining how to make the aspiration principle a reality in living terms. How will we repay this debt, which has now been acknowledged? We really need to consider how we can promote the principle of climate justice. That is really what we need to consider. Fighting the extractionism of the fossil fuel industry is a way to achieve it but we are not doing it. Fighting the new free-trade deals, such as the TPP and TTIP, which are effectively corporate wish lists that will have a devastating impact on the environment, particularly in countries in the developing world, is an approach. So, too, is reining in our over-consumption, which does not mean targeting everybody who drives a car but actually means promoting localisation of our economies, promoting serious policies on delivering public transport and greatly enhancing rail transport. I am not referring to the sort of metro-light Ladybird version that the Government announces in fanfares a hundred times over, but to real development of public transport, including rail, beyond anything we have seen already. We need to consider that. It is not being built into the legislation.

Naomi Klein has rephrased and remoulded the discussion on climate change, which is often put outside the reach of ordinary people. It is often packaged in terms of blaming individuals for their behaviour rather than examining how society itself is organised and what governments can do. Ms Klein states:

As a direct result of these centuries of serial thefts — of land, labor, and atmospheric space — developing countries today are squeezed between the impacts of global warming, made worse by persistent poverty, and by their need to alleviate that poverty, which, in the current economic system, can be done most cheaply and easily by burning a great deal more carbon, dramatically worsening the climate crisis. They cannot break this deadlock without help, and that help can only come from those countries and corporations that grew wealthy, in large part, as a result of those illegitimate appropriations.

[This argument] does not rest on ethics and morality alone: wealthy countries do not just need to help the Global South move to a low-emissions economic path because it's the right thing to do. We need to do it because our collective survival depends on it.

When we talk about climate justice, we need to do so in terms of the bigger picture. That is why I would support initiatives such as the Leap Manifesto, put forward in respect of Canada. That document examines the issue in terms of the Truth and Reconciliation Commission's recognition of the shocking details of the violence of Canada's near past. The document refers to deepening poverty and inequality contributing to the problems of climate change. Solutions are sought in terms of what the government can do and in terms of the bigger picture and giving communities control over their destinies, be it in terms of energy projects, energy-efficient

programmes or the retrofitting of houses. All these initiatives can generate employment, but on a serious scale. I refer also to proper public transport.

While we believe we should include the principle of climate justice in various parts of the Bill — it is a good thing and we are glad the Minister has included it in part — it will not mean anything unless it is backed up with meat and substance. Unfortunately, nothing in the Bill achieves this. When this Bill is passed, we will be three or four years away from fines being imposed on us. The European Union itself has said we have no chance of reaching the targets we have signed up to. Therefore, the taxpayer will inevitably be squeezed for the money because of the lack of action of the Government.

**Deputy Brian Stanley:** I welcome the opportunity to speak on this amendment. I regret that all my previous amendments were ruled out of order on the basis of cost. There will be a huge financial cost to the citizens of this State, including farmers, if we continue going down this road and do not address the climate change issue. In addition, there is an issue of climate justice, not just for developing Third World countries but also here due to the effects it will have on producers and those living in areas prone to flooding. We cannot keep building higher flood defences and hope that sea levels will not breach them. We must deal with the issue at source. My amendment No. 22 would compel the Government to have regard to the principle of climate change justice for developing countries and countries vulnerable to climate change. That is very important.

It is worth looking at what was agreed by the all-party committee back in the summer of 2013. Since Ireland, on a *per capita* basis, has one of the highest greenhouse gas emission rates, its responsibility to those impacted by climate change was emphasised by several submissions. The joint committee heard from several witnesses that it is appropriate to include recognition of this in the legislation as a principle, which should be considered in framing the national and sectoral roadmaps.

In fulfilment of commitments made under the Copenhagen accord, member states committed to providing €7.2 billion of fast-track start finance over the period 2010 to 2012. This was to enable developing countries to protect themselves better against severe weather events and other adverse effects associated with climate change and to develop their economies along sustainable pathways.

Central to the issue of climate change and climate justice is the participation of developing countries in the green climate fund agreed at Cancún as a successor to the fast-track start finance instrument. The joint committee welcomed the commitments given by the former Minister, Phil Hogan, that Ireland would play its full role as a member state in supporting this initiative. To this end, the joint committee stressed the importance that such finance should be additional to Ireland's overseas aid budget and not at the expense of it. The Bill should provide for the establishment of a national green climate fund within or alongside the environment fund to receive moneys from carbon tax, emission-trading-system auctioning and similar sources. That money should be used to support climate mitigation and adoption in developing countries.

The joint committee said the fund would also be used to support Ireland's contribution to the green climate fund currently now established through the UN framework convention on climate change. That is what the all-party committee drafted in July 2013, with Professor John Sweeney, after listening carefully to submissions from some who still believe the earth is flat and others who wanted us to go much further than the report's recommendations. This was a

compromise document but is a good way forward.

Climate justice must be writ large throughout the Bill, otherwise we will not be doing our own population any favours, nor those of countries that are only now starting to develop industrially. They have put a very light carbon footprint on the face of the earth, much lighter than ours. Ireland is a huge producer of carbon emissions, so we must start doing things more sustainably, but that does not mean that we have to close down the country.

A number of later amendments deal with prudence in undertaking agricultural production. I ask the Minister of State to accept amendment No. 22 in the spirit of the joint committee's document, which the former Minister, Commissioner Phil Hogan, gave a firm commitment to address. The earth is a small place so this is an important matter. As a trading nation, it is important for us that such countries will develop. We cannot bury our heads in the sand and ignore what is happening to countries that are vulnerable to coastal flooding. We cannot allow huge areas of their coastline to be washed away with chunks of their GDP being eaten up in providing flood prevention measures, not to mention the catastrophe on a human scale. If their economies are wrecked in trying to deal with climate change, including the resettlement of people inland, they obviously will not have the money to trade with us. Working with the Third World and building climate justice into the equation puts us in a moral position to trade with developing countries. It will also enable them to have more cash to buy our goods and services.

These matters are inter-linked so the pieces of the jigsaw must fit together. If we do not deal with climate justice many of the jigsaw pieces will be missing so the centre will not hold globally, either economically, socially or financially. I therefore ask the Minister of State to accept my amendment in that spirit.

**An Leas-Cheann Comhairle:** As there are no other speakers on the Opposition side, I call the Minister of State.

**Deputy Ann Phelan:** These amendments seek to include a reference to the principle of climate justice in either section 3 or section 4 of the Bill. My own amendment No. 17 calls for the inclusion of a reference to climate justice in section 3(2) of the Bill in a slightly different and more prominent place to that proposed in their amendments.

Although legal reservations have been expressed about including a reference to climate justice, given the lack of an absolutely clear legal understanding of the concept in international law, I am nevertheless satisfied that it warrants inclusion in this Bill given its importance as a principle. In view of the foregoing, I request that these amendments be withdrawn in favour of my own version.

**An Leas-Cheann Comhairle:** Deputy Wallace was the first proposer. Does he wish to speak?

**Deputy Mick Wallace:** No.

Amendment put and declared lost.

**Deputy Mick Wallace:** I move amendment No. 19:

In page 6, between lines 6 and 7, to insert the following:

“(d) the risk to public health and associated costs to the Health Service Executive

posed by climate change.”.

I will speak to amendments Nos. 20 and 21 as well. I find it strange that they were not grouped, as I find them to be connected.

**An Leas-Cheann Comhairle:** They are not grouped but the Deputy can speak on them individually.

**Deputy Mick Wallace:** Fine. As I mentioned before, the Department of Public Expenditure and Reform estimates that the cost to the Exchequer to purchase compliance will be billions of euro by 2030, in a business as usual scenario. The point of these amendments is to put into law a system of accounting that will take into account the human and financial cost of action versus inaction on climate change. This was apparently not done when the legislation was being drafted.

According to the European Commission, early action on climate change will save lives and money. The EU-wide cost of not adapting to climate change could reach at least €100 billion per year by 2020, rising to €250 billion a year by 2050. Elaborating on the internationally accepted position that climate change poses a threat so serious that it could reverse the last 50 years of progress in global health and development, the Commission has said that climate action would bring benefits of €38 billion a year in 2050 through reduced mortality caused by air pollution. The World Health Organization has estimated that, considering only a few of the associated health risks and assuming continued progress in economic growth and health protection, climate change would still be likely to cause about 250,000 additional deaths per year by the 2030s. A recent report by researchers at the International Monetary Fund identifies the omission of health damages from polluting fuels as the largest of the subsidies provided to global energy production and use, which will total US\$5.3 trillion in 2015, which is more than the total health expenditure of all the world’s governments. How frightening is that.

What is clear is that climate change and its causes are the greatest risks facing human health. The purpose of the first amendment is to ensure that when making a climate change mitigation plan, the Government takes into account the dangers to the health of the people of Ireland posed by climate change and the associated costs to the health system. It is obvious that fast and meaningful action on climate change will have economic benefits for Ireland but, more importantly, it will mean the Government cares about the well-being of people. Failure to commit to targets and a fast-track of the mitigation plan will demonstrate that the opposite is the case.

As I have outlined, there is a wealth of peer-reviewed research showing that climate change will result in astronomical costs to governments the world over. There is also a long series of very coherent arguments from scientists, economists and international bodies that highlight the immense savings that will accrue from co-ordinated, effective and sustained commitment to ambitious emissions reductions targets. In light of these facts, a situation where the Minister refuses to entertain amendments that would commit us to national emissions targets on the basis that to do so would incur a potential cost to the Exchequer is a bit mind-boggling. This stance by the Minister is one of the starkest examples of the Government sticking its head in the sand on an issue. This amendment would serve to at least remind the Government of the insanity of policy that falls short of being serious about tackling climate change.

A refusal to engage in joined-up thinking in here can be really frightening at times. People who know more about this than we do are making it very clear that if we make long-term deci-

sions rather than ones which go from election to election, we would address this, aside from showing concern for the future of the planet and any concern we might show for our children and their children. If there is one thing that unites the 166 Deputies in here, it is that we all care about our offspring. However, we are turning a blind eye to the problems facing our offspring and their offspring by refusing to do anything about it now.

It reminds me of the lack of joined-up thinking I have addressed a few times in here relating to the area of sport and health. In 2013, alcohol abuse cost the State €3.5 billion, tobacco abuse cost it €1.3 billion and obesity cost it €1.1 billion but the State gave sport €90 million for the year. Sport more than anything else challenges all these things and it would reduce abuses but we do not invest enough in all sports to do this. This is about joined-up thinking and longer-term planning. We would not see the results of it before the next election but we would see them in time and our children would certainly be beneficiaries of it, as would their children. It is a pity that so much of politics is dictated by “short termism”. So much of business is now dictated by short-termism, particularly big business where it is more about shares, dividends and quick profits. It is becoming very problematic for the world. How we deal with climate change is another example of it.

**Deputy Ann Phelan:** This proposed amendment appears out of place in section 2. I am also not sure how practical it is to expect to quantify the costs to the HSE associated with climate change. One of my amendments, amendment No. 46, includes a reference to the protection of public health in section 4(7) of the Bill as it relates to the preparation of national mitigation plans. Accordingly, I cannot support this amendment but I accept the intent behind it.

**An Leas-Cheann Comhairle:** Does Deputy Wallace wish to respond?

**Deputy Mick Wallace:** I thank the Minister of State for her words but we must agree to differ. I will be pressing the amendment.

