



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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## DÁIL ÉIREANN

*Dé Máirt, 24 Samhain 2015*

*Tuesday, 24 November 2015*

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

***Paidir.***

***Prayer.***

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### **Ceisteanna - Questions**

#### **Priority Questions**

#### **Defence Forces Review**

65. **Deputy Seán Ó Fearghaíl** asked the Minister for Defence given the recent terror attacks in Paris in France, if he has instigated any review of the Defence Forces' role and capability in dealing with such an attack here; and if he will make a statement on the matter. [41395/15]

**Deputy Seán Ó Fearghaíl:** This question is posed in the aftermath of the appalling atrocities in Paris. Understandably, it seeks to establish what review the Minister has conducted of the role and capability of the Defence Forces in dealing with a similar attack, were one to occur here. The Minister has indicated that such an attack is unlikely, describing the risk of one taking place as low. Nonetheless, we all want to be sure that we have the capacity to respond.

**Minister for Defence (Deputy Simon Coveney):** The Deputy asks a reasonable question. Primary responsibility for the internal security of the State rests with the Department of Justice and Equality and An Garda Síochána. Among the roles assigned to the Defence Forces in the White Paper on Defence is the provision of what is known as aid to the civil power, ATCP, which in practice means providing assistance and support to An Garda Síochána when requested to do so.

There is ongoing and close liaison between An Garda Síochána and the Defence Forces regarding security matters, including aid to the civil power deployments. A wide variety of military training activities is specifically designed to counter or respond to possible security

emergencies. Regular co-ordination and liaison meetings also take place between the Defence Forces and An Garda Síochána on ATCP issues.

The full spectrum of Defence Forces personnel and equipment is available for deployment in response to any security issue or other emergency that may arise. Within the Defence Forces, both the Ordnance Corps and the Army Ranger Wing specialise in providing an immediate response to emergency incidents that might require their highly specialised capabilities. The Ordnance Corps consists of a number of explosive ordnance disposal teams which are on stand-by 24/7 to respond when a request for assistance is received from An Garda Síochána to deal with suspect devices. It is worth noting to the House that there have been 500 such call-outs in the last three years and that the Defence Forces have never failed to deal comprehensively and safely with any of those challenges.

The Army Ranger Wing is an integral unit of the Defence Forces whose roles include provision of specialist ATCP support to An Garda Síochána. The need for a high level of preparedness to deal with any requests for special forces operations is inherent in the unit's mission. Members are trained to the highest levels of motivation, physical fitness and skill-at-arms for their specialist role. The Army Ranger Wing is on standby to be called upon to undertake duties in any part of the country.

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

I confirm that the Defence Forces keep their operational plans and response capabilities for dealing with a wide range of threats under constant review. I also confirm that a further review of operational plans has been instigated by the Defence Forces in light of the dreadful terrorist attacks that occurred in Paris just over a week ago. It is my priority as Minister for Defence to ensure that the operational capacity of the Defence Forces is maintained to the greatest extent possible. On an ongoing basis, I receive advice in this regard from the Chief of Staff and he has confirmed to me that he is satisfied that the Defence Forces are equipped and resourced to respond as appropriate to any such events were they to occur in this State.

**Deputy Seán Ó Feargháil:** I thank the Minister for his reply. I put a written question to the Minister last week on the Army Ranger Wing at which time he indicated that he was not in a position to respond. I note, however, that today the *Irish Independent* appears to have been briefed and informed that the White Paper covers the extension of the Army Ranger Wing's capacity by approximately 50%. The make-up is of the order of 100 personnel. Has the Minister given any thought to an independent review of our capacity and in particular that of the Defence Forces to act as an aid to the civil power? Was the terminology the Minister used when describing the risk as low somewhat inaccurate and is not the accurate term for the current risk "moderate"?

**Deputy Simon Coveney:** The description of the threat assessment, which has not changed for a number of months including in the aftermath of the attacks in Paris, is "possible but not likely". On the capacity of the Defence Forces to respond we, of course, keep that under constant review. Another review of capacity was begun in the immediate aftermath of the Paris attacks. I rely on my Chief of Staff and the Defence Forces to give me regular updates on response capacity, which changes all the time. From a military, policing or intelligence perspective, no country in the world, regardless of scale or resources, can protect its citizens against all eventualities. We are learning that at our cost internationally. We will constantly look to best international practice, share information and learn lessons. Within the White Paper, we talk about the need for flexibility, modernisation, change and constant review processes. In fact, the

new White Paper sets out that the Defence Forces will have a fundamental review every three years. Part of the assessment in putting together the White Paper included an insistence on increasing the resources going to special forces and the size of the Army Ranger Wing by 50%. That makes a great deal of sense in the context of what has happened subsequently.

**Deputy Seán Ó Feargháil:** I welcome the proposed increase in the size of the Army Ranger Wing. There is no doubt about it. In respect of a catastrophe in Dublin, the Army Ranger Wing is based in the Curragh. In a written reply to me recently, the Minister indicated that we had eight helicopters with the capacity to transfer personnel. How readily available are crew for those eight helicopters and at what notice can they move? How quickly could we get them in the air and moving towards Dublin or whatever location nationally a disaster was occurring? Can the Minister tell the House what is the capacity of those helicopters? Is it 30 or 40 personnel or more? I understand that a ranger in full kit can occupy the space of two people on board a particular helicopter. Does the Minister have any proposal to acquire additional helicopters in order to deal with the eventuality of such an attack?

**Deputy Simon Coveney:** While these are interesting questions, the Deputy will appreciate that it is not appropriate for me to discuss operational matters such as those about which he is asking, for example, response times.

**Deputy Seán Ó Feargháil:** The people on the street are discussing them.

**Deputy Simon Coveney:** I am sorry, but the people on the street should be reassured that we have An Garda Síochána, which is the primary response body in emergencies. Its emergency response units have been highly trained at home and abroad and have significant capacity. They are supported by Defence Forces personnel when called upon to do so. Speaking as the Minister with responsibility for the Defence Forces, we are ready to provide that capacity. We do it regularly in respect of ordnance.

The Army Ranger wing is one of the best in the world at what it does in terms of its capacity, training, etc. There are ongoing conversations between the Defence Forces and the Garda to ensure that we constantly review, upgrade and assess the response capacity in order to respond to whatever threat may arise.

It is important that I reinforce the message for those who may be listening. The threat levels in Ireland have not changed. The threat of an attack in Ireland is possible, but not likely. We all have a responsibility to reassure people in that regard.

### **Defence Forces Medicinal Products**

66. **Deputy Seán Crowe** asked the Minister for Defence if he is aware of the vigil which took place on 11 November 2015 at Merrion Square in Dublin 2 in support of serving and former Defence Forces members who claim to have been affected after taking Lariam; if he will meet the Action Lariam for Irish Soldiers group; and if he will make a statement on the matter. [41391/15]

**Deputy Seán Crowe:** On 11 November, I attended a vigil in Merrion Square in support of serving and former Defence Forces members who claimed to have been affected by the anti-malarial drug Lariam. It was a moving ceremony and I heard disturbing stories from those

present. I heard from former members who were still struggling with the negative effects that they believed had ruined their lives and from the parents of former soldiers who blamed Lariam for the suicides of their loved ones. Will the Minister consider meeting the Action Lariam for Irish Soldiers group to discuss these issues openly?

**Deputy Simon Coveney:** I thank the Deputy for raising this issue, which Deputy Clare Daly has also raised repeatedly and on which she has submitted another question for later today. I am aware that the vigil took place. Since then, I have received a letter from the group seeking a meeting. I am more than happy to meet it. I will respond to it in the coming days and set up a meeting before Christmas.

Since our last Question Time, I have held a detailed and long meeting on Lariam with our entire team in the Department of Defence and the Defence Forces, including the Chief Medical Officer and the other policy and medical experts and personnel. Following that Question Time, I met someone who had been affected by Lariam and subsequently put many of the questions that arose then to our experts to try to get answers. I will happily meet people who believe that they have been the victims of the consequence of taking Lariam as an anti-malarial drug.

My only objective is to try to do the right thing to protect the health of our Defence Forces personnel while they are abroad in areas that are affected by malaria. It is a serious risk, as malaria is a killer and we need to protect our troops from it. How to do that and what drug to use are questions of judgment and medical assessment, that is, the screening process that people go through individually before being prescribed Lariam. I will refer to this matter again. Our expert group has been reconvened to examine our policy on Lariam. We are considering what is being done internationally. I expect the group to report to me around the end of January.

I have no tie to Lariam. My only concern is to do what is right for our troops by taking the best possible medical advice and learning from the experiences of the many people who have been involved in making that decision. I suspect that I will have to answer more questions on this matter.

**Deputy Seán Crowe:** We are all on the same page. The reason the questions are being asked continually is that we are all concerned about soldiers who have been affected negatively by the drug. One question they ask is whether the Minister is satisfied that, in all circumstances in which personnel have been asked to take Lariam, they have been given complete information on the possible side-effects.

The Minister mentioned the inquiry group. We approached this during our last Question Time and the Minister said he was establishing the group. That is positive news for all those who have been affected. In the United Kingdom and other jurisdictions, there are ongoing inquiries. Has the Minister been following them? In the Irish case, the group is to sit privately to consider the matter, but in the United Kingdom, for instance, there is an open inquiry. Has the Minister considered having an open inquiry? Does he believe the route he is taking is quicker or more successful?

As with all such matters, people express concern that the first priority of the State or Departments seems to be to protect the system where difficult events have occurred. An example is institutional abuse. Will the Minister consider opening up the inquiry so the public can see what is going on?

**Deputy Simon Coveney:** First, it is not an inquiry; it is a working group of experts that is

to make recommendations to me on the continuing use, or otherwise, of Lariam as an effective antimalarial drug. Some 1 million people die in sub-Saharan Africa each year from malaria. It poses a very serious risk to military personnel when they are serving in that region. We have choices. Approximately three drugs are available that could be used to protect serving personnel abroad from malaria. None of them is without issues and problems. There is no simple solution. Nobody is denying that some people have negative side effects when they take Lariam. However, it is a matter of weighing up risk factors to protect people from a very serious disease and at the same time doing everything we can, within reason, to screen people to ensure they are suitable candidates for Lariam before they take it. A number of people have not travelled abroad because they were deemed unsuitable on screening. Therefore, they do not get placed on overseas missions.

This is not about an inquiry but about a medical assessment by a group of experts, both national and international, examining all the work that has been done internationally on this since the last time it reported. It is to make a sensible medical recommendation to me. It is not about having an inquiry.

**Deputy Seán Crowe:** There is certainly an inquiry on the impact of Lariam. It is not only about those who are currently affected but also about the future of Lariam prescription in the Defence Forces.