*7 o'clock*

Amendment put:

<i>The Dáil divided: Tá, 28; Níl, 51.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Aylward, Bobby.</i>	<i>Bannon, James.</i>
<i>Broughan, Thomas P.</i>	<i>Butler, Ray.</i>
<i>Collins, Joan.</i>	<i>Buttimer, Jerry.</i>
<i>Colreavy, Michael.</i>	<i>Byrne, Catherine.</i>
<i>Cowen, Barry.</i>	<i>Cannon, Ciarán.</i>
<i>Crowe, Seán.</i>	<i>Carey, Joe.</i>
<i>Daly, Clare.</i>	<i>Coffey, Paudie.</i>
<i>Doherty, Pearse.</i>	<i>Conaghan, Michael.</i>
<i>Donnelly, Stephen S.</i>	<i>Conway, Ciara.</i>
<i>Ellis, Dessie.</i>	<i>Coonan, Noel.</i>
<i>Ferris, Martin.</i>	<i>Corcoran Kennedy, Marcella.</i>
<i>Fleming, Tom.</i>	<i>Creed, Michael.</i>
<i>Healy, Seamus.</i>	<i>Deenihan, Jimmy.</i>

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<i>Kelleher, Billy.</i>	<i>Deering, Pat.</i>
<i>Kirk, Seamus.</i>	<i>Doherty, Regina.</i>
<i>Mac Lochlainn, Pádraig.</i>	<i>Dowds, Robert.</i>
<i>McGrath, Finian.</i>	<i>Durkan, Bernard J.</i>
<i>McGrath, Michael.</i>	<i>Farrell, Alan.</i>
<i>McLellan, Sandra.</i>	<i>Feighan, Frank.</i>
<i>Mathews, Peter.</i>	<i>Fitzpatrick, Peter.</i>
<i>Murphy, Catherine.</i>	<i>Griffin, Brendan.</i>
<i>Ó Caoláin, Caoimhghín.</i>	<i>Harrington, Noel.</i>
<i>Ó Cuív, Éamon.</i>	<i>Keating, Derek.</i>
<i>O'Brien, Jonathan.</i>	<i>Kehoe, Paul.</i>
<i>Pringle, Thomas.</i>	<i>Kenny, Seán.</i>
<i>Shortall, Róisín.</i>	<i>Lynch, Ciarán.</i>
<i>Stanley, Brian.</i>	<i>Lynch, Kathleen.</i>
<i>Wallace, Mick.</i>	<i>McCarthy, Michael.</i>
	<i>McEntee, Helen.</i>
	<i>McFadden, Gabrielle.</i>
	<i>McGrath, Mattie.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>Mulherin, Michelle.</i>
	<i>Murphy, Eoghan.</i>
	<i>Naughten, Denis.</i>
	<i>Noonan, Michael.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Mahony, John.</i>
	<i>O'Sullivan, Jan.</i>
	<i>Phelan, Ann.</i>
	<i>Phelan, John Paul.</i>
	<i>Rabbitte, Pat.</i>
	<i>Ryan, Brendan.</i>
	<i>Spring, Arthur.</i>
	<i>Stagg, Emmet.</i>
	<i>Stanton, David.</i>
	<i>Tuffy, Joanna.</i>
	<i>Twomey, Liam.</i>
	<i>White, Alex.</i>

Tellers: Tá, Deputies Clare Daly and Mick Wallace; Níl, Deputies Emmet Stagg and Paul Kehoe.

Amendment declared lost.

**Deputy Mick Wallace:** I move amendment No. 20:

In page 6, between lines 6 and 7, to insert the following:

“(d) a projection of the long term savings and costs to the exchequer posed by climate change.”.

**Deputy Ann Phelan:** I understand the intent behind the amendment but I do not consider it to be practical to project long-term savings and costs to the Exchequer in sufficient detail to inform the Government meaningfully when approving five-yearly national mitigation plans and national adaptation frameworks. Accordingly, I cannot support the amendment.

Amendment put and declared lost.

**Deputy Mick Wallace:** I move amendment No. 21:

In page 6, between lines 6 and 7, to insert the following:

“(d) a projection of the long term savings and costs to the exchequer as a result of climate change mitigation.”.

**Deputy Ann Phelan:** At the risk of repeating myself, I appreciate the intent behind the amendment but I do not consider it practical to project long-term savings and costs to the Exchequer in sufficient detail to meaningfully inform the Government when approving national mitigation plans. Therefore, I cannot support this amendment either.

**Deputy Mick Wallace:** Given that the Minister of State has accused me of being impractical, I insist that my proposal is more practical than the Government’s. I have already spoken on the amendment.

Amendment put and declared lost.

**Deputy Brian Stanley:** I move amendment No. 22:

In page 6, between lines 6 and 7, to insert the following:

“(d) the principle of climate change justice for developing countries and countries vulnerable to climate change.”.

Amendment put and declared lost.

**An Leas-Cheann Comhairle:** Amendments Nos. 23 and 24 are out of order. Amendment No. 25 is in the names of Deputy Clare Wallace, I mean Deputy Clare Daly and Deputy Mick Wallace. Which Deputy wishes to move the amendment?

**Deputy Mick Wallace:** I would have nothing to do with her.

**An Leas-Cheann Comhairle:** I call Deputy Clare Daly.

**Deputy Bobby Aylward:** Let me be the first to congratulate her.

Amendments Nos. 23 and 24 not moved.

**Deputy Clare Daly:** I move amendment No. 25:

In page 6, between lines 6 and 7, to insert the following:

**“Setting annual targets**

**5.** (1) The Minister shall, by order, set the annual targets for each year in the periods mentioned in *paragraphs (a) to (g) of subsection (2)*.

(2) The Minister shall set the annual targets for each year—

(a) in the period 2015-2022, no later than 31 October 2015,

(b) in the period 2023-2027, no later than 31 October 2020,

(c) in the period 2028-2032, no later than 31 October 2024,

(d) in the period 2033-2037, no later than 31 October 2028,

(e) in the period 2038-2042, no later than 31 October 2033,

(f) in the period 2043-2047, no later than 31 October 2038,

(g) in the period 2048-2050, no later than 31 October 2042.

(3) The Minister shall, when setting annual targets, have regard to any advice they receive from the relevant body as to the cumulative amount of net emissions for the period 2015-2050 that is consistent with a reduction over that period of net emissions accounts which would allow the 2050 target to be met.

(4) The Minister shall, when setting annual targets, also have regard to the following matters (the “target-setting criteria”)—

(a) the objective of not exceeding the fair and safe emissions budget,

(b) scientific knowledge about climate change,

(c) technology relevant to climate change,

(d) economic circumstances, in particular the likely impact of the target on—

(i) the economy,

(ii) the competitiveness of particular sectors of the economy,

(iii) small and medium-sized enterprises,

(iv) jobs and employment opportunities,

(e) fiscal circumstances, in particular the likely impact of the target on taxation, public spending and public borrowing,

(f) social circumstances, in particular the likely impact of the target on those living in poorer or deprived communities,

(g) the likely impact of the target on those living in remote rural communities and island communities,

(h) energy policy, in particular the likely impact of the target on energy supplies, the renewable energy sector and the carbon and energy intensity of the economy,

(i) environmental considerations and, in particular, the likely impact of the targets on biodiversity,

(j) European and international law and policy relating to climate change.

(5) If annual targets for a period are not set by the corresponding date mentioned in *paragraphs (a) to (g) of subsection (2)*, the Minister shall set the annual targets as soon as reasonably practicable afterwards.

(6) In this Act, the “fair and safe emissions budget” is the aggregate amount of net emissions for the period 2015-2050 recommended by the relevant body as being consistent with contributing appropriately to stabilisation of greenhouse gas concentrations in the atmosphere at a level that would prevent dangerous anthropogenic interference with the climate system.”.

We are talking about saving the planet. To be honest, it is a bit more important. The amendment outlines the detail of the setting of annual targets in order to achieve the interim target and the 2050 target, the criteria that must be taken into account when setting the targets and the timeframes for setting the targets.

This is not an unimportant issue. Let us look at what the European Commission said in the draft report in February of this year when it was talking about this country being unlikely to miss the targets. It said no progress was made in identifying how Ireland commits itself to meeting its existing binding climate and energy targets for the period up to 2020 in an integrated way and how best to use the earmarked available EU support for the structural development needed in different areas. The European Commission has already acknowledged that we are way behind and we are not going to be able to achieve the targets.

What our amendment does is set out a system based on the Bill that was passed in Scotland in 2009 in order to put a system in place for how targets could be met. The proposed Bill has no reference to targets, let alone annual targets or how they should be arrived at, which is what we are trying to do. In that sense, we think that without this change the Bill is not fit for purpose. It is strange that the amendment has not been ruled out of order because we make repeated reference to a 2050 target but under this legislation there is no such target. The amendment is not valid unless we have a 2050 target so I am surprised that it was not ruled out of order. We are pleased that it was not, as we believe this system of how we set targets should be upheld and included in the legislation.

**Deputy Ann Phelan:** The proposed amendment seeks to provide for the manner in which annual targets are set for the period 2015 to 2050. I do not accept the validity of establishing domestic mitigation targets divorced from EU processes. That is because Ireland is already subject to legally binding greenhouse gas mitigation targets up to 2020. Negotiations are cur-

rently ongoing at an EU level to agree mitigation targets for all member states up to 2030. This process of target setting will likely continue up to 2050. Accordingly, putting in place our own statutory mitigation targets would likely cut across and interfere with the EU's target-setting process. As a consequence, therefore, I cannot support the amendment.

**Deputy Clare Daly:** The Minister of State has made our point for us because, as I said in the introduction, the reality is that we are subject to legally binding targets and the EU and the European Commission have stated very clearly that we will not be anywhere near reaching those targets, not only that, but that we have no way of identifying how we are going to achieve those targets. The purpose of the amendment is to set down the detail of how to set annual targets in order that we can address the clear current deficit. It would complement our existing obligations rather than make them irrelevant.

**Deputy Ann Phelan:** Meeting our EU targets is our main priority and the first national mitigation plan is currently being developed to address that aim.

Amendment put and declared lost.

**An Leas-Cheann Comhairle:** Amendment No. 26 is out of order. Amendment No. 27 is in the name of the Minister and arises out of Committee Stage proceedings. Amendments Nos. 28 and 29 are physical alternatives to No. 27, so we will discuss amendments Nos. 27 to 29, inclusive, together.

Amendment No. 26 not moved.

**Deputy Ann Phelan:** I move amendment No. 27:

In page 6, line 9, to delete “24 months” and substitute “18 months”.

The proposed amendments seek to shorten the timeframe for the production of the first national mitigation plan from 24 months after enactment of the Bill to less than that. Many Opposition Members and in the environmental NGO community were concerned at the original 24 month timeframe, considering it to be too long in the context of our pressing mitigation targets up to 2020. Accordingly, in amendment No. 27, I have decided to shorten this timeframe to 18 months, which I know will not be short enough for some.

Nevertheless, 18 months is the bare minimum necessary to allow robust mitigation policy measures to be developed and made subject to strategic environmental assessments and appropriate assessments pursuant to EU directives, as well as to statutory public scrutiny processes.

**Deputy Brian Stanley:** I will speak to amendment No. 28 in my name and that of other Deputies. It is important we do this quickly. We have reached a carbon cliff because of the lost years when we did not do what we should have been doing, when we did not take our responsibility seriously and when we kept damaging the environment and putting ourselves in a situation for which we will pay in the future, not just environmentally but also in the way of carbon credits. This will result in a cost to the public purse and to the taxpayer.

A period of six months is adequate because the preparatory work has been done and everybody knows this is coming, including officials in the Department of the Environment, Community and Local Government. We have known it was coming for years but have put off dealing with it and procrastinated, delayed and dilly-dallied. The committee report was published two years and two months ago so there has been substantial time to deal with this matter in the

interim. It is important that this is done. The Government gave a commitment to do it in the lifetime of the Parliament but there is a month or six months left, depending on who one listens to, so it is important we do it quickly. If the Government does it within six months and there is a spring election, it will go to the electorate with these measures in place. It is a positive message to sell and one on which our party would agree on if the Government did it.

The move to 18 months is welcome but perhaps the Government should shorten that. I suggest it should go a step further. If it cannot go to six months, it should go to 12 months because a huge amount of time was lost when we ignored the problem, delayed in respect of it, danced around it and failed to deal with it. We can no longer postpone taking action in respect of this problem. We have seen the effects, not just in coastal communities but, over a couple of summers, even on dry land in places such as in County Kildare, and it does not get much drier than that. I witnessed a combine harvester with tracks on it trying to cut and harvest corn in fields that had never flooded before.