The Minister is considering whether to send more Irish troops to Mali after France invoked a mutual defence clause under the Lisbon treaty. We opposed that whole element when it was being negotiated. If the Minister gets Cabinet and Dáil approval and more troops are sent to Mali, will they be taking Lariam, or will they have another option? I have read articles and advice by highly respected doctors stating that there are equally effective and much safer alternatives. The Minister is saying the matter is still under review, but I am worried about the next batch coming down the track and what we will do about it. Will the personnel be given options in this regard?

**Deputy Simon Coveney:** We have had troops going to various parts of the world for 58 years. If we are to send more troops to any part of the world - we have not decided to do this, so let us not start overstepping the mark - we will have to go through the usual procedures for assessment and reconnaissance. We will also have to go through a triple-lock decision-making process, as is appropriate. In addition, we will have to ensure that it is consistent with what we want to do from a foreign policy and defence policy perspective and in a way that is consistent with neutrality.

I am answering a question on the Mali issue later on, but whenever we send troops to parts of the world that have a malaria problem we have to make the appropriate assessments to ensure that we try to protect them as best we can. There is no distinction between officers and ranks, which is a suggestion that was made previously. I asked that question forcefully and I got a forceful response. This is purely about screening, assessing and trying to protect people as best we can, given the drugs options that are there. As regards any doctor that suggested to the Deputy that there is some kind of simple solution and that we should just switch to another drug, I suggest that it is not as straightforward as that from a medical point of view.



## Overseas Missions

67. **Deputy Clare Daly** asked the Minister for Defence the merits of deploying members of the Irish Defence Forces in Mali, given the history of that country. [41375/15]

**Deputy Clare Daly:** This question is obviously posed in the context of the French authorities invoking Article 42.7 of the Treaty on European Union, including the requirement to aid and assist in the event of an attack on another member state. There is speculation in the media that the Minister was considering allowing French troops currently located in Mali to be relieved of their duties and go elsewhere, and for their spaces to be filled by extra Irish Defence Forces personnel. I think that would not be a worthy decision to make, but I wonder what the Minister's thinking is on this.

**Deputy Simon Coveney:** First, for the record of the House, I will state what Article 42.7 actually is. It is not a mutual defence clause but a mutual assistance clause. There is a big difference. The article states:

If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States.

In other words, for a country like Ireland, we have an obligation to look at how we can be of assistance, but we do not have an obligation to do anything that in any way undermines or contradicts our own policy on defence, which is one of neutrality. Therefore, this idea that we are somehow compromising neutrality is just not true, and we are not being asked to do it either by France or by anybody else. What I have said in response to the extraordinary and tragic attacks on the streets of Paris is that Ireland would do what it could within the confines of what we can do. Consistent with our own policy, laws and Constitution, we will do what we can to help.

The context in which we spoke about Mali was that if France makes a decision that it needs to redeploy some of those troops - which it may do, because they are spread across multiple peacekeeping missions right across North Africa, from the Central African Republic to Mali, Somalia and into the Middle East - to focus on national security issues, which is their decision, then the UN will have problems in terms of those peacekeeping missions that may have reduced personnel. It is in that context that Ireland may well speak to the UN about how we could offer some expertise. We have a lot of expertise and credibility in peacekeeping; we are very good at it. However, people should not try to link Irish neutrality with assistance to France, as if Ireland is involved in some kind of offensive operation.

If France feels the need to reallocate resources towards national security, which is very reasonable in the context of what has just happened there, Ireland will obviously consider assisting, from a UN perspective and from a good neighbour perspective, by potentially picking up some of that burden. That is all we are looking at. We will take our time and make our decision accordingly.

**Deputy Clare Daly:** There is a link, of course, despite the Minister's best wishes. He is correct that the article involved clearly states that whatever action is taken, it "shall not prejudice the specific character of the security and defence policy" of the individual member state. The problem is that this Government and the previous Government have had an incredibly fluid

interpretation of what it means to be a neutral country. While resources in France are spread across multiple peacekeeping operations, it is also the case that the French President has announced that it is going to engage in a pitiless war against ISIS. It is engaged currently in a bombing campaign in Syria and so on. The idea that Irish troops would relieve French troops in order for them to engage in actions elsewhere within that context would be reprehensible.

We can try to divorce our foreign policy from security issues - the Minister tried to do so in reply to the first question as well. The reality is that the best defence for our security is that we stop using Shannon Airport on a repeated basis by the US military, because it is an undoubted fact that the risk and threat to Ireland increases as a result of our assisting that aggressive war, which is so counter-productive.

**Deputy Simon Coveney:** With respect, I think France is better placed to make decisions on how it protects its citizens than Deputy Daly, which is what she seems to be proposing. The country saw over 130 of its citizens mowed down or blown up on the streets of Paris. An Irish citizen, who luckily was not killed, was injured significantly.

France has a right to respond to protect itself and it will do that. What it chooses to do is not going to be influenced by Ireland one way or the other. However, if France is redeploying troops to protect its citizens at home and abroad and if that creates gaps in peacekeeping missions in different parts of the world, then Ireland could potentially be helpful to the United Nations in filling them. Of course we will look at that, because that is what Ireland does. We do peacekeeping and we do it well. We try to bring stability, protect people, train people and bring some sense of normalisation to conflict zones. We will continue to do that. That is all that is at play here.

We will come back to this House if we make a decision to do that, which we may not do. If we do we will go through the normal procedure and justify everything we do in the context of settled policy in Ireland around neutrality.

**Deputy Clare Daly:** I assure the Minister that will be strenuously resisted in this Chamber. The Minister's stance has exposed the utter hypocrisy of western authorities in respect of this matter. France is better placed and France has a right to defend its citizens - exactly contradictory remarks were made when Russia engaged in the same reprehensible actions by bombing Syria in response to attacks on Russia. The West said Russia should not be doing that because it was endangering its citizens. That was correct for Russia but it is also correct for France.

Sadly, French citizens, completely innocent people who have been slaughtered, are the victims of their Government's foreign policy. French people are closely aligned to Ireland and Irish people have close ties with them. The best aid we can give them is to advise them not to play into the hands of ISIS and to get their Government to stop funding Saudi Arabia, which funds ISIS, and to stop it engaging in actions which will give rise to ISIS activity.

Mali is a former French colony. Much of the intervention and the role of the French authorities in that region stems from their desire to keep control over the uranium, gas and oil supplies in that region. That is really what is at risk there. The idea that we would be involved in some post-colonial effort is reprehensible.

**Deputy Simon Coveney:** What I think is reprehensible is that Deputy Daly seems to be suggesting that the tragedy in Paris is the fault of the French Government as opposed to madmen, who are fundamentalists and who want to destroy the way of life that cities like Paris



represent. Paris is multicultural, multi-ethnic and multi-colourful. No city in the world has more mixed marriages than Paris. It is a place I had the privilege to live in as a student for a period. The suggestion in this House that we should be looking at ourselves to blame for what happened on the streets of Paris is reprehensible. France has an obligation to defend itself. We all have an obligation to work together in the European Union to protect our own citizens, in Ireland, France and everywhere else. In that context, we will make decisions in a way that is consistent with our laws and Irish neutrality, which is settled policy in Ireland and which I support. I am certainly not going to start lecturing other countries about how they should protect their citizens in the context of what has just happened.

### Overseas Missions

68. **Deputy Seán Ó Fearghaíl** asked the Minister for Defence the number of Defence Forces personnel currently on overseas missions; if there have been any new requests to participate in new missions or to contribute further to existing missions; how long it is expected that the Naval Service will continue to be deployed in the Mediterranean; and if he will make a statement on the matter. [41396/15]

**Deputy Seán Ó Fearghaíl:** The question addresses the issue of Irish personnel serving overseas and seeks to establish whether the Minister is considering requests for any new missions or to extend existing missions. I refer in particular to the work of the *LE Samuel Beckett* and *LE Eithne* in the Mediterranean and whether it is considered appropriate to continue their life-saving actions after Christmas.

**Deputy Simon Coveney:** As of 1 November, Ireland has contributed 429 Defence Forces personnel to 12 different missions throughout the world. The main overseas missions in which Irish Defence Forces personnel are deployed are the United Nations Interim Force in Lebanon, UNIFIL, which comprises 192 personnel, and UNDOF in Syria, with 150 personnel. The Naval Service humanitarian service mission in the Mediterranean comprises 60 personnel.

The previously mentioned training mission in Mali comprises ten personnel. I had the privilege of visiting them around St. Patrick's Day this year and stayed in the hotel that, unfortunately, was the subject of an attack a few days ago. Their professionalism and the contribution they are making towards stability in the country is impressive.

In terms of the Mediterranean mission, I understand the *LE Samuel Beckett* will come home, probably between 14 to 17 December. We will not immediately send another ship to replace it. However, I anticipate we will send another ship early in the spring, perhaps towards the end of February or March, but we want to have a period of assessment of the mission. We have sent three ships in a row to the Mediterranean and nearly 9,000 people have been rescued. I expect many rescues will also be needed next year. I hope whoever is in government will be in a position to send an Irish navel vessel to the Mediterranean again to work with the Italians on a bilateral basis to continue that humanitarian work, something which has won us many friends in the Mediterranean but, more importantly, has saved many lives and has proven the capacity of the Naval Service within the overall Defence Forces to be able to undertake complex missions abroad.

I expect there will be another mission next year. There will be a reflection period of six to eight weeks to determine how we can improve the mission and we will talk to our colleagues in

Italy. At the previous Council meeting, the Italian Minister specifically asked me to ensure the Naval Service stays in the Mediterranean. I reassured her that we would certainly consider that and I would discuss the issue with the Government early next year.

**Deputy Seán Ó Fearghail:** I salute all of the personnel involved in the particular initiative to which the Minister referred. I also salute the Minister for the very constructive role he has played. In the intervening period between our departure from the Mediterranean and our likely return, what sort of arrangements will be in place? It is to be presumed the flow of people will continue. What sort of engagement has the Minister had with our European counterparts to ensure some sort of alternative arrangements are put in place?

**Deputy Simon Coveney:** I had a very interesting meeting last week with representatives from Médecins Sans Frontières, which is very much part of the humanitarian mission in the Mediterranean and is doing a fantastic job as an NGO. The numbers have reduced quite significantly in recent weeks. The *LE Niamh*, which was in the Mediterranean before the *LE Samuel Beckett* which is currently there, rescued about 4,500 people. Unfortunately, there was also a lot of tragedy during the same period in terms of people who drowned.

The numbers will not be anything as high for the *LE Samuel Beckett*, although the situation is still very challenging as the Mediterranean is now much rougher because of the time of year. As a result of that, the information we have received is that the numbers have fallen quite dramatically. If anyone is in any doubt as to the extraordinary challenge we face in terms of refugees and migration generally, they should know that the last time I examined the figures on the numbers of people who crossed the Mediterranean, I found that the number for this year alone is 780,000. Another 800,000 people are on the beaches of Libya. There will be a major job to be done again next year simply to save people's lives, and Ireland will be involved in this. If there is to be a break period of eight weeks to reassess the mission, the best time to do it is probably towards the end of December and the month of January, when we are likely to have fewer people and families attempting to cross the Mediterranean.

**Deputy Seán Ó Fearghail:** The famine developing in Ethiopia will augment the outpouring of people from the African Continent. To turn to the more contentious issue of Mali, if the Minister envisages coming before us with a triple lock proposal on increasing the number of personnel who might be deployed on this mission, does he see the nature of the mission itself changing? I understand that at present we provide military training and advice to the Malian armed forces. If there were to be a new mission, would it simply be an intensification of what is under way or would it be radically different from what is proposed? What detailed risk assessment will the Minister undertake in light of the attack on the Radisson Blu Hotel in Bamako?

**Deputy Simon Coveney:** The Deputy is right, as the mission in which we are involved at present is a training mission, but there are multiple missions in Mali. There is a bilateral mission with a series of African countries in the Sahel region, in which France is involved. There is also a European mission and a UN mission. Prior to the attacks in Paris, we had completed a piece of reconnaissance work on Mali generally. As to whether we could look at a relatively minor increase in our presence there to do more and to share the resources and knowledge we have, the reconnaissance we did will be very useful to measure what we could do within the acceptable risk parameters of peacekeeping. It is important to remind people that none of our peacekeeping operations are in easy zones. The reason peacekeepers are needed is because these are difficult conflict areas which need our help, and Mali is no different. I assure the Deputy we will not send Irish troops anywhere without the appropriate assessments, and there

will be no knee-jerk reactions to anything.

### **Defence Forces Medicinal Products**

69. **Deputy Clare Daly** asked the Minister for Defence if he will immediately order the cessation of the use of Lariam in the Irish Defence Forces, pending the publication of the findings of the working group into the drug, given the growing number of calls for this and given the paper published by Dr. Ashley Croft in *The Pharmaceutical Journal* on 12 November 2015 urging the discontinuance of the use of Lariam for the British military. [41376/15]

**Deputy Clare Daly:** This follows on from Deputy Crowe's question on Lariam. I am glad to hear the Minister has had some engagement since his last meeting with Mark O'Sullivan. Mark has been medically discharged since that meeting, and he is in the Gallery along with a number of his colleagues who have been negatively impacted by Lariam. This question is quite specific. The Minister has said he is interested in the best medical assessment. A recent report in *The Pharmaceutical Journal* by Dr. Ashley Croft was very clear about the danger of Lariam. We need to cease prescribing it immediately, in advance of the Minister publishing the outcome of the working group. Will the Minister stop prescribing it, because there are other alternatives which are just as effective in dealing with malaria? In the interim, when will we see the working group report and will it be published and discussed in the House? It is now a matter of absolute urgency.

**Deputy Simon Coveney:** I am aware of the paper recently published to which the Deputy refers and the ongoing debate relating to the use of Lariam. The health and welfare of the men and women of the Defence Forces is a priority, as I said earlier to Deputy Crowe. As I have already indicated to the House, the choice of medication for overseas deployment, including the use of Lariam, is a medical decision made by medical officers in the Defence Forces, having regard to the specific circumstances of the mission and the individual members of the Defence Forces. Significant precautions are taken by the Defence Forces' medical officers in assessing the medical suitability of members of the Irish Defence Forces to take any of the anti-malarial medications. It is the policy of the Irish Defence Forces that personnel are individually screened for fitness for services overseas and medical suitability, and a medical risk assessment for Lariam is carried out on an individual basis. The Irish Defence Forces policy on the use of anti-malarial medication is in line with the Health Products Regulatory Authority's current approved summary of product characteristics. As I previously indicated to the House, my Department established a working group in January 2011 to examine the use of Lariam and other anti-malarial drugs in the Defence Forces. The group produced its report to a former Minister for Defence in 2013. I am advised that the group investigated the allegations surrounding the use of Lariam and obtained the advice of leading medical experts who concurred with the prescribing practices followed by the Defence Forces. Since production of its report, members of the working group have continued to monitor developments in the area of malaria.

My Department has recently reconvened the working group which is engaging once again with experts, both nationally and internationally, on the use of Lariam and other anti-malarial drugs in the Defence Forces. As I stated, I would like to get the report before the end of the year but I want to ensure it is as thorough as possible. My understanding is that I will probably get it in January.

**Deputy Clare Daly:** We have a real problem at this stage and there are people in the Gal-

lery and beyond who believe that the attitude being adopted by the Irish Defence Forces is now akin almost to reckless endangerment. It is a fact that other drugs deal just as effectively with malaria as Lariam, which has 27 neurological side effects that leave permanent damage. Malaria is treatable if it is identified early. The other two drugs are just as effective and lead to substantially fewer side effects than Lariam, so why would they not be prescribed in the interim? The French never prescribed Lariam and the Americans have suspended its use. There are investigations in Australia. We know that across the water in Britain-----

**Deputy Simon Coveney:** The Americans have not suspended its use.

**Deputy Clare Daly:** Let me finish. Across the water in Britain, almost 2,000 British soldiers were given Lariam last year, with 14% treated for side effects. Since 2008, almost 1,000 people in Britain have been hospitalised in psychiatric facilities or treated in medical mental health facilities for side effects of Lariam. People want to know if its use will be ceased now and that treatment will come in the form of one of the other drugs. Publish the report promptly so we can get out of this nightmare for people.

**Deputy Simon Coveney:** Of course we will publish recommendations as soon as we have them. The Deputy is making sweeping generalisations. The United States decided to stop using Lariam for troops sent to Afghanistan. We have troops in Afghanistan and we never gave them Lariam because it is not the appropriate drug for troops being sent to Afghanistan. It depends on the region, where personnel are going and for how long, and the strain of malaria. All this is part of the medical assessment. The reason most countries involved with peacekeeping continue to use Lariam is because there is no simple transfer to another drug. The suggestion that there are no complications or problems with the other available drugs for malaria is also not the way it is. If it were the case, we would transfer to another drug. Nobody is suggesting there are no problems with Lariam but we are trying to minimise those problems through effective screening, with Lariam only being used where it is the recommended drug to minimise the likelihood of having a problem with malaria. We do not always prescribe Lariam and it is only used for certain regions, where it is the best prescribed option to protect our troops. If the recommendation is to cease its use, we will do it straight away.

**Deputy Clare Daly:** We have a real problem with this. It is a fact that many Defence Forces personnel would refute strongly the Minister's assertion that there is individual screening. They have testified to the opposite, that they are not given appropriate warnings or assessed for mental health history and so forth. Even if they were, are the measures put in place to protect them, given that this could jeopardise their careers?

The Minister spoke earlier about weighing up risk assessments. In a parliamentary reply from 4 November, the Minister admitted that the Defence Forces have not carried out adequate risk assessments on this drug. He reinforced in the reply that Lariam is the first drug of choice in dealing with malaria for Irish personnel. That is out of sync with other defence forces around the globe.

**Deputy Simon Coveney:** It depends on the region. The Deputy is trying to exaggerate for effect.

**Deputy Clare Daly:** The problem is that these risk assessments have not calculated how many deaths have occurred through suicide by those taking Lariam.

**Deputy Simon Coveney:** We have assessed that.

**Deputy Clare Daly:** Where is the publication? Where is the assessment of the permanent neurological damage done to former Defence Forces personnel in our State? Malaria is treatable; the side-effects from Lariam are not. It has destroyed the lives of people in the Gallery and their families, and it is not good enough to carry on regardless when the known side-effects for this drug were identified in 1995 and the information is getting stronger by the month. Why does the Minister keep doing it and exposing others?

**Deputy Simon Coveney:** I know the Deputy has genuine concerns about this issue, but so do I. Let us try not to make sweeping statements that are not true. We have looked at the incidence of suicide in the Defence Forces and among ex-Defence Forces personnel. We have looked at that in a lot of detail as regards trends over the last 20 years. We have tried to make comparisons between times when a lot of Lariam was being prescribed and times when not a lot of Lariam was being prescribed, such as now, because we do not currently have many troops in sub-Saharan Africa. The trends do not change hugely. It is tragic that people take their own lives for all sorts of very complex reasons. If there are links with the drugs they have been taking, then they need to be exposed, but there is no settled agreement on whether Lariam, for example, has permanent side-effects.

**Deputy Clare Daly:** There is.

**Deputy Simon Coveney:** No, there is not. I asked that very direct question of our Chief Medical Officer. Rather than jumping to conclusions and making political decisions to be popular, I am trying to make decisions on the basis of the best medical advice I can get, both nationally and internationally, just like in the UK-----

**An Leas-Cheann Comhairle:** Minister, I have to go on to the next question.

**Deputy Simon Coveney:** Despite the inquiries that are being made at the moment, the policy in the UK has not changed-----

**An Leas-Cheann Comhairle:** Thank you. I call Deputy Mick Wallace.

**Deputy Simon Coveney:** -----in terms of using Lariam to protect their troops, and is the Deputy suggesting-----

**An Leas-Cheann Comhairle:** We are going on to Other Questions now.

**Deputy Simon Coveney:** -----that they are not looking to protect their troops from Lariam in the UK?

**An Leas-Cheann Comhairle:** We are way over time. I call Deputy Mick Wallace. Members should please observe the clock.

## **Other Questions**

### **Foreign Policy**

70. **Deputy Mick Wallace** asked the Minister for Defence if he has considered reviewing our existing policies on defence, with a view to taking a more active role in the promotion of



peace and the protection of our neutrality, given the deteriorating situation in the Middle East and the total failure of the Western military intervention in the region; and if he will make a statement on the matter. [41185/15]

**Deputy Mick Wallace:** The Minister told us he was not going to lecture foreign countries on how they should best protect their citizens. I was not expecting him to tell President Hollande that it is pretty irrational to be bombing the living daylight out of Raqqa, where there are 500,000 citizens, and that it would not do much to protect the citizens of France. Does he not think, given the failure of all these military interventions, that it is time we stopped being complicit by allowing Shannon Airport to be used as a US military air base? The Minister is allowing his Defence Forces to go down there and protect military planes on their way to war situations.

**Deputy Simon Coveney:** The straight answer is that I do not. I do not think we should be making decisions on the basis of what people think in other parts of the world about who is using our airports and who is not. We have had a policy for many decades of facilitating the US with the use of Shannon Airport under a fairly strict protocol, which is the responsibility of the Department of Foreign Affairs and Trade. That is as it is. Ireland has an extraordinarily positive record in terms of its involvement abroad in conflict areas. Deputy Wallace seems to be suggesting that in every part of the world where there has been Western intervention, as he calls it, it has been a disaster. That is not always the case. Irish peacekeepers in southern Lebanon have played a significant role in rescuing many lives. On the Golan Heights the Irish Defence Forces are currently playing a real stabilising role, and the UN wants us to stay. Defence Forces personnel in Mali, under difficult circumstances and clearly in a dangerous part of the world, are helping to train national security services to protect their own citizens. There are many examples, particularly involving Irish troops, where intervention abroad is necessary and has a positive dividend for local populations.