Climate change is with us and one could say our little spot of land would not make a difference to the globe as a whole but we cannot take that attitude. We are part of the problem and we have to be part of the solution. It is important we do it quickly and we have an opportunity to do that. There is a party political opportunity for those in government in having it wrapped up before going to the country next spring - if they wait until then - and I urge them to do it.

**Deputy Mick Wallace:** We also believe the process should be speeded up in order to provide for the adoption of the first national mitigation plan. The plan should be adopted within six months of the passing of the Act and not 24 or 18, as currently proposed. We need to do a bit more. I find it hard to credit because, at this rate, 2020 will be on top of us and we will not have done anything. We will be penalised in 2020 for not meeting targets simply because we did not have a plan before the deadline. It does not stack up. Our amendments referring to targets were ruled out of order because someone thought they were going to cost the Exchequer money but not taking action and being inactive will cost the Exchequer money. The Government will be more guilty of costing the Exchequer money than our proposals. Our proposals would save the Government in the long term whereas refusing to act quickly enough will cost the Exchequer money, not to mention the cost to people's lives.

**Deputy Clare Daly:** We do not have time - that is the reality. We need to move and move quickly on this. Deputy Stanley made the point very forcefully that a lot of the work has already been done or should be well known on this. We have to look at where we are, against what backdrop we are operating and whether the first national mitigation plan can come into being. The previous European Commission statement showed Ireland as being behind the targets and according to the latest national projections it looks likely that Ireland will miss the targets that are already there by a wide margin, with authorities expecting emissions to decrease by only 3% in 2020 compared to 2005, which is well off the mark. Charles Stanley-Smith of An Taisce put it very well when he said, "to be found to be not on track to meet the targets is damning enough but to be reported as not having an integrated way of making the huge improvements necessary will be truly cataclysmic."

We are talking about putting in place a plan that will allow us to achieve the improvements necessary in order to inch us nearer the targets. We are lining ourselves up for fines in any event but this will at least cut those down. Even 18 months brings us much nearer to 2020 and the fines will start to kick in after 2019. It is at our back door and the way to tackle the gap is by having a plan. We have to move it forward speedily and I do not think moving it by six months

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is in any way adequate. We need to cut it from two years to six months.

**Deputy Ann Phelan:** As stated earlier, if we shorten it any further we would interfere with the process. In addition, consultations must also be entered into. I am glad that Deputy Stanley has welcomed the period of 18 months.

**Deputy Mick Wallace:** Some things are difficult to do because of time limits and restrictions of one kind or another and other things become less challenging. This place has stayed open all night to pass legislation in emergency situations. Many people who are very concerned about climate change would say this is an emergency situation. Not everybody is clued in about the issue or on the same wavelength but the people who have thought about it most and are most involved with it are really concerned that inaction is detrimental to all of us. It is just not fair that we continue to kick the can down the road.

There is an idea that we cannot make it shorter than 18 months because of one reason or another but everything is possible - *tutto è possibile* - if the Government really had the political will and the appetite. The Scots would put us to shame in how they have dealt with these matters. If they were here they would get over the obstacle presented by the option of taking less than 18 months so I appeal to the Minister again. We all know it is not totally accurate to say it cannot be done.

Debate adjourned.

### **Social Housing Policy: Motion [Private Members]**

**Deputy Dessie Ellis:** I move:

That Dáil Éireann:

accepts that there is an emergency social housing crisis resulting from years of underinvestment in social housing builds and acknowledges that the only way to fully address this crisis is to immediately commence a major social house building programme;

further accepts that, as a consequence of lack of investment, bad planning, property speculation and incompetent governance, combined with successive ideologically similar Governments that have incentivised the private sector to increasingly deliver social housing needs, there is an unprecedented homelessness crisis;

demands that the Government address its abject failure to deal with the housing and homelessness crisis which has resulted in almost 5,000 people State-wide living in emergency accommodation; an estimated 2,298 people living in emergency accommodation in Dublin, 1,275 of whom are children; and an estimated 80 plus families presenting to the Dublin Region Homeless Executive on a monthly basis;

notes that in the period succeeding the temporary provision of 260 extra beds last Christmas in response to the death of Jonathan Corrie on Molesworth Street, Dublin, the number of people sleeping rough on the streets has doubled;

commends charitable organisations, community groups and housing agencies for the

work they are doing to assist people who are homeless or living in housing distress throughout the State;

acknowledges the findings of the Dublin Simon Community Annual Review 2014, that highlighted the unprecedented levels of homelessness and the growing numbers of people sleeping rough and in emergency accommodation in the capital;

commends Threshold's Dublin Tenancy Protection Service in preventing 900 families from homelessness over the last year;

agrees that current Rent Supplement levels are wholly inadequate to meet people's needs as illustrated by figures released recently by the Private Residential Tenancies Board, (PRTB) that reveal a significant increase across both the private rental housing and apartment markets in Ireland up to June, 2015, with average rent for private accommodation increasing 7.1 per cent in 12 months from the second quarter of 2014;

notes:

— that since this government came to power the spend on Rent Supplement has reduced from €516,860,000 in 2010 to an estimated figure of €298,415,000 in 2015 and that the Mortgage Interest Supplement decreased during the same period from €77,246,000 to €11,930,000 and that this Government has made it easier for the banks to evict people in mortgage arrears, resulting in more homelessness and housing overcrowding;

— recent figures released by the PRTB that starkly show housing rents were 6.4 per cent higher in the second quarter of this year, while apartment rents increased by 7.6 per cent, meaning tenants leasing a house paid out an average of €878 per month in rent - €50 more than in the same period in 2014 - and for people renting an apartment, the national average rate was recorded at €922; and

— that in Dublin, rental rates continue to increase close to 'boom' time levels, with housing rents increasing by 8.8 per cent, while apartment rates went up by 9.4 per cent, meaning the typical rent for a house in Dublin in the second quarter of this year was €1,387 and €1,260 for an apartment, while the Rent Supplement threshold is €950 a month;

recognises the key role approved housing bodies have in providing and managing social housing;

agrees that housing homeless families in hotels and bed and breakfasts is wholly unacceptable and unsustainable;

further agrees that modular housing as proposed by this Government as an emergency response measure is not the correct response to the crisis but does not oppose the provision of any shelter for homeless families on condition that modular housing is of high quality, is short-term, is well integrated and does not act as a replacement or financial impediment to a proper social housing build programme; and

calls on the Government to:

— review Part VIII of the Planning and Development Act 2000, with the view to temporarily amending legislation in order to provide social housing in a more timely

manner;

— significantly increase the direct funding to local authorities to commence a long-term plan of social housing expansion;

— provide the legislative framework for local authorities to be able to access Housing Finance Agency loans off balance sheet to further supplement a major expansion of social housing;

— reverse the prioritisation of State-subsidised private rented accommodation through schemes such as the Housing Assistance Payment (HAP) and the Rental Accommodation Scheme (RAS) and leasing, in favour of local authority and Housing Association direct build, or purchase social housing;

— implement immediately a number of measures to address the housing and homelessness crisis which Minister for the Environment, Community and Local Government has conceded is now a ‘humanitarian crisis’;

— contact the European Union Commission and have the housing crisis declared a ‘national emergency’, allowing the Government to speed up the public procurement process when building social housing and to fund the building of social housing off balance sheet;

— work in tandem with the PRTB to introduce emergency legislation to cap and reduce rents to reasonable rent levels and to index-link future rent rises;

— accept that with approximately 38,000 mortgage holders experiencing severe mortgage distress, there is a need to introduce emergency legislation to cap mortgage interest rates;

— strengthen the protection of the family home in the Land and Conveyancing Law Reform Act 2013;

— compel the National Asset Management Agency (NAMA) to engage in an emergency consultation with local authorities, and give local authorities the funding and power to have the first refusal on suitable NAMA properties or land banks;

— review all property-related tax reliefs that encourage speculation for profit;

— set up municipal trusts with local authorities to source off-balance sheet funding to build social housing;

— give local authorities first option on empty State lands and buildings to address social housing needs;

— adequately fund local authorities to allow for regeneration projects, new-build social housing, making voids ready for allocation within the agreed six week period, and to refurbish existing stock;

— acquire on a temporary basis empty buildings, including office space, unused retail units and other vacant properties that can be suitably converted quickly for accommodation use;

- increase requirements under Part V of the Planning and Development Act 2000 to 20 per cent social and affordable housing on all new developments;
- increase funding for local authorities to build extensions to address overcrowding and disability adaptation needs in existing housing stock;
- reintroduce the Financial Contribution Scheme for senior citizens with monies raised being retained for future social housing needs;
- accept that local authorities are severely hampered from addressing the homelessness issue due to a lack of State funding and commit to adequately fund local authorities to address the short-fall in funding required for homelessness;
- ring-fence and increase funding to refuges that house survivors of domestic violence;
- re-examine the feasibility of the rural resettlement scheme;
- provide adequate funding to approved housing bodies to ensure they play a full role in provision of social housing; and
- expand and extend Threshold’s Tenancy Protection Service to include Galway, Limerick, Wicklow, Meath and Kildare.

Ba mhaith liom an rún seo a d’ardaigh Sinn Féin a mholadh, rún a d’ardaigh an páirtí mar go bhfuil géarchéim ann i dtaca le tithíocht agus daoine gan dídean. Today, we face a housing and homelessness crisis of epic proportions described by the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, and other eminent people as “a humanitarian crisis”. There are currently 130,000 applicants on housing waiting lists across the country and since the Government came to power in 2011, an average of 400 social housing units have been built annually, which goes nowhere near meeting the needs of these people. A total of 5,000 homeless people and 1,500 children live in emergency accommodation on a daily basis, with 80 new families a month reporting homeless. There are 130 individuals sleeping rough on the streets of Dublin every night.

Through this motion, we call on Dáil Éireann to recognise the scale of the crisis we, as a nation, are experiencing resulting from the policy of this Government and previous Governments. We call on the Dáil to accept that bad planning and bad governance, as well as the incentivisation of private sector delivery of social housing needs, has directly resulted in the horrendous situation in which tens of thousands of our people find themselves. The appalling deaths of Jonathan Corrie and, more recently, Alan Murphy, who both passed away in the cold near the gates of this House, is an indictment of our society and our Government. In response to the death of Mr. Corrie last year, 260 additional beds were provided, but as the numbers of people sleeping on our streets continue to increase, we can see that 260 beds were simply not enough. The number of those sleeping rough has doubled since Jonathan’s death. The Government has used hotels and bed and breakfasts as an immediate remedy to the crisis, but this has caused further hardship for families by effectively imprisoning them in this accommodation without facilities to cook or to live a normal life. Many of the families I have spoken to have been put up in hotels on the other side of the city removed from all family supports, friends and miles from where their children go to school.

The haemorrhage from rental supplement and the rental accommodation scheme, RAS, to homelessness needs to be stemmed by the introduction of indexed rent controls in conjunction with an increase in rent supplement. The Minister has repeatedly failed in his commitment to introduce any form of rent control and, once again, his latest utterings are of no comfort to any tenant renting in this country. Ireland has one of the highest rates of home ownership in Europe, but this is changing rapidly changing due to the lack of housing supply. There are 30 year olds in full-time work, with children of their own, being forced to move back in with their parents to avoid rent jail. As rents soar, tenants need progressive policy and regulation of the rental sector. In Dublin, rents have increased by 34% since 2011 and are increasing to rates last witnessed during the so-called boom. Housing rents have gone up by 8.8% while rents for apartments in the capital are up a massive 9.4%. Currently, landlords have the power to demand more rent at will, which is directly driving people into homelessness.