Deputy Wallace's view of the world seems to be that the West should simply pull out of the Middle East, should have no involvement in places like north Africa and should simply allow dictators to run riot in regions. I am not suggesting that intervention has always been successful. In many cases, intervention has caused severe problems and triggered lots of other problems. I am saying that Irish decisions, in relation to both where we send our troops and our relationship with other sovereign countries, are based on trying to support peace, stability and democracy and protecting human rights of vulnerable people in exposed circumstances, and I stand over that.

**Deputy Mick Wallace:** The Minister's argument is completely irrational. How can the Minister stand up there and make out that the military interventions in Iraq and Afghanistan, and Syria, have been successful?

**Deputy Simon Coveney:** I have not.

**Deputy Mick Wallace:** Shannon has been used to facilitate military intervention-----

**Deputy Simon Coveney:** I have not said that.

**Deputy Mick Wallace:** I did not interrupt the Minister.

**Deputy Simon Coveney:** I did not quote Deputy Wallace.



**Deputy Mick Wallace:** Shannon has been used as a US military air base to facilitate its military intervention in those countries, and it has destroyed them. Over 2 million citizens have been killed, and we are part of it.

The Government is content to let this go on. What has this got to do with keeping peace? The Minister states that we are good at peacekeeping. We are not keeping much peace by allowing Shannon to be used as a US military air base. We are facilitating the slaughter of innocent people.

In the past five years alone, arms exports have increased by 16%. Militarisation of the planet is destroying it. Military intervention has created numerous failed states in this region and there is a vacuum which is being filled by ISIS. The Government is still prepared to do business with Saudi Arabia, which is facilitating ISIS. The Government has no difficulty with that. It is crazy. How does the Minister stand over it?

**Deputy Simon Coveney:** With respect, Deputy Wallace is straying into sweeping statements on broad foreign policy.

**Deputy Mick Wallace:** They are not sweeping statements. I am simply being accurate.

**Deputy Simon Coveney:** They are sweeping statements.

My job as Minister for Defence is to ensure that when we make the decision to send Irish troops to different parts of the world, they are making a positive contribution towards stabilisation, peace support and peacekeeping, and that is exactly what they do. My job is to be prepared when An Garda Síochána asks for assistance in terms of aid to the civil power, whether it is in Shannon Airport or elsewhere. To date, the only threat to planes landing in Shannon Airport has been Irish people who were looking to create headlines in that regard.

We have a relationship with the United States, which is not one where we are allies but is certainly very friendly, and we facilitate the United States in Shannon Airport under fairly strict conditions. That is what it is, but the Deputy reads all sorts of extras into it that simply are not there.

**Deputy Mick Wallace:** We are facilitating them, but the price is unbelievably disappointing. Will the Minister not admit that what they are doing is destructive and that it has not helped peace? Did he read what the Pope said about it only last week, that the arms industry has just run out of control? The Pope stated what is happening is ludicrous but it is all in the interest of making money. We are facilitating it. When are we going to call a spade a spade and say that the Irish people do not like the idea of facilitating the US military machine, that 2.5 million US troops have gone through Shannon since 2001 and that we give permits for arms and munitions to go to these regions and to drop bombs on people's homes, killing some of them and creating refugees of what remains?

The Irish people do not want to be associated with the Minister's philosophy. It is about time the Government woke up to it. It is outrageous that we are continuing to support the US military position, for financial reasons and, perhaps, ideological reasons, but it is not what the Irish people want.

**Deputy Simon Coveney:** This is not about being for or against the so-called "US military machine". The US intervenes in different parts of the world for all sorts of different reasons.

**Deputy Mick Wallace:** One hundred and forty-five countries last year alone.

**Deputy Simon Coveney:** There is no simple philosophy behind it. In many ways, the US is damned if it does and damned if it does not. When there is a crisis, people call on the US to intervene.

**Deputy Mick Wallace:** We never called for them to intervene.

**Deputy Simon Coveney:** When they intervene and if, sometimes, they make mistakes, everybody blames everything on them. Not all the problems are the fault of the military machine, as the Deputy seems to make out.

**Deputy Mick Wallace:** I never said they were.

**Deputy Simon Coveney:** It is exactly what the Deputy says every time we have questions.

### **Defence Forces Properties**

71. **Deputy Seán Ó Feargháil** asked the Minister for Defence if he will report on his Department's engagement with Kildare County Council regarding the situation of overholders at the Curragh. [41176/15]

**Deputy Seán Ó Feargháil:** My question is posed against the background of the continuing national housing emergency and the crisis in social and general housing provision. I seek to establish what the Minister is doing about the small number of families on the Curragh Camp classified by the Department as overholders and the level of engagement he has had on the matter with Kildare County Council.

**Minister for Defence (Deputy Simon Coveney):** Under military regulations, married quarters have, in the past, been allocated to serving personnel upon request. Personnel who leave the Defence Forces or who vacate a married quarter property that had been assigned to them are required under regulations to return vacant possession of that property. Where the property is not vacated, those remaining in the property are overholding and, given that they have no right under military regulations to hold or reside in military accommodation, the Department will, in accordance with normal procedures, continue to seek to recover possession over time.

While each case of overholding is dealt with on an individual basis, it is important to remember that the Department does not have a role in the provision of housing accommodation for the general public. The Department does, however, assist in whatever way it can in order to resolve the cases of overholding without recourse to legal action, as it is preferable not to have to use legal means to obtain vacant possession of the properties concerned. The securing of alternative housing is a matter for the individuals concerned in the first instance. If individuals are not in a position to secure housing in their own right, they may qualify for social housing or some level of housing assistance and, when requested to do so, the Department provides whatever documentation it can to support such applications.

My Department will deal with any overholder in a vulnerable position in a sensitive manner. However, the ongoing illegal occupation of Departmental property by those who have no entitlement to do so cannot be supported and the Department cannot subsidise housing for people who have no entitlement and who may well have the means to supply housing for themselves.

The Department initiated discussions with Kildare County Council to determine whether there was a possibility of a joint initiative to provide solutions to the overholding issues in the Curragh. The council indicated at the time that due to budgetary constraints its policy is to lease suitable properties in order to provide accommodation for those who meet the criteria for social housing assistance. My Department will continue to remain open to considering any initiatives that might be put forward by the local authority in this regard. While we want to be as helpful as possible, there is a legal issue that means the Department of Defence cannot be a housing authority.

**Deputy Seán Ó Fearghaíl:** While nobody expects the Department of Defence to be a housing body, Kildare County Council has 6,757 social housing applicants, of whom 39 individuals and 12 families with 35 children are in emergency accommodation. Last year, the Minister was to be commended on the role he took on behalf of his Department in addressing the homelessness crisis in Dublin when he offered accommodation at St. Bricin's Military Hospital in the aftermath of the tragic death of Jonathan Corrie not far from this House. Does the Minister not see a fundamental inconsistency in that, at a time of housing crisis, his Department would pressure people out of existing accommodation, notwithstanding the fact that many of them should have long since left the accommodation? If they did not leave the accommodation during the good times, to try to push them out during a housing emergency is unreasonable.

**Deputy Simon Coveney:** This is exactly why we are talking to Kildare County Council about trying to ensure they can move from accommodation that is not theirs into some form of supported housing, if they are in a vulnerable position, or social housing.

*3 o'clock*

We have to move gradually towards recouping a property that belongs to the Department of Defence and is not the property of an individual. Of course people may want to stay for as long as they can in accommodation to which they would previously have been entitled. As I have said, we will try to deal with every case individually, to be as fair as we can and to support people who are vulnerable. I have to signal that we have a legal obligation to deal with a property that in many cases is not the property of the tenant.

**Deputy Seán Ó Fearghaíl:** This is an age-old problem. When I was a member of the local authority many years ago, we operated a policy of allocating 10% of all social housing units built in the area surrounding the Curragh to people who were overholders at that stage. There continued to be a problem. I am asking the Minister explicitly to back off from pressurising people out of their homes for the duration of this housing emergency. Will the Department speak to Kildare County Council about the possibility of a lease arrangement in respect not only of those houses that are currently occupied, but also the many houses owned by the Department that are capable of being used to meet the emergency situation that exists in County Kildare? The Department of Defence quite rightly made a contribution to the homeless crisis in Dublin. I am asking it to make a contribution to the social housing crisis in County Kildare for the duration of that crisis only.

**Deputy Simon Coveney:** There are 26 overholders residing in or near the Curragh Camp. We are looking at them all individually. We will try to be as supportive as we can but we cannot put in place some kind of blanket arrangement that ignores the presence in these houses of people who should not be in them and allows them to stay in those houses indefinitely simply because there is a housing crisis in some parts of the country.

**Deputy Seán Ó Fearghaíl:** Why not?

**Deputy Simon Coveney:** The Department is not a housing body. Many people who are on housing lists at the moment would love to be living in this accommodation but are not.

**Deputy Seán Ó Fearghaíl:** I am asking for this to be done for the duration of the crisis.

**Deputy Simon Coveney:** There may well be some overholders who can afford to rent or potentially buy their own properties. Is the Deputy saying it is okay for them to stay for as long as they want? We will try to take a fair and compassionate approach to people who are in vulnerable positions. We have been doing that. We have been reaching out to Kildare County Council to work in partnership with us on that. The council has said it has a funding challenge in this regard. We are open to proposals. If the Deputy has a proposal as opposed to simply saying we should go away and not do anything, I would like to hear it.

**Deputy Seán Ó Fearghaíl:** I have given the Minister two proposals.

**Deputy Simon Coveney:** That will get the Deputy through the election.

### **White Paper on Defence**

72. **Deputy Clare Daly** asked the Minister for Defence if he is satisfied that due regard was given to the potential pitfalls of military Keynesianism for Irish defence policy and Irish neutrality in the discussions surrounding the drawing up of the White Paper on defence. [41207/15]

**Deputy Clare Daly:** I have tabled this question on foot of the Minister's concerning comments about trying to plug the Defence Forces in with innovators and entrepreneurs. It seems that such people will be given access to the Defence Forces to help them to develop jobs and so forth. There are clear dangers in such a strategy, such as we might not be able to control the end product in military terms. I seek assurances about the level of debate that took place during the preparation of the White Paper. What safeguards does the Minister intend to put in place to ensure the plug-in he is encouraging does not involve us dealing with the likes of Israel and Saudi Arabia?