We call on Dáil Éireann to recognise that the capping of rent supplement must be stopped, simultaneous to the introduction of rent controls, to ensure rents demanded by landlords do not escalate to meet any increase in the rent cap. Government spending on social housing fell by €1.2 billion between 2008 and 2014. In 2013, approximately 750 units were built by local authorities and approved housing bodies, AHBs, with a further 1,200 delivered through leasing arrangements. That year, a surge in households waiting for housing were transferred from rental supports into the RAS. In the long term social housing must be sustainable, and its provision ought not to be based on the private market. Tenants who need social housing are now trapped by rent supplement, which is subsidising private landlords. These subsidies are policies of Fine Gael, the Labour Party and Fianna Fáil. We, in Sinn Féin, do not believe we have arrived here by chance. There can be little doubt that a history of bad policy has sown the seeds of our current crisis.

Modular housing has been mentioned as part of the solution to the housing crisis but it is imperative that it is not a permanent one that supplants State-led development of social housing. The development of modular housing in the short term has the potential to take people off the streets and out of hotels and bed and breakfasts, but there are serious challenges around how modular housing would work in practical terms. Among our solutions to the crisis, we propose that NAMA engages with local authorities to provide funding as well as properties that can be utilised for housing need.

**Deputy Caoimhghín Ó Caoláin:** On a point of order, I want to record as a Member of the House and one of the signatories to the motion that it is an absolute disgrace that neither the Minister nor the Minister of State at the Department of the Environment, Community and Local Government is present for this most important debate. I mean no disrespect to the Minister of State, Deputy Ann Phelan, who is present. It is absolutely scandalous that none of the relevant representatives of the Department concerned is present in the Chamber.

**An Leas-Cheann Comhairle:** The Minister of State has informed me that the Minister is on his way. That is all I can tell the Deputy.

**Deputy Dessie Ellis:** The fire sale of NAMA properties should also be immediately stopped, as this has the potential to further add to the homeless crisis. Local authorities should be given first option on empty State lands and buildings which could then be used for accommodation. A total of 2,600 council houses lie vacant in every town and village across Ireland as well as thousands of empty buildings, retail and office spaces which could be converted quickly into accommodation and would also revitalise the areas. Additionally, Dublin City Council has

enough land zoned for housing to build 29,300 units over almost 300 ha. Space is going to waste. We call on the Government to take immediate action to ensure these lands are redeveloped. We propose reintroducing the financial contribution scheme for those over the age of 55, which would also provide for a contribution to be retained for future social housing need and initiatives. Currently, hundreds of applications are waiting to be processed in Dublin City Council alone which would release much needed housing. The Government presided over the reduction of the Part V social housing provision in the recent housing Bill. However, we propose that the social and affordable housing provision be reinstated to the original level of 20%.

The motion addresses the issue of mortgage arrears, which is destroying the lives of thousands of people across this country. Many of those who bought property during the so-called boom years are not immune to the crisis as mortgage interest rates soar in tandem with evictions. Sinn Féin calls on the Government to introduce emergency legislation to cap mortgage interest rates to stem the flow of homeowners into severe mortgage arrears. We believe that greater State investment in social housing would have obvious benefits for people seeking to buy in the private market as it would relieve overall pressure on the housing sector.

We call on the Dáil to commend charitable organisations, community groups and housing agencies like Threshold, the Simon Community, the Peter McVerry Trust and the Private Residential Tenancy Board, PRTB, for the work they do every day to help people in this time of crisis. With this Bill we call on the Government not only to ensure the availability of funding to housing organisations but to ensure provisions are made to expand and extend Threshold's tenancy protection service to Galway, Limerick, Wicklow, Meath and Kildare. This crisis affects each of our major cities and is now hitting our towns and villages.

Housing in rural Ireland currently presents problems, particularly for young people who are not only finding it difficult to get a mortgage to buy existing housing but who also find the cost of building a house substantial. This has resulted in population concentration in urban centres, which puts more pressure on the housing sector. Therefore, we propose that the Government re-examine the feasibility of rural resettlement.

The economic crisis has seen unprecedented numbers of domestic abuse survivors coming forward to seek support. We call on the Government to ensure funding is available to refuges that house survivors of domestic abuse.

Every person in Ireland has the right to quality housing, regardless of income, age, economic or other affiliation or status, and has a right to freedom from discrimination in housing. Minority groups such as Travellers have the same rights. We propose that housing should be a right not a privilege and enshrined in our Constitution, of which the Constitutional Convention took a similar view.

Every citizen of this island has the right to security of tenure, guaranteeing legal protection against forced eviction, harassment or other threats. This measure should be in place regardless of what kind of tenure the tenant is bound by. Every person has the right to housing of a standard that protects them from cold, damp, heat, rain, wind or other threats to health, including harassment. All tenants have a right to repair of housing. Disadvantaged groups - the elderly, children, people with disabilities and lone parents - have a right to affirmative action in housing. This Government has failed in all these areas and lives have been put at risk. We call on all Deputies of every persuasion to support our Private Members' motion and to acknowledge that this crisis is impacting on a huge segment of our population - on men, women and children.

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The Minister announced a major house-building programme almost a year ago, involving an expenditure of €3.8 billion, €2.5 billion of which was to be allocated over the first three years and €1.3 billion was to be allocated over the next three years. What has happened in the year since he announced that programme? What has been delivered? Very little has been delivered.

The Minister also made a commitment that he would end homelessness by 2016. We now have a major crisis. He should be ashamed that he made that commitment in the first place.

I have been meeting people affected by this crisis. I received a telephone call from a woman last night who had her grandchild and her daughter with her and they had to go back to one of the hotels across the town. The child was roaring crying, she would not move, she did not want to go and could not handle the situation. The effects this is having on our children is massive. I have never in my life seen a crisis like this one. I have been a member of Dublin City Council since 1999 and have served as a Deputy since 2011 and I have never seen the likes of what we are facing now.

We are a wealthy country. It is not as though we are not. We were building social housing in the 1960s and 1970s. We are failing the communities and failing the people. I call on the Minister to support our motion and not to make mealy-mouthed promises but to start delivering on what we need because we are in a major crisis.

**An Leas-Cheann Comhairle:** I call Deputy Sandra McLellan who is sharing with Deputies Seán Crowe, Michael Colreavy, Martin Ferris and Thomas Broughan.

**Deputy Sandra McLellan:** The basis of this motion is once again to highlight the need for social housing and how the crisis is just becoming worse as time goes on. An estimated 5,000 people are living in emergency accommodation in this State today. In Dublin alone, more than 1,200 children are living in these unsustainable conditions. That is double the number of people from this time last year. These families are living in circumstances with unknown and limited security. Children travel across cities on buses to get to school every morning, returning to their cramped accommodation in the evenings to attempt their day's homework. Meanwhile all other activities that would be seen as normal within the average family home go on around them in a very confined space. This is not a conducive environment for normal day to day living let alone the development of a child and their education.

The Simon Community states that the number of families now sleeping rough has also doubled. I take this opportunity to reiterate what the Simon Community has said, namely, that "This is a humanitarian crisis". It is somewhat indicative of this Government and the issues it seems to prioritise, that even on the back of tragic deaths of the late Jonathan Corrie last December and Alan Murphy as recently as last Friday, both so close to the doorsteps of this house, that the aforementioned figures have doubled and still continue to rise.

Although temporary accommodation is of course a better alternative than no accommodation whatsoever, it once again comes back to the question of whether this is sustainable, and I am concerned that the Government may see this as a longer term plaster over a gaping wound that is a social housing crisis.

I also maintain my reservations around the housing assistance payment, HAP, scheme and the stipulations attached to it. There are currently 130,000 on waiting lists. It all appears to be a bureaucratic mess, with tenants and landlords who are availing of this scheme having to jump through countless hoops. As a result, landlords are not keen to engage with the scheme,

resulting in minimal take up of it. A study by the Simon Communities last July noted that fewer than 8% of properties to rent in Dublin were affordable within State rent payment caps, which is nowhere near enough given waiting list numbers.

I wish to highlight access to social housing and the catch-22 position that some people seem to find themselves in with regard to availing of these services. For example, in the case of a one-parent family with one or two children living in an urban area, the income threshold for this family to qualify for the social housing list is €35,875 with one child, or €36,750 with two children. That is the situation in Dublin and bear in mind that it is much less throughout the rest of the country. For anyone who earns above this threshold, taking into account ever rising rent prices, the ever increasing standard of living and the astronomical cost of child care in the country, it is almost impossible to see how this parent could make ends meet. Bear in mind that if one is not on the social housing list, one does not qualify for rent allowance and one has to pay the full market rent, but if one's income is just above the social housing threshold, one will never earn enough money to qualify for a mortgage.

These are the type of people who end up as another statistic on the homeless register - people who are outside of thresholds by such a minimal amount, people who are just one or two wage packets away from losing everything they have. An effort should be made to increase these thresholds and, as a result, extend a sense of security to citizens who find themselves in this situation. Once again, the treatment of the homeless, and those who are struggling merely to get by, does not seem to be of paramount importance to those in government and displays somewhat of a detachment from reality.

Now, coming into the winter months, with the nights getting colder, the risk to health comes to the forefront once again. A warm and safe place to sleep at night is not a certainty for many people. Homeless services and charities are at capacity as it is and are already under a considerable amount of pressure to cope with the crisis at present. The workers within these services are at breaking point and this burden should be addressed and relieved as soon as possible.

Access to housing is an issue that, if not addressed immediately, will only lead to more tragic stories like the ones that we have heard in the media and are already too common. Measures need to be taken immediately if this crisis is to be tackled in any sort of a sustainable manner.

I hope this motion can garner the support of all Deputies with the aim of helping those who are most vulnerable and at risk.

**Deputy Seán Crowe:** I begin by mentioning Alan Murphy, the homeless man who died just a few minutes walking distance from here. I express my deepest sympathy to his family and friends. Alan's death should be a call to action. I appeal to the Minister to declare the housing crisis an emergency. That entails the Government taking practical steps to provide a real and lasting solution to the crisis. Several of those solutions are contained in the motion.

We need immediate access to essential funding for local authorities to enable them to build social housing. We need to speed up public procurement when issuing contracts to build social housing. Once planning permission is in place, we need funding released to start building. I know of one instance where planning permission was granted in South Dublin County Council in October 2013 but, two years later, the funding to build still has not been released. Last October, the Government announced €3.8 billion was to be made available to eliminate the social housing waiting list. Many local authorities are still waiting for that funding and permissions

to go to tender to build. This is beyond belief. People are looking for explanations but I cannot explain why this is the case. There are shovel-ready projects across South Dublin County Council with planning permission but funding has not been released. Who and what is the causing the delay?

Significant tracts of land are available but the Department will not accept funding applications plans for more than 50 homes at a time. The funding is being dolloped out in small amounts. Why is that the case? If land is available, and the Minister says money is now available, then what is the problem? Government policy dictates building should not take place in already overcrowded housing estates, yet the Government is allowing local authorities to apply for funding for social housing units in infill areas in already overcrowded estates. Why is that the case? Does the Minister understand the difficulties this causes? Many estates are already at breaking point from decades of neglect, high unemployment, crime, including drug dealing, lack of youth facilities and anti-social behaviour.

Life on the streets is hard, dangerous, tough, rough and ugly but many opt to stay on the streets because it is safer than hostel accommodation. In my constituency office, we are seeing more and more already vulnerable homeless people being told by the local authorities to self-accommodate, which entails calling to a hotel and asking if they have a room. The idea of asking vulnerable people to find accommodation for themselves is outrageous. They regularly find themselves with no money for transport or phone credit to call the hotels. In my opinion, council staff are overstretched and overburdened. I invite the senior Minister to spend a day, even a morning, at the South Dublin County Council homeless unit, sitting at a desk to observe the stress which homeless families and council staff face.

Tonight a refuge for victims of domestic violence, Cuan Álainn in Tallaght, is to close on 18 December. The Respond housing agency says it cannot continue to fund the refuge for women and children fleeing domestic violence. Respond has bank-rolled the refuge in Tallaght for the past three and half years without any financial support from the State. Catering for nine families, Cuan Álainn has housed 71 women and 96 children for more than three years at a cost of €350,000 per annum. Respond undertook to fund this service for three years but can no longer afford to do so. Without this service, women and children may now have to return home to an abusive environment or be forced to enter homelessness. Agencies, including Tulsa, accept Respond has identified a definite need to care for women and children who must move on from emergency refuges. Cuan Álainn serves a large catchment area where the need is great. The cost to the State to provide alternatives to this valuable service will in fact be more costly.