**Deputy Simon Coveney:** I am glad the Deputy has asked this question because it allows me to clarify the matter in the House. I think the Deputy sometimes likes to paint me as some kind of-----

**Deputy Clare Daly:** Hawk.

**Deputy Simon Coveney:** -----militarised warmonger.

**Deputy Clare Daly:** The Minister does it himself.

**Deputy Simon Coveney:** If the Deputy had been part of the conversations that took place during the preparation of the White Paper, she would know that nothing could be further from the truth. We are talking about spending significant sums of taxpayers' money on building a peace and leadership institute in the Curragh. We hope it will train people from universities all over the world in how to keep peace rather than how to make war. While our Defence Forces have a defence capacity, we are focusing our resources primarily on their interests abroad. This means protecting them, training them and ensuring they are effective in peacekeeping. That is

why I am looking for a bigger budget. I am not doing so for any other reason.

In terms of the platform that is the Defence Forces infrastructure, we want to work with the private sector to develop technology that can help the Irish Defence Forces to do what they do more effectively. That is not about testing weapons but is about things like testing kite technology on the decks of ships, which is happening at the moment. It is about putting better communications systems in place in order that we can have improved and secure communications and we can test them within the Defence Forces. It is about improving observation, improved safety training and all the other practical things we can test within the infrastructure that is a Defence Forces training camp, a Naval Service ship or an Air Corps airplane in order that we can improve the technology and link in with many of the technology innovators we have in Ireland.

I often use the example of Cork Harbour and the Irish marine and energy resource cluster. Some 48 companies now work in the Beaufort laboratory next door to the naval base and we have an opportunity to work with some of them in marine innovation and marine technology using Naval Service vessels. It is not about testing weapons or anything else on those lines, as some people like to paint it.

**Deputy Clare Daly:** I did not say anything about testing weapons. I spoke about the Minister shacking up with regimes such as Saudi Arabia and Israel, which also pride themselves on their ability to develop security measures and high-tech IT solutions such as those the Minister has lauded in the House. Private firms, with which the Minister wants us to link up, are in the business of profit. They are not interested in world peace and are not interested in providing the best product. I specifically asked what measures the Minister has put in place, given the inability of the arms industry, including manufacturers, suppliers and security personnel around the world, to control where their products end up. For example, with what type of partners will the Minister go into consortia for the purposes of accessing funding under Horizon 2020? What assurances will the Minister give us that he will have nothing to do with companies based in Israel or Saudi Arabia? I ask because they are the ones which are profiting most and are looking for partners in that type of technology. I do not think that is compatible with our neutrality.

**Deputy Simon Coveney:** I will not start naming individual countries but the statements in the White Paper are about promoting innovation through the Defence Forces. Public private partnerships between the Defence Forces and private, predominantly Irish, companies are well under way and have been very successful. We are developing new designs, technologies and innovations that may well be very useful to the Irish Defence Forces or may have a very useful application in the civilian world and have nothing to do with defence or military capacity whatsoever. If 9,500 people are training and have a lot of equipment, it makes sense to match up that equipment with some of the need that is out there in the private sector to test, design and develop new technologies. We are doing this in a spirit of innovation, not in a spirit of war-making. The Deputy has probably read the White Paper. It is an assessment of risk and is consistent with Irish foreign policy in terms of neutrality. It is about promoting peace and stability worldwide and providing basic security response capacity in Ireland.

**Deputy Clare Daly:** Despite the best intentions of the Minister, where the product ends up is outside his control unless he stipulates in advance that he will put in safeguards prohibiting co-operation with countries which have a proven pedigree in this regard. For example, Israel has supplied over 60% of the world's drones since 1985 and new types of technology such as the Sea Knight, an unmanned patrol ship which was used to fire upon Palestinian fishermen in and around Gaza earlier this year, were developed elsewhere but are being used for coercive ac-



tivity. These could just as easily apply to some of the projects about which the Minister spoke.

Given that Saudi Arabia ranks fourth in the world in terms of military expenditure, spending more than \$80 billion in 2014, and is branching out into the areas to which I referred, what assurances can the Minister give that Defence Forces personnel will not become involved in consortia making bids to access funding from Horizon 2020? The Minister implied that we would do so. He should provide an assurance that we will not do so as this is the minimum level of human rights compliance required.

**Deputy Simon Coveney:** I did not imply anything. I stated that this will be an open and transparent process, which will use basic infrastructure in the Defence Forces to be able to test, develop and design new products that can be useful to us. We have made clear that it will not involve facilitating the testing of weapons or munitions. That is not what this process is about. I encourage Deputies to read the White Paper as that is made clear in the document.

### **Army Barracks Closures**

73. **Deputy Robert Troy** asked the Minister for Defence the strategic planning his Department has engaged in since the closure of Columb Barracks in Mullingar in County Westmeath; if he will ensure that its maximum potential is achieved; the other Government agencies or Departments, if local or national, that have been liaised with in regard to this; the amount or the proportion of Columb Barracks that is in use; the terms and conditions in place for such use; and if he will make a statement on the matter. [41210/15]

**Deputy Robert Troy:** Four years ago this month, the Minister and his Cabinet colleagues made the most regrettable decision to close Columb Barracks in Mullingar. What level of consultation has the Minister had with local and national organisations in that four-year period? Has he put in place a strategic plan to ensure full utilisation of what is a magnificent facility in Mullingar town?

**Deputy Simon Coveney:** Following the closure of Columb Barracks, my Department wrote to other Departments and public bodies inviting them to express an interest in the property, with a view to its disposal by the Department. No such interest was expressed at the time. My officials also met local representatives and officials from Westmeath County Council to discuss the future of the barracks.

As the Deputy is aware, my Department was approached by the Westmeath GAA County Board for the use of the barracks as a training centre. Parts of the barracks in Mullingar are currently used by the county board on a short-term lease and discussions are taking place to negotiate a long-term lease with the board. The former barracks is also currently used by An Garda Síochána and the Customs Service for training purposes and it is intended that these arrangements will remain in place. A number of other local groups, including the Irish United Nations Veterans Association, the Order of Malta and the Midlands Regional Youth Services have also been allocated units in the barracks. Leases with these and other local community groups are being progressed by the property management branch of my Department.

The Department of Justice and Equality, which is the lead Department for the refugee accommodation programme, is also working with my Department to establish whether any of the buildings falling within the remit of my Department are suitable for the purposes of temporary



accommodation. As yet, no decision had been made on that matter. My Department has also received numerous requests from other community groups wishing to avail of accommodation within the barracks.

As the Deputy will appreciate, proposals involving the long-term retention of Mullingar Barracks by my Department, which includes administering multiple leases and fulfilling the many responsibilities of a landlord, will place a significant administrative and financial burden on my Department. Accordingly, I would be pleased to discuss with any interested group, including the local authority, proposals they may have for the possible purchase and future development of the site for the benefit of the local community.

**Deputy Robert Troy:** The Minister has effectively conceded that, four years after the closure of Columb Barracks, he does not have a plan for the site. The current approach is uncoordinated and disjointed and reflects a wait and see attitude. The Minister is correct that the barracks are being used by a number of community groups. Many of these groups do not know what the future holds for them. The GAA has sought a longer term lease for some time but the matter remains unresolved.

What is most amazing is that the Department has written to various State agencies asking if they have any interest in the barracks while, at the same time, paying €30,000 per annum for a private facility for the Reserve Defence Force. Would it not be feasible to use this €30,000 for the purposes of maintaining and managing the facility to ensure it is fully utilised?

My party made a proposal in our review of the White Paper on Defence to make Columb Barracks a national facility for the Reserve Defence Force. The proposal was supported by my constituency colleague and Government backbencher, Deputy Penrose. Has the Minister considered our proposal?

Four years after the Minister's party, with the support of the Labour Party, decided to close Columb Barracks, Mullingar, the Government does not have a plan to ensure full utilisation of a magnificent facility in Mullingar town. At the time of the closure, the Government promised the barracks would be fully utilised within a short time. This is another broken promise by the Government.

**Deputy Simon Coveney:** It is ridiculous to suggest that the Government can force an outcome on this issue. The Department will work with the local authority, community groups, clubs and other Departments to find a process that can deliver full utilisation of Columb Barracks in a manner that is in the interests of Mullingar town. This is precisely what we are trying to do. However, one cannot force such an outcome as other bodies must want to be part of the process.

**Deputy Robert Troy:** The Reserve Defence Force could use it.

**Deputy Simon Coveney:** With respect, the whole point of the one force policy is that the Reserve Defence Force will train in barracks with the Permanent Defence Force.

**Deputy Robert Troy:** The Department is paying €30,000 in annual rent for a premises in Mullingar for the Reserve Defence Force.

**An Leas-Cheann Comhairle:** Please allow the Minister to continue without interruption.

**Deputy Simon Coveney:** We are moving to ensure that the Reserve and Permanent De-

fence Forces can operate and train together in a seamless way. The Department has considered the suggestion made by Deputy Penrose regarding the use of the barracks and does not believe it is consistent with the future needs of the Reserve Defence Force.

### **Topical Issue Matters**

**An Leas-Cheann Comhairle:** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Mattie McGrath - the need to postpone the introduction of the producer responsibility initiative for the tyre wholesaler and retail sector; (2) Deputy Bobby Aylward - the need to ensure the relevant training for farmers wishing to be registered as professional users under the sustainable use of pesticides directive; (3) Deputy Denis Naughten - the need to ensure the protection of public health in light of the increasing rate of antibiotic resistance; (4) Deputy Paul J. Connaughton - the need to address the unacceptable delay in processing times for Garda vetting; (5) Deputy Seán Ó Fearghaíl - the need to address issues raised in the report from the United Nations Office for the Co-ordination of Humanitarian Affairs on the serious drought in Ethiopia; (6) Deputy Anthony Lawlor - the need to consider the construction of a second bridge over the River Liffey in Celbridge, County Kildare, to relieve traffic congestion; (7) Deputy Caoimhghín Ó Caoláin - the need to address the issue of smoky coal, both State-wide and throughout the island of Ireland; (8) Deputy Michelle Mulherin - the supports available to private community respite care homes in receipt of assistance from the Health Service Executive which are required to undertake substantial capital works, for example, Marian House, Ballinadine, County Mayo; (9) Deputy Joan Collins - the need to discuss the recent meeting with Respond! regarding the threatened closure of Cuan Álainn women's refuge centre, Dublin 24; (10) Deputy Clare Daly - the need to review the system for granting permits for overflights or landing to foreign aircraft which are carrying munitions; (11) Deputy Michael Moynihan - the need to put rural general practice on a sustainable footing; (12) Deputy Seamus Healy - the need to amend the school transport system to enable students with special needs to attend special schools in the area where necessary supports are available; (13) Deputy Dara Calleary - the need to address concerns regarding the status and formal recognition of nursing positions in special needs schools; (14) Deputy Martin Heydon - the need to accelerate the roll-out of broadband to rural areas of County Kildare; (15) Deputy Robert Troy - the need to address the imposition of a full producer responsibility initiative on waste tyres, particularly in the context of Repak's monopoly position in the area of disposal; (16) Deputy Mick Wallace - the need to review the system for granting permits for overflights or landing to foreign aircraft which are carrying munitions; and (17) Deputy Robert Dowds - the need to address concerns regarding the negative effects of diesel on the environment and human health. The matters raised by Deputies Anthony Lawlor, Bobby Aylward, Seamus Healy and Martin Heydon have been selected for discussion.