I watched Fr. Peter McVerry on RTE television last evening. I agree with his comments that if the country were hit with an outbreak of foot and mouth disease, the Government would declare an emergency. At this stage, one can only draw the conclusion that, to its shame, the Government values the health and well-being of sheep and cattle above that of its own citizens. There is something wrong with such a system. It must change and we must start doing things differently.

**Deputy Michael Colreavy:** Some say the wheels of government always move very slowly. That is not always the case, however. For example, one need only think of the visit of a foreign dignitary or the outbreak of a disease which might put our livestock or agricultural economy at risk. Then there is an immediate plan of action, great co-ordination and pulling together of the resources of the State to deal with it. We can tackle crises.

A previous Government was able to bail out the Irish banks overnight, putting billions of euro of public funds into the banks in doing so. Now, every man woman and child in the State owes tens of thousands of euro to the banks, the bankers and speculators. Immediate action solved that problem, yet, when 5000 people are living in emergency accommodation across the State, the Government appears to be frozen by inaction. There are well-meaning platitudes, looks of compassion and promises of small amounts of money here and there but nothing of the scale needed to deal with this national emergency.

We are at this stage because of the Government's inaction. It has failed to build public housing or provide funding for the refurbishment of existing public housing, despite all the announcements, the radio and television programmes and press headlines. Despite knowing that the waiting list for public housing has been growing rapidly over the past several years, the Government has done little or nothing to nip this problem in the bud. Hence, we face this problem today. There has been no Government action on rent controls. Rents have risen dramatically, especially in areas like Dublin. As a consequence, families are no longer able to afford to live in a home because they are forced out by crippling rent prices. The Government has failed to introduce the necessary rent controls to stem the rack-renting that is taking place.

This is also coupled with the fact that the Government has failed to act sufficiently to tackle mortgage distress. Approximately 38,000 mortgage holders are experiencing severe mortgage distress and cannot meet the level of mortgage repayments demanded of them. The Government has, however, failed to introduce a cap on mortgage interest rates to the very banks to which so much public moneys have gone.

We were told money would be channelled into making a number of vacant properties in each county available for public housing, but nothing has happened. For example, there are 121 vacant public housing units in Sligo and 74 vacant public housing units in Leitrim. While these are tiny numbers compared to the scale of the national problem, what a difference making these units available could make to people on the housing list in counties Sligo and Leitrim.

*8 o'clock*

It is time for the Government to make the housing and homelessness issue a national emergency and do as it should and would do in the event of a threat to our livestock or to human health in this country because families living in emergency accommodation and individuals sleeping on the street is so damaging to health. The charitable organisations, community groups and housing agencies must be commended for the work they have done but no matter how hard they work, they cannot stem the tide of homelessness we are experiencing in this country. It is the responsibility of Government to step up to the plate. Shame on any society that cannot ensure that its citizens have warm, safe and secure homes. Shame on us when families with children are homeless.

**Deputy Martin Ferris:** All over my constituency in County Kerry and all over this State, there are more people without a roof over their heads than ever. An unprecedented number of people are coming to my three constituency offices, in Kilorglin, Tralee and Listowel, for help because they have lost their homes, are in fear of losing their homes or are part of the hidden homeless, those who are sleeping on couches or living with relatives whose accommodation is inadequate to house them properly. Meanwhile, there are 136 vacant properties in the county.

Some of these people might not be suffering as visibly as those on the streets, but the suffer-

ing goes on in separated families, in the stress of overcrowding and of children being aware of their plight and being ashamed of it and not doing so well at school and not managing to turn up to school as well turned out as they used to be and would like to be. People refer to a housing crisis and some talk about a housing emergency but the truth is that if something has been going on for as long as this, then it is no longer a crisis or an emergency but a policy.

We all remember last year when poor Jonathan Corrie died across the road and the Taoiseach, having first notified the media, ventured out into the real world for an hour or so, to visit the homeless on the streets. He went out with the Lord Mayor of Dublin and cried, then the Minister for water charges and homelessness, Deputy Alan Kelly, called an emergency summit and opened some shelters providing temporary accommodation for some of those already on the streets. Providing temporary shelter for people so desperate that they sleep on the streets is better than nothing, it relieves suffering, it may even save lives. There are thousands of others, however. Even though anyone who walks out the door of this institution can see that there are more people than any of us have ever seen on the streets, they are in the minority. Most homeless people are hidden away in a friend's house, in their mother's house, in their cars and in rooms in hotels, where they are forced to sleep, eat, wash, mind their kids, do the homework, survive in one room, maintain some semblance of normality and try not to sink into hopelessness.

There are not enough houses. When that happens, when that is government policy, the people on the lowest wages end up homeless. No matter how hard they work, how hard they try, no matter how thrifty and responsible they are, how many pay related social insurance, PRSI, contributions they have made, they end up homeless. Landlords raise the rent, the Government pretends that it is nothing to do with it and rent allowance is cut. None of that is going to be resolved by providing temporary shelter for people living on the streets. None of that has anything to do with the Taoiseach in his woolly hat, traipsing around the city crying crocodile tears.

This week another man died outside the door here. He died in a laneway that many of us use as we pass from Dawson Street to Kildare Street. The media coverage was less and at least we have been spared the crocodile tears from the Government benches. There is cruelty and indifference on those benches and a failure to admit that if a problem persists year after year, it is not just a problem anymore, but a policy. It is a policy that comes from the right-wing political ideology that private property is paramount and that State intervention is some kind of lefty notion that must be fought against, so there is no rent control. Even on commercial property, there are upward-only rent reviews. The free market was being protected when the banks were bailed out at the expense of our public health, social protection, education and housing. That is the ideology that cannot see past a knee-jerk reaction of protection of the rich, the powerful, the people who do not need protection.

The Government cares about the market, property rights, the rich and powerful. That is its ideology. The Minister for the Environment, Community and Local Government speaks about "reasonable measures", nothing that could be interpreted as anti-competitive, nothing too radical by the standards of those who see property and wealth as more important than the lives and well-being of vulnerable people. He is doing nothing about the people who are homeless. Nothing tangible has been done in the past year. It is the Minister's policy that people suffer on.

The Government has to change its policy and implement a programme of building social housing across this State, introduce rent controls and carry out a review of bank repossessions. That is what this Government has to do but it has no notion of doing it. Shamefully, the Labour

Party Deputies can embrace and swallow the ideology of right-wing Fine Gaelism. Sinn Féin is tonight introducing a Private Member's motion which calls for housing and homelessness to be tackled. Sinn Féin has outlined a series of measures to tackle the crisis. In the interests of all those homeless or in danger of losing their homes, we hope all parties will support it.

**Deputy Thomas P. Broughan:** I warmly support the motion before the House and thank my Sinn Féin colleagues for giving me a chance to speak briefly on it. I would like to pay my respects to Alan Murphy, his family and friends. Last Friday, Alan died not very far from where we sit tonight. It is another tragic loss of life which can be put down completely to the failures of this Government and the Fianna Fáil Governments in their total abandonment of social housing programmes.

There are approximately 90,000 individuals on social housing waiting lists around the country. In July 2015, the figure on the Dublin City Council housing list stood at over 42,000 people, including almost 16,500 children, which equates to 21,592 applicants. In my constituency of Dublin Bay North, there is an astonishing 5,733 individuals and families urgently seeking houses in areas such as Artane, Coolock, Killester, Raheny, Darndale, Beaumont, Marino, Clontarf and Kilbarrack. Last week in this Chamber, I pleaded with my constituency colleague, the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, to start some sort of emergency housing programme but once again it seems that plea fell on deaf ears. The other council I represent, Fingal County Council has 8,400 applicants urgently seeking housing in its catchment area. The Minister for the Environment, Community and Local Government has trumpeted the fact that he gave almost €20 million to Fingal County Council to build houses in the first phase of a programme to build 1,376 housing units. This is just a tiny drop in the ocean compared to the many families I represent who are waiting eight, nine, ten or, indeed, 11 years for housing.

There are over 150 individuals sleeping rough this very night while the Minister sits there talking to the Minister of State at the Department of the Environment, Community and Local Government, Deputy Coffey. In August of this year, the number of persons in emergency accommodation continued to rise. There are now 3,732 adults, including 1,496 children. I met the Ombudsman for Children a few months ago, in the late summer, to raise the concerns I have week in, week out when I meet homeless children, for whose rehousing the Minister is totally responsible.

The Minister spoke a few weeks ago about this crisis being a perfect storm. How did it happen? It is almost like an act of God. Somehow, in 2015 all of these factors came together to create this incredible situation that Deputy Ellis and my colleagues here have so eloquently outlined. A key element in this perfect storm is the Minister, who 15 months ago outlined to me steps he would take to try to address the situation. The Minister has not implemented one of those steps.

Colleagues referred to modular housing. I went to look at the exhibition of modular housing, as did Deputy Ellis. Some people would say it can provide a very tiny response to the crisis we are facing. However, I do not think so. That is not the way forward. Why would we spend €80,000 to €90,000 on building a modular house with materials that are not fit for our climate, with the forthcoming cold and damp winter, when we could build a house? The Minister could build a house and start direct action. He could declare a housing emergency. Why will he not declare a housing emergency and have a Financial Emergency Measures in the Public Interest, FEMPI, Act on housing? Fine Gael will not permit him to do so. He is a prisoner and he will continue to be a prisoner for the next two or three months.

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The only solution to this situation is a general election. Let us have a general election, in which this will be a key issue, and change this rotten Government. Let us get rid of it and have a new Government with Members from this side of the House, which will declare a housing emergency, immediately introduce rent controls and deal with the other issues. It can be done. There is no use in the Minister waving his hands. It is not a perfect storm. The Minister is the key actor and he has not done his stuff.

**Minister for the Environment, Community and Local Government (Deputy Alan Kelly):** I move amendment No. 2:

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

“notes that the economic downturn and contraction in construction activity, which began in 2008 and continued for a number of years, have created a significant shortfall in housing supply generally, including social housing;

recognises the high priority which the Government has afforded to increasing housing supply, including through its Construction 2020 strategy;

acknowledges the Government’s on-going commitment to ensure that a full range of options is available to distressed borrowers and to keep as many people as possible in their homes;

welcomes the decisive action taken by the Government in relation to mortgage arrears, including the package of measures announced in May 2015 to provide additional support to early engagement borrowers, raise awareness and improve take-up of insolvency measures, improve the operation of the Courts Service of Ireland and the support available to borrowers through this process, and improve schemes to try wherever possible to keep people in their home, including changes made to the mortgage-to-rent scheme to enable more properties to qualify for the scheme;

recognises that social housing is a key priority for the Government and, in particular, welcomes the:

— additional €2.2 billion in funding announced for social housing in budget 2015;

— Government’s Social Housing Strategy 2020, published in November 2014, targeting the provision of over 110,000 social housing units in the period to 2020, through the delivery of 35,000 new social housing units, at a cost of €3.8 billion, and meeting the housing needs of some 75,000 households through the housing assistance payment, HAP, and rental accommodation scheme, RAS, to address the needs of all households on the housing waiting list, with flexibility to meet potential future demand;

— implementation of the HAP scheme, a key component of the Social Housing Strategy 2020, which is also progressing at pace, with almost 4,000 households now in receipt of HAP across the 13 local authority areas involved, and the intention to expand the operation of the scheme to a further cohort of local authorities in the coming months;

— significant progress made in bringing vacant local authority housing stock

back into use, with over 2,300 vacant units funded in 2014 and a further 2,500 units targeted for 2015;

— enhanced role for approved housing bodies, AHBs, in the provision and management of new social housing under the Social Housing Strategy 2020;

— important contribution made by the National Asset Management Agency, NAMA, in the delivery of social housing, sourcing almost 1,400 houses and apartments for social housing use by local authorities and approved housing bodies and investing some €40 million in making these properties ready for social housing;

— recent amendments made to the Part V of the Planning and Development Act 2000 mechanism by the Urban Regeneration and Housing Act 2015, which will mean that in future, the focus of Part V of the Planning and Development Act 2000 will be on the delivery of completed social housing units; and

— innovative funding mechanisms provided for in the Social Housing Strategy 2020, including the progress being made on site selection under the proposed €300 million programme of investment in social housing via the public private partnership model, which is expected to deliver 1,500 housing units;

welcomes the multi-stranded Government response to the homelessness issue, in particular the:

— key measures identified in the Government's implementation plan on the State's response to homelessness, May 2014, and in the action plan to address homelessness, December 2014;

— whole-of-Government approach to dealing with the complexity of homelessness, involving all key State agencies concerned, including the Departments of the Environment, Community and Local Government; Social Protection; Health; Children and Youth Affairs; the Health Service Executive; Tusla, the Child and Family Agency; the Irish Prison Service; and local authorities;

— supports provided for the critically important role performed by non-governmental organisations, NGOs, working with homeless persons and helping to deal with the multi-faceted issues that homeless households face;

— increase of over 20% in funding provided for homeless services in 2015, and the commitment of the Government to provide additional funding, where necessary;

— excellent work being done through the tenancy sustainment protocol operating in conjunction with Threshold in Dublin and Cork, with over 1,200 of the 4,000 cases supported with increased rent supplement limits arising from engagement under this protocol arrangement, with active plans to extend the protocol to Galway city; and

— proactive approach being taken to the exploration of further steps to fast-track the delivery of additional social housing to meet the needs of homeless households, including through a programme of modular housing;

notes the important role that the private rental sector plays in the overall housing

market, with approximately one in five households now privately renting their homes, and in that regard:

— acknowledges that the continued increase in rents is a cause for concern, with the latest Private Residential Tenancies Board, PRTB, figures showing that housing rents were 6.4% higher in the second quarter of this year, while apartment rents increased by 7.6%;

— accepts that a shortage of housing supply is at the heart of rising rents and that the Government is addressing this on a number of fronts, including through its Construction 2020 strategy;

— acknowledges that the housing supply shortfall will take time to address fully but welcomes the signs of recovery, particularly the increase in the number of house completions in 2014 to 11,016 units nationally - an increase of 33% on the 2013 figure - and the 16% increase in completions in the first seven months of 2015 compared to the corresponding period in 2014; and

— notes that the regulation of rent raises many complex economic and legal issues and that in any consideration of such measures, it is critical that they are balanced and have the desired effect on the rental market, while being fair to landlords and tenants alike;

notes, in respect of rent supplement, that:

— the scheme plays a vital role in housing families and individuals, with the scheme supporting approximately 65,000 recipients at a cost of €298 million in 2015; over 13,700 rent supplement tenancies have been awarded this year, of which almost 4,300 are in Dublin, showing that landlords are accommodating significant numbers under the scheme;

— a review of the rent limits undertaken by the Department of Social Protection earlier this year found that the impact of increasing limits at a time of constrained supply will increase costs disproportionately for the Exchequer with little or no new housing available to recipients; and

— continued flexibility will be applied through the national framework for tenancy sustainment for both existing customers of the scheme and new applicants, under which a tenant's circumstances are considered on a case-by-case basis, and rents can be increased above prescribed limits as appropriate; this flexible approach has already assisted approximately 4,000 households throughout the country to retain their rented accommodation;

welcomes the additional safeguards included in the Land and Conveyancing Law Reform Act 2013 which already provide the Courts Service of Ireland with a very broad margin of discretion when dealing with repossession applications in respect of principal residences;

notes that the extension of the living city initiative beyond the original pilot cities of Limerick and Waterford, to also include the cities of Dublin, Cork, Galway and Kilkenny, followed from a comprehensive, independent *ex-ante* cost benefit analysis, in

line with the Government's commitment to evidence based policy-making, and that this initiative is targeting particular areas of these six cities which are most in need of regeneration, and is available to owner occupiers and certain commercial premises only; and

welcomes the steps taken in 2015 to centralise the funding for domestic violence services under the aegis of Tusla, the Child and Family Agency."

I thank the Deputies for proposing the motion and I welcome the fact that Members have raised the issue of housing and homelessness again. I understand their concern in highlighting the challenges faced in dealing with these complex issues and the legacy of under-supply. It gives me the opportunity to reiterate my, and this Government's, commitment to tackling these difficult and significant challenges. I fully acknowledge the importance of dealing with housing and homelessness. It is my number one priority as Minister. It is something I am personally committed to and we are doing our utmost to tackle it through massively increased funding, a number of key policy and legislative responses and, most importantly, through direct action, which I will outline to Members.

Increasing the supply of housing is an absolute priority for this Government, myself and the Minister of State, Deputy Coffey. We have prioritised the economy and employment, and breaking the 10% unemployment target is a great success. However, to sustain this and to remain competitive, it is accepted that we must rapidly increase the supply of housing to meet current demand. One thing is certain - we are not returning to the boom-bust cycle that beset the property and construction sector in the past. We cannot go back to the artificial and unsustainable property bubble that has contributed to the problems of the residential market in Ireland today, which is not operating at equilibrium, with demand far out-stripping supply. This Government is committed to resolving the problems in the housing sector. That means every household in Ireland will have access to secure, good quality housing suited to their needs at an affordable price in a sustainable community. Clearly, that will not happen immediately and will take time, but the Government is absolutely determined to deal with this crisis in as short a time as possible.

The root cause of the current social housing crisis is without doubt the policy decisions by previous Fianna Fail Governments to cut massively the construction of social housing and effectively to privatise the provision of social housing through the explosion in the use of rent supplement, which was of significant benefit to their property developer friends. When this toxic combination of lack of social housing supply, lack of construction activity and a system of providing social housing through using private rented accommodation was confronted with rapidly increasing rents in recent years, the result is the homelessness crisis which this Government is now doing its utmost to deal with. The State, through this Government's Social Housing Strategy 2020, has returned to its central role in the provision of social housing through a resumption of building on a significant scale, putting in place financially sustainable mechanisms to meet current and future demand for social housing supports and to ensure value for money for the taxpayer, while respecting, to the greatest extent possible, the preferences of individual households.

While jobs and recovery are the best ways to help people to meet their housing needs, the Government is committed to helping those who cannot support themselves and has set out a plan of action to do so under the Social Housing Strategy 2020. In addition, we have supported that by committing a mixture of capital and current funding of €2.2 billion for social housing in budget 2015 and have committed €2.9 billion in capital funding to 2021 under the capital plan.

These are not vague references to using the Ireland Strategic Investment Fund to invest in social housing, such as those that have been put forward from some quarters, but solid, direct, straight financial commitments.

The social housing strategy is about building sustainable communities. The strategy is a comprehensive response to the need for social housing and targets the provision of over 110,000 social housing units to 2020, through the delivery of 35,000 new social housing units and meeting the housing needs of some 75,000 households through the housing assistance payment and the rental accommodation scheme. This will address the needs of the households on the housing waiting list, with flexibility to meet potential future demand.

Of course, all the commitments made in the strategy, both in terms of targets and funding availability, must materialise in new projects. This is the surest way that our citizens will see we are delivering on our promises. I have made the funding available and have ensured that allocations and project approvals have been made. Following on from the strategy, I announced provisional funding allocations totalling €1.5 billion for all local authorities to meet an ambitious delivery target of 22,882 social housing units to 2017. To date in 2015 some €493 million has been allocated to local authorities and approved housing bodies for the construction and acquisition of over 2,900 units. In addition, over €91 million worth of housing investment across a range of housing schemes to bring vacant social housing units back into productive use and to improve housing for people with disabilities, as well as retrofitting homes to improve energy efficiency, was announced in May last.

All of the details on a local authority by local authority basis can be found on my Department's website. I urge all Deputies to be aware of and familiar with the targets, projects and funding for their areas and to work with and support their local authorities to ensure early advancement and delivery of these projects. Local authority elected councillors have a key part to play in ensuring social housing is delivered. The Part 8 process under the planning Act is an important local government function relating to enabling public participation and consultation in the development of local authority projects, including in the social housing arena. The Part 8 process can be conducted within a four month timeframe, but can sometimes take five to six months or more for larger or more complex proposals. I am examining the scope to streamline further the consultation process for the advancement of social housing projects, balancing both delivery and the need to get the public's feedback on projects that will be in place for a long period of time.

The funding provided to bring vacant and boarded-up social housing units back into use is a notable example of the social housing strategy's focused approach, which is needed as we move forward. There has been significant investment to tackle the issue of boarded-up units and to get them tenanted. This is delivering results. Over 2,300 units were delivered in 2014 and another 1,135 units have already been delivered in 2015. There will be more. Given the success of the programme and the high demand for social housing, I have recently made funding available for an additional 1,447 eligible units. This is in addition to the 1,000 target set out in the strategy.

However, I have been clear in my message to local authorities that they must in the first instance work towards minimising the number of their homes that are left vacant and require refurbishment, by applying good management practices to their housing stock for the benefit of those on the social housing lists. Local authorities will not find me wanting when it comes to funding to assist them in delivering as many voids as they can possibly turn around. All of

these measures will provide real homes for real people. In addition, I am glad to note that real jobs will be created and sustained as a result of this investment throughout the country, given that all 31 local authority areas were included in the announcements.

Another area of progress on the supply side includes the development of a significant public private partnership project for social housing. The model to be employed is new to the social housing area and has been very successful in the education and health sectors. Work on the PPP is at an advanced stage and is being carried out by my Department and other relevant stakeholders. This will bring 1,500 social housing units on stream. Work has also commenced on the development of the strategic housing fund, with €400 million of public investment which will channel private finance to approved housing bodies for the acquisition and development of social housing. I expect this to bring 2,000 social housing units on stream. The housing assistance payment, HAP, is a key component of the social housing strategy and is progressing at pace. There are now some 4,000 households in receipt of HAP across 13 local authority areas.

NAMA continues to play an important role in the delivery of social housing, having delivered almost 1,400 houses and apartments to local authorities and approved housing bodies for social housing use. NAMA continues to work closely with my Department, the Housing Agency, local authorities and approved housing bodies to ensure that its commitments on social housing are delivered. As regards delivery of social housing in the coming years, NAMA is committed to and is firmly on track to deliver 4,500 new residential units in the greater Dublin area by the end of 2016. It is worth noting that, in 2014, NAMA funded more than 40% of total new housing output across the four Dublin local authorities.

While the activity in terms of social housing supply is clear, delivery takes time. We are doing everything in our power to increase the pace of delivery, given the low base we started from, but it is a challenge. The overall lack of supply in all housing has put extreme pressure on social housing and the private rental market, manifesting in a very serious homelessness issue. A range of actions is being taken to secure a ring-fenced supply of accommodation for homeless households and to mobilise the necessary supports in order to deliver on the Government's targets. These measures have been identified in the Government's implementation plan on the State's response to homelessness of May 2014 and in the action plan to address homelessness of December 2014.

Budget 2015 confirmed €55.5 million in section 10 Exchequer funding for homeless services managed by housing authorities, an increase of over 20% on the amount made available for allocation in 2014. I might point out that the figure proposed by both Sinn Féin and Fianna Fáil last year was the sum total of zero, hardly appropriate for the current situation. The Government is fully committed to prioritising homelessness, not just through increased funding for homeless services but by also exploring innovative options for addressing emergency accommodation needs, such as the potential for modular housing to be used. Indications are that all key stakeholders reacted positively to the recent Dublin City Council modular housing demonstration project and I have asked the city council to develop the proposal further as regards unit numbers, costs, timescales and so on. It is envisaged that significant progress will be made on this initiative in the coming months.