### **Leaders' Questions**

**Deputy Micheál Martin:** Chaos continues to reign in emergency departments in hospitals across the country. In the past ten months alone, 80,000 patients admitted to hospital had to languish on trolleys for an unacceptable length of time. Last month was the 15th month in a row

that increasing numbers of people were waiting far too long on trolleys. This period coincides with the period since the appointment of the Minister for Health, Deputy Varadkar. In other words, the position is getting progressively worse, month after month. Last week, Beaumont Hospital apologised for the appalling treatment of the late Gerry Feeney, whose family described the distressing and traumatic circumstances surrounding his treatment. There have been many more similar incidents, including 90 and 91 year olds waiting on trolleys for 29 hours.

If one speaks to nurses working in emergency departments, as I have, the familiar refrain one hears is that it is very difficult to retain staff in emergency departments or attract staff to emergency departments because of the conditions and the unacceptable circumstances in which they must work. I meet nurses across the country on an ongoing basis who consistently give me that message. Morale in emergency departments is at an all-time low due to the record numbers of people waiting on trolleys in recent months, so much so that the Irish Nurses and Midwives Organisation, INMO, has balloted for industrial action in emergency departments. Of the emergency department nurses who were balloted, 92% voted in favour of strike action in the middle of December.

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

**Deputy Micheál Martin:** They have had enough of the broken promises on this issue. It is a national campaign and, they say, a last resort against a daily acceptance by Government of emergency department overcrowding. Does the Taoiseach accept that morale is at an all-time low in our hospital emergency departments? Does he accept that staff retention and recruitment is extremely difficult, that patient safety is compromised because of what is going on and that the Government has constantly under-resourced this sector of the health service over the last number of years?

**The Taoiseach:** I accept that there are recurring challenges in the health system, not the least of which is in the accident and emergency departments. I am disappointed that the INMO has voted in favour of industrial action. While the outcome was expected, industrial action will not sort out the challenges we face. The director general of the HSE has already affirmed that health service management is keen to use the machinery of the State to deal with the decision of the INMO, which it was entitled to make. The emergency department task force has a specific plan which was developed in accordance with the authorities. The task force is co-chaired by the director general of the HSE and the INMO's general secretary. It is important to say that overcrowding continues to be a problem and the frustrations of staff have been expressed to myself and many others because of the pressure they work under in particular situations. The Deputy should know, though, that a strike will not assist a single patient on any trolley or in any accident and emergency unit or hospital.

The number of people on trolleys is 20% lower today than it was on the same day last year. The figures produced by the nurses themselves accept that overcrowding is slightly lower than it was this time last year. That is a big change from August of this year, when overcrowding was 40% worse, and it is also clear that we are a long way from the very bad situation at the start of this year when between 500 and 600 people were on trolleys in hospitals. The implementation of the emergency department task force plan is beginning to yield beneficial results. We have seen the expansion of community intervention teams to deliver services outside hospitals. Mount Carmel is the first community hospital to open in that regard. There has been a reopening of 100 beds that had been closed and the opening of a further 100 new beds. There will be 100 more beds in next couple of weeks and a further 100 between December and January.

These are beds for which provision has been made in the budget and they have been brought about by the intervention of the Minister for Health. They will do a good deal to alleviate the pressure that has been built up.

In conclusion, it is fair to say that the investment in the fair deal scheme has brought the waiting period down from 16 weeks to two to four weeks and thereby reduced the level of delayed discharges in our hospitals by approximately 250. That, together with the home care packages, provides opportunities in the community for patients to receive treatment so that they do not have to be in hospital in the first place. I hope the negotiations can take place to prevent a strike which will not help any patient. The plan put in place by the task force co-chaired by the secretary general of the INMO is now beginning to yield very positive results.

**Deputy Micheál Martin:** The Taoiseach did not answer the questions I put to him, including the question about whether the Government has under-resourced the health service over the last number of years and particularly the area under discussion. Equally, I note the Taoiseach's use of language in stating that this is a "challenge" or a "problem." He has no sense of the crisis. It is not a challenge or a problem any more; it is a crisis. It is a crisis for patients and staff operating in emergency departments, and the Taoiseach had better begin to use that language.

The Taoiseach said the outcome of strike action was expected. Does that mean he understands that morale is so bad that 92% would vote in favour of industrial action? Does the Taoiseach think they want to go out on industrial action? They do not. Did the Taoiseach read the *Sunday Independent* last weekend? The former Minister for Health, Deputy James Reilly, made some interesting revelations in it. He admits the health service was under-resourced and that the writing was on the wall in the 2012 budget. He said he was considering resigning there and then. We pointed out that it was a false budget and said it to the Government.

**Deputy Finian McGrath:** He was shafted.

**Deputy Micheál Martin:** Deputy Reilly knew it was a false budget. It is very clear from the interview that he now feels he was shafted by the Taoiseach and is continuing to be shafted by the Minister for Health, Deputy Leo Varadkar, whose only response is "It is his fault."

**An Ceann Comhairle:** Will the Deputy put a question?

**Deputy Micheál Martin:** It is interesting to note that universal health insurance, which was supposed to solve all problems and was used as a cover for the Government to say it would take care of everything, has been shelved. The Government told the Irish people it would get everybody off trolleys. I had to answer questions from journalists who kept asking me if Deputy Reilly got it wrong.

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

**Deputy Micheál Martin:** They did not ask whether Fine Gael had got it wrong or whether the Taoiseach or Deputy Varadkar had got it wrong, but whether Deputy Reilly had got it wrong.

**An Ceann Comhairle:** The Deputy is not listening to me. He is over time.

**Deputy Micheál Martin:** I wonder how that happened.

**Deputy Bernard J. Durkan:** Did Deputy Martin get it wrong?

**Deputy Micheál Martin:** That is the favourite response.

**Deputy Leo Varadkar:** In fact, he doubled health spending in a few months.

**Deputy Micheál Martin:** “Blame anybody but me. Move on to the next culprit.”

**Deputy Simon Coveney:** Deputy Martin should take a look at his own record.

**Deputy Leo Varadkar:** He complained that Tallaght hospital had not ordered enough trolleys.

**Deputy Micheál Martin:** I want to put the following to the Taoiseach. In its strike notice, the INMO has made it very clear that-----

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

**Deputy Micheál Martin:** I apologise, but I would like to get answers to the questions I put. The fundamental point is the resourcing of emergency departments. The Taoiseach talks about the reduction in the waiting time for the fair deal scheme from 16 weeks to four weeks, but the Government created the 16-week wait by under-resourcing the scheme at the time.

**An Ceann Comhairle:** What question is the Deputy putting?

**Deputy Micheál Martin:** Does the Taoiseach accept the INMO’s proposition that additional resources are required in terms of nursing staff in our emergency departments to deal with the record numbers languishing on trolleys on the Government’s watch?

**The Taoiseach:** It is a serious matter. I note the way Deputy Martin carried on himself when he doubled health spending. He said Tallaght hospital had not ordered enough trolleys and he fled out of the Department of Health and Children as fast as his two legs could carry him. He fled out of the place.

**Deputy Micheál Martin:** I was one of the longest-serving Ministers.

**The Taoiseach:** He ran like a scalded cat-----

**Deputy Leo Varadkar:** Mary Harney was there for six years.

**Deputy Timmy Dooley:** How long was the Taoiseach a Minister? How many weeks?

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

**The Taoiseach:** -----because he was afraid to accept any responsibility. He cowered in the corner at the Cabinet table.

**Deputy Leo Varadkar:** He threw his own Secretary General under the bus over the nursing home charges.

**Deputy Timmy Dooley:** Deputy Varadkar pushed a fair few under it too.

**The Taoiseach:** He doubled health spending, got a worse result and fled the place as soon as he could.

**Deputy Micheál Martin:** I got a far better result.



**Deputy Timmy Dooley:** The Government is still pushing Deputy Reilly under the bus. It pushed him under it, pulled him out and will throw him in again.

**The Taoiseach:** I point out to Deputy Martin that there are 750 more nurses working now than there were last year.

**Deputy Micheál Martin:** They should have been working last year. That is the point.

**Deputy Dara Calleary:** They are all going on strike.

**The Taoiseach:** A substantial increase has been made available in the budget by the Government to the Minister for Health. I have pointed out to the Deputy that in respect of the prevention, capacity and community issues, serious progress is being made, and the figures speak for themselves today by comparison with August and earlier in the year.

**Deputy Micheál Martin:** Does the Taoiseach agree with Deputy Reilly?

**The Taoiseach:** The emergency plan put in place and co-chaired by the secretary general of the INMO is now beginning to pay real dividends. I hope we can continue in that regard. Of course, everybody understands the pressures under which front-line staff work. I hope the State's negotiation machinery can be used to sit down and discuss rationally what is happening, including the extra allocation of resources, personnel and facilities and other good things happening in the health service, and I hope we can alleviate the burden on so many people in a way we were not able to do in the past. Deputy Martin should remember the financial abyss he left the country in when he ran out of the Department of Health and when he sat at the Cabinet table in the lead-in to the change of Government in 2011, when we did not have a red penny, as one of his own party members said, to build a hospital in Dundalk.

**Deputy Micheál Martin:** The Army was at the ATMs that time, is that it?

**An Ceann Comhairle:** The Taoiseach is way over time.

**Deputy Timmy Dooley:** The Turkish Prime Minister is looking for the Taoiseach.

**The Taoiseach:** Deputy Micheál Martin is the last remaining political link to an economic catastrophe perpetrated on this country and all of our people by his party. He was centrally involved in it.

*(Interruptions).*

**Deputy Timmy Dooley:** The Taoiseach should not spill his water. That is costly.

**Deputy Simon Harris:** Not as costly as Fianna Fáil was going to charge.

**Deputy Sean Fleming:** Look after that water, please. It is metered in the Oireachtas.

**Deputy Bernard J. Durkan:** Do not go there.

**The Taoiseach:** Just a splash.

**Deputy Gerry Adams:** The Taoiseach is critical of the nurses' decision to strike. He claims it will not solve the problems in accident and emergency units, but what are the nurses to do? We have had a series of shocking revelations, such as the one that is cited *ad nauseam* of a man in his 90s being forced to spend 29 hours on a trolley. These are the front-line conditions in



which nurses are working. They are being forced to take industrial action in support of all front-line staff and in defence of patient care. Those staff and patients have been let down by the Government. This crisis is a direct result of the Government's continual refusal to deal with the accident and emergency unit overcrowding chaos and resource a public health service properly. This is the flaw in the situation.