These plans represent a whole-of-Government approach to dealing with homelessness. The implementation of measures identified in these plans is being overseen by a group of senior officials drawn from key State agencies dealing with homelessness and the associated issues of housing, welfare, health care and many other issues. The issues surrounding homelessness

are multifaceted and, as such, require a multi-agency approach. I note the very important work carried out by NGOs in this regard. Preventing more people falling into homelessness is clearly an urgent objective and requires a range of actions and for various stakeholders to contribute towards homelessness prevention. In this regard, the tenancy sustainment services funded by many housing authorities, the public awareness campaign being implemented by the Private Residential Tenancies Board and the Department of Social Protection's interim tenancy sustainment protocol and national tenancy sustainment framework are all working to keep people out of homelessness. Ultimately, supply is the answer but while supply is being ramped up in the interim, I am examining any and all potential solutions. I will ensure that if changes to planning and procurement procedures are required, they will be made.

While the Government recognises its key role in terms of social housing and has returned the State to its correct position in the context of supply, it is very important to view the housing market or housing system in its totality. In this regard, the Government recognised the need for a significant increase in market housing. In response to the challenges faced in this area, the Government's Construction 2020 strategy, which was published in May 2014, clearly set out a cross-Government plan of action to address issues in the property and construction sectors, in particular, to ensure that any critical bottlenecks that might impede the sector in meeting the forecasted residential demand are addressed. The Minister of State, Deputy Coffey, has been given special responsibility for housing, planning and co-ordination of the Construction 2020 strategy. Under Construction 2020, we have targeted a return to a sustainable proportion of GDP for the sector, that is, 10%, from the low of 5% in 2012, an increase in construction jobs by up to 60,000 and an increase in output to the 25,000 houses required annually. In terms of meeting the 25,000 housing target, while we are coming from a very low base, it is moving in the right direction. We are moving from 8,000 house completions in 2013 to 11,016 in 2014. At the end July, we were at 6,745 units, an increase of 16% on the first seven months of 2014. Importantly, planning permissions granted are seeing significant growth. In the first half of 2015, planning permissions were granted for 6,165 houses and apartments, representing a 92% increase compared with the same period of 2014. Of that, 3,987 units, which is 64% of planning permissions granted, were in the greater Dublin area of Dublin, Kildare, Meath and Wicklow.

In order to stimulate housing supply, the Minister, Deputy Noonan, is implementing a number of key policies and initiatives, such as the introduction of the real estate investment trust, REIT, tax regime encouraging large-scale investment in the commercial and residential property markets, which is vital in regard to removing much of the overhang of half-completed properties, particularly throughout the greater Dublin area. There was also the launch in May of the Living City initiative, which is a targeted tax incentive to bring life back into the heart of the historic city centres of Limerick, Waterford, Cork, Galway, Kilkenny and Dublin. We have also extended the home renovation incentive to rental properties, thereby incentivising the upgrade of the housing stock.

While there are signs of increased output of housing, it does take time and the under-supply is affecting the market. The Government is, therefore, examining additional measures to increase supply even further. In this regard, it is important that any measures taken have the desired impact and represent value for money for taxpayers.

As housing issues go, rising rents are most definitely a concern and giving certainty to tenants - and indeed landlords - is something I want to do. According to the most recent PRTB statistics published last week, on 23 September, we are seeing significant increases in rents both in Dublin and nationally. Ultimately, a shortage of supply is at the heart of rising rents. It is

impossible to divorce the two but the Government is addressing this on a number of fronts. As I mentioned, Construction 2020 in particular is aimed at addressing supply issues. Of course, I acknowledge that increasing supply to predicted requirements will take a number of years to have full effect so, in the meantime, a balanced set of measures is required. Regulation of rent raises many complex economic and legal issues and we have to be satisfied that any measures proposed are balanced and have the desired effect on the rental market, while being fair to landlords and tenants alike. I have been clear in my intention with regard to rent certainty. Ultimately, any decision in regard to rent certainty is a matter for Government. I will be bringing forward proposals to the Government for consideration in the very near future.

While not under my remit, rent supplement plays a vital role in housing families and individuals, with the scheme supporting approximately 65,000 recipients. Rather than providing for a blanket increase on rent supplement limits, which will not increase availability of supply, the Department of Social Protection's preventative policy allows for flexibility in assessing customers' individual accommodation needs through the national tenancy sustainment framework. Community welfare service staff have a statutory discretionary power to award or increase a supplement for rental purposes, for example, when dealing with applicants who are at risk of losing their tenancy or in danger of homelessness. That is being done and will continue to be done. I agree with the Minister for Social Protection, Deputy Burton, on this matter: introducing a blanket increase for rent supplement will not on its own resolve the problems facing the private rental market. Planning is a key element of the residential supply process and, as we committed, the Urban Regeneration and Housing Bill 2015 was passed by the Houses of the Oireachtas before the summer recess and the Act commenced with effect from 1 September. It contains a number of important changes aimed at increasing housing supply, including: the retrospective application of reduced development contribution charges. The new legislation will enable local authorities to retrospectively implement reductions of development charges in respect of existing but uncommenced planning permissions, with the aim of improving the economic viability of new housing development; new and clear Part V arrangements which aim to enhance the economic viability of developments, maximising the opportunity for the delivery of social housing units and securing the principle of integrated mixed tenure developments. Importantly, the practice of developers making cash payments in lieu of social housing is no longer an option under the new legislation; a new vacant site levy on lands suitable for housing but not coming forward for development. The levy will start people thinking about what they do with their sites, especially where there is significant demand.

The issue of finance is crucial and presents a significant impediment to housing supply. The Government has made a significant move to address this issue by putting in place the €500 million home building joint venture between the Ireland Strategic Investment Fund, ISIF, and KKR and things are happening on that front. The joint venture, named Activate Capital, will be financed through a €325 million investment from the ISIF - its biggest single investment to date - and €175 million investment from KKR. It will lend on a commercial basis to residential development projects, providing developers with loans for up to 90% of the total financing requirement, with the developer required to fund the additional 10%. This will allow projects that are currently stalled to move ahead, with the ISIF earning an appropriate commercial return.

Another key objective of Construction 2020 is increasing the numbers employed in the construction sector and ensuring the right skills and training are in place to deliver those 25,000 units annually. CSO figures show the construction sector grew by 18.5% in the past year and at the end of quarter 2 there were 126,000 employed in the sector. These are positive develop-

ments, but we are well aware that significant challenges remain which will take time to resolve.

A legacy of the boom years is the number of people that have struggled to meet mortgage repayments. The Government has taken action on mortgage arrears, including the package of measures announced in May 2015 to provide additional support to borrowers and to ensure that wherever possible people are kept in their home. Included in the new measures were changes made to the mortgage-to-rent scheme operated by my Department to enable more properties to qualify for the scheme. In that regard, I am pleased to report that since the package was announced, significant progress has been made and we have seen an increase in activity under the scheme in recent months. For example, from 1 July to the end of August, 11 units became fully operational and 71 units received full funding approval from my Department. During the same period in 2014, two units became operational and four received full funding approval. There are now a total of 116 mortgage-to-rent transactions completed, up from 102 in May, of which 83 are fully operational.

In addition, the Private Residential Tenancies Board, PRTB, has been advancing the voluntary code of practice in regard to tenancies affected by receivership and repossession. This is an important initiative aimed at protecting tenants who, through no fault of their own, find themselves at risk of losing their tenancy at very short notice. The voluntary code of practice is due to be considered by the Banking and Payments Federation Ireland by the end of this month, following which a broader discussion will take place between the PRTB and other stakeholders with a view to concluding the code.

The housing system in Ireland was broken. Where we had enormous supply and a totally unsustainable model, we were left with minimal supply, particularly of social housing, and pent-up demand and a major reliance on private rented accommodation. As this Government's economic policies began to work and as more and more people took up employment here, the demand for all types of housing continued to increase. At the same time, the vulnerable in society who find it difficult to source and fund their own accommodation are becoming squeezed. The Government's response has been clear, with a plan and policies to get the construction and residential sector up and running and a funded plan to deliver the social housing units required. In the period while delivery is ramping up, homelessness is my number one priority. I am determined to try everything and anything I can do to help the people and families who find themselves in this awful situation.

I again thank Members for raising and highlighting these issues and I hope that everyone in the House can set politics aside, contribute constructively and work together on this serious issue.

**Deputy Michael P. Kitt:** I am sharing time with Deputy Barry Cowen.

I am glad to have the opportunity to say a few brief words on this motion. Not only have we a serious housing crisis, it is the worst housing crisis since the 1930s based on what I have heard of the situation at that time. We have an increase of 383% in the number of homeless families since 2012, just three years ago. Families have been forced out of their homes due to the home repossession crisis and spiralling costs of rent around the country.

The Minister has said that many of the solutions to the housing crisis are not part of his responsibility, but I must ask why he cannot bring together the people who have responsibility. The question must be answered as to why everything is not within his responsibility. He said

the issues are complex, but they are not that complex and many previous Ministers have held responsibility for the environment, local government and housing. I was a Member of a previous Dáil with the late Jimmy Tully, a Labour Party Minister, who promoted house construction and took full responsibility for housing. We must have that kind of investment now, because we have had under-investment in building and construction for some time and families have nowhere to go. Every Deputy is aware there are 5,000 people in emergency accommodation and 1,500 children homeless. We need more housing. The ESRI has said we need 25,000 houses a year and that we need bedsits for the significant numbers of single people looking for housing. It says we must consider land that is not being used. The Minister must investigate this.

There has been significant talk about the refurbishment of local authority housing. We need action on this now. We are told that some 2,600 local authority houses are empty, so there is an obvious need for action now. I commend Threshold on its booklet, Dublin Tenancy Protection Services - One Year Preventing Homelessness. I also commend the Simon Community on its booklet, Changing the Forecast - Responding to the Homeless and Housing Crisis. These bodies must be commended on what they are doing and the strong statements they are making. Focus Ireland also set up action teams in 2012, when an average of eight new families were presenting as homeless in Dublin every month. This increased to 40 families per month in 2014 and has increased to from 65 to 70 per month in the first half of 2015. This means that more than two new families are becoming homeless every day. This is how serious the situation is in Dublin and we have seen reports of the deaths of two people who were homeless very near to the gates of the Dáil.

I would like to mention the situation in County Galway. I share the concerns of many there at the increasing number of people on social housing waiting lists in Galway. The recent figures show a 65% rise in the housing waiting list figures for Galway County Council and we have more than 3,000 families on the housing waiting lists for the county. I understand that in Galway city, the number on the waiting list is 4,000. Whether one lives on the west or east side of the city, there are long waiting lists for housing. Families cannot afford to pay the escalating prices in the private rental sector. Many of them are stuck in mortgage debt, but the banks will not deal with them. This is one of the crucial issues they face.

Rent supplement should be increased in order to keep families in their homes. It would be better than providing lodgings for families, which I understand is costing €3.7 million for the first quarter of 2015. Apart from the massive cost to the State, emergency hotel and bed and breakfast accommodation is completely inappropriate as it is disruptive for families and children. These children may have to move from their schools as a result. The limits on the rent supplement are too low for people to secure accommodation. Figures from *daft.ie* show an increase in rents of 8.2% since this time last year. In Dublin the rents are up by 11%. This is the situation people are finding themselves in.

I would like to see more support for the voluntary housing sector. I have seen organisations such as Clúid and Respond! do great work in Galway, providing good quality houses. There was an application from the Society of St. Vincent de Paul for houses in the town of Ballinasloe, which was approved. Let us be clear; this is just part of the whole issue. There is now a need for investment. If that does not happen, there will unfortunately be a further increase in homelessness.

**Deputy Barry Cowen:** I compliment my colleagues for tabling this motion and offering an opportunity for the issue to be debated. It is incumbent on the Government to put forward a

special debate to address the crisis in this whole area.

I have listened attentively to what the Minister has to say. He talks about the legacy of under-supply, which is the number one priority. He wants to increase supply and does not want to go back to the boom and bust cycle. He says that demand outweighs supply and that he is committed to solving the housing issue. He is in the final months of a five-year term in government and the root cause is still Fianna Fáil.

The Minister is talking about seeking financially stable mechanisms to achieve success. He talks about the long-term 2020 strategy, which has been increased by one year today. The real reason for that is that there has been no progress this year at all. He has admitted to 493 new units this year, with 2,900 committed - I do not know whether there is permission for them or whether they are in the process of planning.

Towards the end of the Minister's speech he spoke about homelessness and the action that is necessary immediately. He stated he will examine any and all potential solutions and will "ensure that if changes to the planning and procurement procedures are required they will be made." This is something that should have been done long ago. He talks about rents and agrees that something should be done to create rent certainty. The Minister made that commitment last February and is making it again tonight with no action to back it up. He has made a commitment that he will do nothing on rent supplement, saying it is not in his remit. There is obvious disagreement between the Minister, Deputy Kelly, and his partners in coalition; it is not something that is going to be contemplated by his partners. The Government is, therefore, not going to risk going to the country too quickly when it needs longer to see if it can resurrect its fortunes and survive until next March.

All in all, to somebody looking for the real and effective solutions that are required at this time, that speech is nothing short of gobbledegook. In order for this debate to be real and meaningful and to have some effect or some prospect of solutions, the first thing the Minister needs to acknowledge, realise and admit is that all his policies, programmes and initiatives over the last five years have not worked. If they were working, would there be 130,000 applicants on the waiting lists throughout the country? The Minister has told the public there are 90,000 but we obtained figures recently that prove there are 130,000 applicants, which could well be 300,000 people.

**Deputy Sandra McLellan:** It could.

**Deputy Barry Cowen:** There are 1,500 children living in emergency accommodation. Previous speakers have explained that three families a day are going into emergency accommodation. Some 707 families nationally are in emergency accommodation today. If that says nothing else, it says that whatever the Minister is doing, "It just ain't working". He should stop the pretence, admit the failure and respond to this crisis with emergency legislation that might resurrect his fortunes and resolve the difficulties that exist. It is the greatest and gravest issue we have all faced over the last 18 months to two years. I lost my temper with the Minister's predecessors, the former Deputy, Phil Hogan, and Deputy Jan O'Sullivan. I thought that might spur the Government into action.

We have made suggestions and proposals. I have issued policy documents in the areas of housing and home ownership, rent certainty and all issues surrounding rent. I do not say I have a monopoly on solutions. It is my duty and obligation, as a Member of this House and as an

Opposition spokesperson in this area, to put forward real, credible, constructive alternatives and proposals. The Minister can steal them if he wants. It is the job of this forum to find resolutions to the issues that exist in our constituencies. Those issues have formed this perfect storm, as the Minister calls it. We have all heard of perfect storms in recent years, whether here two years ago or in the states on a regular basis. What follows a perfect storm? A state of emergency. The Minister will admit to a perfect storm and talk about all the issues that contrive to create one, but he will not bring forward emergency solutions to deal with what it leaves behind.

As I said before, what is lacking in all the Minister's responses, speeches, presentations and commentary on this issue is urgency. There is no concept of urgency, visible or otherwise. Some 2,600 local authority homes are vacant. There was a lot of fanfare in Heuston Station about proposals for capital spending over the next five, ten or 15 years, I do not know which, but €29 billion is being talked about, supplemented by a further €14 billion from the semi-State sector. That is fine and dandy and might win an election two terms away, but it does very little to address the immediacy of the problem that 2,600 homes are vacant.

The Minister wants to live up to the expectation he and the Taoiseach gave the rest of us when they said that money was not an obstacle in rectifying vacant homes, yet it most definitely is an obstacle. I have proved that €1.6 million was cut from local authorities year-on-year. If he wants to really do something about this, the Minister should come back in here in a month and say: "problem solved, money given, job done".

I heard the Minister discussing NAMA. The dividend from NAMA has been nothing short of useless. I will tell the Minister about the dividend from NAMA. His line Minister for Finance and his Government, in which he has collective responsibility along with everyone else around the table, has forced NAMA into a quicker wind-down. Some 11,000 residential units with full planning permission were sold in this city this year by NAMA to private developers in job lots. What does that say about a social dividend from NAMA? What does it say about the social conscience of the Government or anybody in it? It leaves a lot to be desired. I refer to what NAMA can and cannot do. I will tell the Minister what it is doing. It is lending to private developers who are on its books to the tune of 4%.

The Minister talked about the great thing he has done in putting forward funding of €500 million made up of €375 million from the National Pension Reserve Fund and €125 million from a hedge fund in the USA. Now they are coming in to piggy-back on the profits as well. He failed to say what rate they will be charging - 14% to 16% - while NAMA, an arm of the State, is charging 4%. The Government is borrowing on a daily basis at 1% to meet the demands of public services. He thinks he has all the answers and the solutions and that the private sector is going to help him.

Of course, it is a dirty word for somebody in my party to talk about what the building sector can do for this economy. The Government thinks it can win an election in six months' or six weeks' time based on what happened five years ago. That is not going to wash with the public. In the context of whether the Minister wants to do something serious about private supply, the Government looked at the licensed and hotel trade and I commended it when it reduced VAT from 13% to 9%. That had the desired effect. The building sector is asking the Government to do something similar. It should look at the development levies which do not meet the market conditions today and instruct local authorities to reduce them to levels that are compatible and allow builders to compete with the NAMA rate of 4%. The banks are not lending. They have let the Minister down again. He did not let them down when he allowed a process by which

many more people could be dumped into homelessness and thrown into circumstances of over-hyped rates of rent. He gave the banks a veto and allowed what I describe to occur for the past two years.

This Legislature amended the insolvency legislation and eventually took heed of what was being said, not only by me and other Members but also by outside experts, namely, that the Government should at least allow the courts the option of adjudicating on decisions of banks in regard to refusing resolutions in respect of distressed mortgages. We went away for the summer believing that legislation was in place but I was told last week by the Courts Service that it is not in a position to adjudicate independently because the rules within the court system have not been amended. Who is responsible for that? Is it the Minister for the Environment, Community and Local Government, the Minister for Finance or the Minister for Justice and Equality? It is the coalition Government and every single member of the parties that comprise it. I have no doubt that they, too, are receiving representations in their clinics from people in distress. The amendment, which the Government was two and half years late in bringing forward, has not been enacted, despite the fact that this Dáil passed the legislation. That is an absolute disgrace. I want an answer to this before this debate concludes. I again ask the Minister to please allow reasonable time to debate this issue and the concrete proposals from my colleagues on this side of the House, and perhaps even from members of the Government parties. If one in two of my representations concerns housing, it is the same throughout the country.

**Deputy Paul Murphy:** I am sharing time with Deputy Maureen O’Sullivan.

Often one hears people talking about victimless crimes. When this Government talks about the crisis of homelessness, it does so as if it were a “criminalless” crime. The impression is given that while the massive crime of homelessness exists, nobody really knows who is responsible. We know who are the victims of the housing crisis. They include the 1,500 children and thousands of adults in emergency accommodation, the tens of thousands of people who are now on the precipice of homelessness and whom we all meet through our work, the 100,000 families on the social housing waiting list and the people trapped because of rents or mortgages they cannot afford to pay. However, we also know who are the criminals. The Government’s crocodile tears on all this do not wash. The Government has made political choices that have resulted in the tsunami of homelessness affecting the country at present. The leading homelessness charities acknowledged that the primary cause is the cut to the rent allowance. At the time of the cut, the Minister for Social Protection, Deputy Joan Burton, said there would be no case of homelessness due to the changes. That did not prove to be the case. We should examine the choices the Government continues to make in terms of not using the NAMA properties. One in eight hotels in this State is owned by NAMA and could easily be refurbished and used as decent emergency accommodation. Most crucially, the Government is tied to the idea that it is necessary to incentivise the private sector to build homes. This is achieved at double what it would cost the State to invest directly, as we heard last night.

There are different political choices that can be made. These involve breaking with the logic that ordains that the market rules and that only the market can provide housing. The State should become involved immediately by refurbishing the NAMA hotels and using them to provide decent emergency accommodation. Rent controls linked to average incomes should be introduced immediately and there should be a reversal of the rent allowance cuts until those controls are put in place. There should be a writing down of mortgages to affordable levels. Most importantly, we need investment to clear the housing list by 2018. Some €10 billion, if invested directly by the State and representing the cheapest approach by far, could build

100,000 homes, create tens of thousands of jobs, wipe out our housing problem and transform the economy in the process. The Government will have to be forced into doing this. It will not volunteer to do so and will not do so out of the goodness of its heart.

There are lessons to be learned from the movement against water charges. I refer to the combination of mass protest and civil disobedience to force action. Homeless people and those on the precipice of homelessness are not just victims, they can be actors for justice and for the building of homes. I salute those who occupied the NAMA houses in west Dublin last week. They were an inspiration to all of us, including homeless people and those threatened with homelessness. I refer to the demand that people not leave their homes, refuse to give up their homes unless they have somewhere else to go, and occupy NAMA buildings, including NAMA hotels and houses, with a view to showing that the required resources exist. This movement should be tied to mass protests forcing and demanding immediate action on the part of the Government for what is now the number-one political issue. Immediate change should be demanded.

**Deputy Maureen O’Sullivan:** All the individuals and organisations working with those with housing issues and who are homeless say they have never seen circumstances such as those we are seeing today. We know from the figures the extent of the problem. I spend so much of my time, all day every day, taking calls about housing of one type or another. This is an emergency and more prompt and urgent action than has been evident to date is needed.

It is very definitely a complex issue but surely, one year after the tragic death of Jonathan Corrie, one year after the conference the Minister held in his Department, which was attended by me and by so many stakeholders, and after all the plans announced at that stage, we should be seeing an improvement. However, we are not; rather, we are seeing worsening circumstances. I will give some examples based on my experience of taking calls every day. An individual whom I will call John dialled the freephone number at 4.31 p.m. on Friday. Some 25 minutes later, he was still waiting. Of course, when he got through, just at 5 p.m., there were no beds left. Before leaving the office, I asked him whether he would be safe over the weekend and whether he had somewhere to put his sleeping bag. There are six-month delays in getting a key worker. It is longer for those without children.

Another example concerns people in their 60s who have been renting flats or apartments for 20 to 25 years. For various reasons, their landlords might be selling. Some of the elderly people are very vulnerable and face having to go to an emergency shelter or emergency accommodation. This is absolutely tragic. It reminds me of the song “Streets of London”, which contains a line about carrying one’s home in two carrier bags.

It is very difficult for those who make the journey into recovery. I understand the pressure to get people off the streets. However, one does not jeopardise people’s recovery by putting them into unsuitable accommodation or hostels where particular individuals are still actively using substances. This completely backfires and there is a real possibility of relapse. We know the dangers that come with this.

Why are there still voids in local authority housing? Why are there still derelict sites and why are there still perfectly acceptable properties being left idle for many years? I saw the modular housing and was very impressed by that. It has great potential. I have a question on its cost. The various developers we met told us it would cost in the region of €50,000 to €60,000 but other figures are being quoted in the newspapers. I understand that city council-

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lors in Dublin went to see modular housing over a year ago, in Glasgow I believe. Again, there was no urgency for us to start examining modular housing here. The Minister was at some of the openings in Dublin Central, including that of Peadar Kearney House, Fr. Scully House and, before that, Sean Treacy House, all of which comprise state-of-the-art housing. We know what can be done, and it is being done.

With regard to the figures, there are non-Irish people in need of housing who are being diverted from homelessness services to the new communities unit in the Department of Social Protection. They are not being formally processed. The figures for homelessness, therefore, are not true figures reflecting what is occurring on the ground. The Minister has been given the report and I hope he considers it.

I acknowledge the co-operation of Dublin City Council staff and the staff in Parkgate Street. However, the usual answer to a query on housing is that one's constituent is at position 540, 780 or 990 on the housing list and is, therefore, unlikely to be offered accommodation in the near future. That is the reality. That is the reply the housing authority is giving us.

Debate adjourned.

The Dáil adjourned at 9 p.m. until 9.30 a.m. on Wednesday, 30 September 2015.