In 2013, the then Minister, Deputy Reilly, stated we would never again see 569 people on trolleys in a single day while this Government was in office. Under the current Minister, Deputy Varadkar, the situation has worsened. There are increased numbers on trolleys, delayed discharges, a lack of home care packages and a lack of public and nursing home beds.

Front-line workers perform heroics every day. In the first ten months of this year, almost 80,000 admitted patients were on trolleys, the highest ever figure for the first ten months of any year since trolley watch began. As we sit in the Chamber and the Taoiseach jokes and banters with Fianna Fáil, there are 339 patients on trolleys. For the 15th month in a row, last October saw an increase in the level of overcrowding in emergency departments.

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

**Deputy Gerry Adams:** The president of the Irish Hospital Consultants Association, Dr. Gerard Crotty, has stated that the cause of accident and emergency overcrowding is a lack of capacity because not enough money has been allocated. Will the Taoiseach acknowledge that the Government, for ideological reasons, has underinvested in the public health system, that the overcrowding in accident and emergency units is a result of that policy and that today's announcement of strike action by nurses is an entirely understandable response?

**The Taoiseach:** Even Deputy Adams with his weird economics on behalf of his party will understand that we did, after all, have an economic crisis in the country here that necessitated serious cutbacks in a range of areas.

**Deputy Peadar Kirby:** And tax back for the wealthy.

**The Taoiseach:** Deputy Adams will understand also that the equivalent of an increase of €880 million has now been secured compared with the 2015 allocation of €12.295 billion for health services.

As I pointed out to Deputy Martin, the task force set up by the Minister for Health is beginning to pay its way in the sense of improvement in the situation that applies in the hospitals. Delayed discharges are reducing. That frees up beds. As I pointed out, beds in the community hospital in Mount Carmel have been opened. Three hundred additional beds will be opened this month and a further 100 in January. There are more staff working than ever before. Since January, there are 500 more nurses - 500 more professionals - in the health service. Since 2011, almost 300 additional consultants have been appointed throughout the country, including 57 this year. These are consultants - professional people - who are well able to do their jobs. The number of non-consultant hospital doctors has increased by 250 since last year.

I understand that the vote was expected in the way that it has been taken, but it is not going to solve the crisis and the challenges we face in the health service. The Minister for Health, working with the health authorities and the different sectors in the health area, has made significant improvements. We are not where we want to be yet, but the situation is better than it was and it continues to improve. As I said to Deputy Adams, €880 million extra has been allocated

to the health system than was in the 2015 allocation.

**Deputy Peadar Tóibín:** But not extra since 2011.

**The Taoiseach:** That requires that every professional in the system in terms of management and staff, along with everybody else, must work together. One cannot blame nurses for the situation here. This is a cross-hospital, cross-health sector situation and everyone must-----

**Deputy Mary Lou McDonald:** And cross-Government.

**Deputy Peadar Tóibín:** They are blaming the Government.

**The Taoiseach:** -----make the best effort he or she can in the interests of the patients whom he or she serves. The situation has more facilities, personnel and money allocated to it than before. Obviously, the management of that in the interests of providing better services for patients is what is paramount for everybody. I hope the INMO and the State's machinery will be able to work out a situation where we do not have to have a strike coming up to Christmas.

**Deputy Gerry Adams:** Is this all a pretence? Are people making this up? Is there not a crisis in our accident and emergency departments? Is there not a crisis of patients on trolleys? The Taoiseach referred to weird economics, but what sort of economics puts money in the pockets of the elites but not into public services? Riddle me that. It is nightmare economics of the Fine Gael-Labour kind. Last week in the dying days of the Government, it abandoned its flagship health policy, one of the central planks of the programme for Government and Fine Gael's five-point plan. The Government got rid of it and has no public health policy.

**Deputy Simon Harris:** Neither does Sinn Féin.

**Deputy Gerry Adams:** The Government has no commitment to a public health service. The Minister, Deputy Varadkar, if he would just be ciúin for a moment, should explain to the Taoiseach why he stated that hospital groups should be able to conduct business in the manner of semi-State companies outside the constraints of public service rules.

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

**Deputy Gerry Adams:** He has made it clear that the CEOs of hospital groups should be allowed to transfer the management of hospitals to private providers. Where is the commitment? This is all about the privatisation of what should be a citizen's entitlement. This is an insight into the Government and how and why it presides. One must ask the question of why this is so and why we are in this difficulty. Why are the nurses going out on strike? Will the Taoiseach not just admit that the Government's long-term plan is to abandon even the pretence of public ownership models of health care, which is why it will not adequately invest in the public health system?

**The Taoiseach:** I repeat for Deputy Adams that there are 700 extra nurses employed in the system now.

**Deputy Peadar Tóibín:** The Government took 12,000 out of the system.

**The Taoiseach:** These are real, professional people.

**Deputy Mary Lou McDonald:** So are the ones going on strike.

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**The Taoiseach:** I have said to Deputy Adams that 300 additional consultants have been appointed since 2011, with-----

**Deputy Seán Crowe:** Who has the problem with figures now?

**The Taoiseach:** -----57 this year. These are professional people.

**Deputy Finian McGrath:** Half of them are leaving the country.

**The Taoiseach:** What does Deputy Adams want to do with the consultants? What does the Sinn Féin Party want to do with the consultants?

**Deputy Gerry Adams:** Tell me.

**The Taoiseach:** It wants to drop their pay and increase their taxes.

**Deputy Gerry Adams:** No, we do not.

**Deputy Mary Lou McDonald:** We want to give them-----

**Deputy Paul Kehoe:** It does.

**The Taoiseach:** Yes, it does.

**Deputy Tom Hayes:** And increase their taxes.

*(Interruptions).*

**The Taoiseach:** That is what Sinn Féin wants to do.

**Deputy Gerry Adams:** We want a public health system.

**Deputy Peadar Tóibín:** The Taoiseach should learn to read the document.

**The Taoiseach:** The situation is, clearly, if Deputy Adams examines the facts for once, that the HSE and the Department of Health have difficulty in recruiting consultants to work in our hospitals because of their remuneration levels.

**Deputy Micheál Martin:** Why?

**Deputy Peadar Tóibín:** The conditions are the reason.

**Deputy Mary Lou McDonald:** It is the conditions.

**Deputy Micheál Martin:** The Government cut their pay dramatically.

**The Taoiseach:** Deputy Adams goes around the country saying that they are wealthy-----

**Deputy Gerry Adams:** What about the nurses?

**The Taoiseach:** -----and that consultants must have their pay reduced-----

**Deputy Micheál Martin:** It was the Government that cut their pay.

**The Taoiseach:** -----and their taxes increased.

*(Interruptions).*

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

**The Taoiseach:** He will do the same with the nurses and everybody else because his party claims that-----

**Deputy Peadar Tóibín:** We can give the Taoiseach the Ladybird version of this.

**The Taoiseach:** -----everything is free in this country-----

**Deputy Mary Lou McDonald:** No.

**The Taoiseach:** -----but somebody has to pay at the end, and increased income tax is where it is based.

**Deputy Noel Grealish:** I would like to know what the Government is working on.

**The Taoiseach:** Prevention, capacity and community are all being addressed through extra facilities-----

**Deputy Gerry Adams:** They are not being corrected.

**Deputy Seán Crowe:** The Government has no cure.

**The Taoiseach:** -----extra personnel and extra resources-----

**Deputy Mary Lou McDonald:** We are imagining it, so.

**The Taoiseach:** -----allocated by the Minister for Health to this particular situation this year.

**Deputy Mary Lou McDonald:** The nurses have imagined the crisis.

**Deputy Peadar Tóibín:** Extra from last year, but not since 2011.

**The Taoiseach:** It is better than it was in August and it is better than it was in January, and if Deputy Adams has anything constructive to say-----

**Deputy Róisín Shortall:** The Government has no policy.

**The Taoiseach:** -----he might point out the good things that are happening in here while we intend to address the challenges that remain.

**Deputy Simon Harris:** Hear, hear.

**The Taoiseach:** I do hope that the INMO - its general secretary chairs the task force, which is now paying dividends - can sit down, approach this rationally and avoid a strike of nurses coming up to Christmas, especially given that they are so important to our system. I hope that can be concluded successfully.

**Deputy Michael Fitzmaurice:** I agree with the other speakers that the nurses' dispute must be sorted urgently.

This morning I spoke to a gentleman in Roscommon whose sister is living in Tipperary. He said she was to be brought in for a badly needed hip operation one month ago but that, after

she had prepared herself, she got word at the last minute that she should stay at home. I got involved in the case and was assured she would be sorted this morning in Waterford hospital. Once again she prepared herself, but the result was the same.

**Deputy Noel Grealish:** It is a daily occurrence.

**Deputy Michael Fitzmaurice:** She landed at the hospital and was told to go home. That is some way to treat our elderly.

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

**Deputy Michael Fitzmaurice:** The number of patients on trolleys is increasing right around the country, but since 2012 there has been a 33% increase in the number of administrative staff in the health service. There are young children who need spinal operations but whose parents are told by letter that there is a 15-month waiting list, although their consultants say they need the operation sooner.

When a Deputy writes to the Minister for Health about problems in his constituency, he receives a letter back stating it is a HSE matter and that if he does not hear back from the HSE within 15 days, he should contact the Minister again. When one writes to the HSE, one receives the same blasé letter from someone who basically does not give two damns whether the patient is sorted or not. The officials would be better writing to the Deputy stating, “Tell your constituent to live in pain,” because they do nothing about it. It is becoming more frustrating for every Deputy in this House. If there is a captain of the ship, he has got to sail it.

The Taoiseach spoke about money. There is more to organising hospitals than money. From what I can see, there are many chiefs and not enough Indians. Ultimately, one needs people to be organised. It may not be about money; it may be about people not handling staff correctly and not putting staff in the proper positions. Over the past four years, the health service has actually got worse. Let nobody deny that. If the people overseeing the service - the captain of the ship - are not solving the problem, do we need to look elsewhere and find some other way of solving it through some other person? At present, people around the country are losing faith very quickly. Will the Taoiseach take an interest himself, help the Minister and bring in the people who may be able to organise things? This charade must not continue, because people are losing their lives.

*(Interruptions).*

**The Taoiseach:** Deputy Fitzmaurice knows full well that I cannot comment on any individual cases that are raised here. Obviously, he is raising the case in question as an example of an individual who is naturally very upset because an operation that was to take place has been cancelled. I do not know the reasons for it. The surgeon may have been indisposed, or there may not have been sufficient nursing backup or a post-operative bed for the individual. There are things that need to happen in sequence for any operation so that there will be care and treatment available afterwards, with professional personnel and beds available for those who are treated. I do not know the individual cases the Deputy mentions.

Based on the TrolleyGAR count, this morning at 8 a.m. there were 287 patients on trolleys. Normally, the number declines during the course of the day. Deputy Fitzmaurice made the point that this may not be about money. When Deputy Martin doubled the allocation to the health sector, he had worse results.



**Deputy Micheál Martin:** No, we did not. The Taoiseach should not be telling untruths.

**The Taoiseach:** As I said to Deputy Fitzmaurice, he fled from the Department of Health and Children as soon as he got a chance.

The Government has made substantially more money available for next year than for 2015. There are greater facilities, additional nurses, additional consultants and additional personnel. In the sense of management, everybody clearly has an opportunity to assist in meeting this particular challenge. It does not just rest with the nurses in the accident and emergency departments, whom one will never see standing around talking because they are so busy dealing with the numbers coming through. I hope the emergency task force set up by the Minister, involving the director general of the HSE and the secretary general of the INMO, will continue to implement that plan because it is working and is clearly paying dividends. I am sorry about the good lady that the Deputy mentioned, but it is not for me to comment on individual cases. I know the Deputy understands that.

**Deputy Michael Fitzmaurice:** “Sorry” does not work any more in this country. People are fed up of waiting. Since 2012, 33% more administrative staff have been brought into the health service. I know from talking to people that when there was a problem in a place in Mayo, the Taoiseach’s county, another layer of staff was put in to ensure management was always kept away from the hits of the media or whatever. This cannot continue. We need front-line staff. The one thing we need is someone who can organise the set-up. It is like any business in that one has to ensure one can organise people. Currently, it seems as though nobody is organising as captain of the ship. How long will the Taoiseach wait? It is not getting better. Will the Taoiseach contend with the same Minister if the service is not getting better? For one reason or another, one Minister moved away from the health portfolio. Everyone deserves a chance, and I am not saying they do not, but ultimately, there are patients, including children and the elderly, who deserve to be looked after. The problem has not been sorted. Will the Taoiseach commit to getting involved? Task forces are lovely, and it is lovely to be saying we will set them up, but actions speak louder than words. Simple stuff, rather than complicated, highfalutin stuff, will make a difference.

**An Ceann Comhairle:** The Deputy has exceeded his time.

**Deputy Michael Fitzmaurice:** Will the Taoiseach get involved? There is a crisis. It is not just a niggardly thing that will go by the way. It is a crisis. I am asking the Taoiseach whether he will get involved with the Minister. If the system is not improving, a Minister must stand up and say he cannot solve the problem-----

**An Ceann Comhairle:** Could the Deputy please resume his seat?

**Deputy Michael Fitzmaurice:** -----and that someone else should take the reins.

**The Taoiseach:** Deputy Fitzmaurice rightly says action speaks louder than words. It is true. There are now 700 more professional nurses working in the public system than just a year ago. When one comments on the work of any nurse, one should think of the output and productivity of 700 nurses in addition to those who were working in the system last year. There are 35,163 whole-time equivalent nurses, by comparison with 34,400 just a year ago.

I pointed out to the Deputy the reduction in the waiting time for the fair deal scheme from between 16 and 18 weeks to between two and four weeks. That frees up a couple of hundred

beds. The Minister has secured extra funding for the health sector this year, with 300 beds to be opened before Christmas and a further 100 to be opened in January and February. That has to have an impact also.

On the Deputy's point on the management of people, it is of course the case that the health sector right across the board has a part to play, as do consultants, surgeons, nurses, carers and backup staff for professionals in the system.

The Deputy talks about the west. The Minister put in place the medical evacuation helicopter. I know of a case in which the helicopter flew from the far-flung regions of the west to Galway in 14 minutes and saved a person's life. These are developments that are never commented upon because they are advantageous and they benefit those in circumstances such as those of the good lady who was to have the hip operation.

**Deputy Michael Fitzmaurice:** She did not have it.

**The Taoiseach:** Operations are cancelled for a very particular reasons.

**Deputy Michael Fitzmaurice:** It is because the system is overworked. It is broken.

**The Taoiseach:** The cancellation rate is approximately 1%. There has to be a reason for that. I am quite sure the person who was to carry out the operation will be able to explain that to the good lady involved. The cancellation rate is approximately 1% of operations carried out.

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

#### **Parliamentary Questions**

1. **Deputy Micheál Martin** asked the Taoiseach if he is satisfied that every effort is made in his Department to ensure that parliamentary questions are answered adequately and fully; the actions he has taken to ensure this; and if he will make a statement on the matter. [24526/15]

**The Taoiseach:** I make every effort to give a full and comprehensive reply to Deputies for each parliamentary question tabled to me. Each answer is checked for accuracy by officials in my Department before the draft reply is forwarded to me for finalisation.

When answering supplementary questions during Question Time in the House, if the information requested by a Deputy is not readily available, I regularly commit to forwarding the outstanding information to the Deputy in writing afterwards.

**Deputy Micheál Martin:** The reason I tabled this question is that for the past five years the Taoiseach has been saying there would need to be reform of Taoiseach's questions and that he would bring proposals to the leaders of the Opposition. Of course, he never did that; he just kept saying it week after week. One of the first measures he took when he became Taoiseach was to halve the amount of time for Taoiseach's questions. He got rid of the Wednesday slot, so he reduced the accountability of the Taoiseach in respect of his Department and policy issues by 50%. Then, when Tuesday afternoon sessions were cancelled for a variety of reasons, they

were never rescheduled. Suffice it to say that he is perhaps the most unaccountable Taoiseach we have had, certainly since I came into Dáil Éireann. He ducks and dives and avoids questions to an extraordinary degree both in the House and publicly elsewhere. It is extraordinary the degree to which he does not engage in public debate. I give him credit for managing the media well in terms of identifying the particular programmes he slinks onto. He has a particular penchant for the nine o'clock news-----

**An Ceann Comhairle:** Let us get back to the question.

**Deputy Micheál Martin:** -----but he will not do the "Six One" news, particularly when there is an inquiry report to be published. He might give the old newsreader 20 minutes to try to decipher a couple of hundred pages.

If questions were answered here, there might be less need for inquiries. If questions were answered about IBRC write-downs, there would be less need for inquiries. If questions had been answered about how the former Garda Commissioner was forced out of office, there would have been no need for the Fennelly inquiry. I believe the Taoiseach deliberately used the Fennelly inquiry to avoid answering direct questions in the House. We could not get direct answers from him on that issue because he kept saying he had lobbed it into an inquiry.

**An Ceann Comhairle:** Would the Deputy put his question, please?

**Deputy Micheál Martin:** All of that inability and inadequacy in responding to Dáil questions leads to unnecessary inquiries. We actually never needed Mr. Justice Fennelly to inquire into the sacking of the former Garda Commissioner; we simply needed honest, straightforward answers from the Taoiseach to those particular questions.

Deputy Catherine Murphy deserves great credit for her work on Siteserv and IBRC. In the programme for Government, the Taoiseach said that this era would represent a democratic revolution. Most people are one hundred percent underwhelmed by the democratic revolution and unimpressed with the lack of any answers to basic questions that are put on an ongoing basis. On quite a number of occasions, for example, the Taoiseach has been asked about Project Eagle, but he has stonewalled and refused to provide any proper response. We only found out about it through media leaks in other areas or from Deputy Wallace, who had access to various sources. We found out nothing from the Government side, including from the Taoiseach, concerning that matter.

Why is there still a tendency in the Department of the Taoiseach and across Government to hold onto information, refuse to share it and hide it for as long as possible? Last week, when I asked when the latest interim report from Mr. Justice Cregan would be released, the Taoiseach said it would be some time this week.

**An Ceann Comhairle:** We have had four minutes on this question.

**Deputy Micheál Martin:** There are 55 minutes left.

**An Ceann Comhairle:** I am sorry, but there is a whole group of questions coming up, and then we have complaints that we are not reaching questions.

**Deputy Micheál Martin:** No sooner had I gone up to my office than the report was being released. The Taoiseach's attitude to the Dáil is that it does not matter. He will leak Government memos and stories, but the last place to find out about anything is Dáil Éireann, even when

questions are asked about specific topics. Why is that?

**The Taoiseach:** I should do an analysis of Deputy Martin's record as a person who produced reports and never did anything about them. When the last two interim reports came in here - both the Fennelly report and the Cregan report - I released them immediately after receiving authorisation from the sole member and a report from the Attorney General that they were not in conflict with any existing court case. On many occasions in the House I have told Deputy Martin that I do not think the situation concerning Taoiseach's questions is very satisfactory. I have told him and Deputy Adams that if they want to table a Priority Question of their choice each week, they should do so, and I will facilitate them. Deputy Martin never took me up on that, although I have said it time and again.

**Deputy Micheál Martin:** The Taoiseach just keeps making up stories.

**The Taoiseach:** This would allow Deputy Martin to raise any question he wished. He would not be facing a situation in which hundreds of questions are tabled, some of which are taken in bulk because they are grouped, while others do not get answered for a long time. Maybe Deputy Martin wants me to be in here all the time answering questions. I take it he is not complaining that the reports of Mr. Justice Cregan and Mr. Justice Fennelly, both eminent justices, were published very quickly. I have asked Deputy Martin and others for their written observations on the issues pointed out by Mr. Justice Cregan.

It is not a case of holding on to information in the Department of the Taoiseach. We have had more referendums in the lifetime of this Government than any other. Deputy Martin was the person who called for an immediate commission of investigation in respect of Siteserv and IBRC. The judge has now pointed out a list of challenges that he sees there.

Deputy Martin also mentioned debating issues publicly. Good Lord almighty - everywhere I go I have to answer questions publicly.

**Deputy Micheál Martin:** Vincent Browne?

**The Taoiseach:** In good time, Deputy Martin, myself and others will have an opportunity to debate the issues of the day.

**Deputy Micheál Martin:** "And others". The Taoiseach has it stitched up with RTE already.

**An Ceann Comhairle:** Please hold on a second. We have now spent seven minutes on this simple question.

**The Taoiseach:** Deputy Martin now puts himself in the position in which he is the individual who has to be debated with every time.

**Deputy Micheál Martin:** No, I do not.

**The Taoiseach:** As far as I am concerned, I have no difficulty at all in debating the issues of the day publicly - none whatever.

**Deputy Micheál Martin:** You do.

**The Taoiseach:** We do it in here every day.

**An Ceann Comhairle:** Would Deputy Martin please address his remarks through the Chair?

**The Taoiseach:** Deputy Martin does not call me up beforehand and say he is going to ask me this or that question.

**Deputy Micheál Martin:** The Taoiseach does not debate publicly with anybody anywhere.

**An Ceann Comhairle:** I am going to put an end to this. Does Deputy Adams have a supplementary question?

**Deputy Gerry Adams:** Very briefly, a Cheann Comhairle. I have a whole list of issues that I have been trying to get answers to.

**The Taoiseach:** Be careful what you wish for.

**Deputy Gerry Adams:** I just want to wait until the children are quiet.

**The Taoiseach:** Be careful what you wish for.

**Deputy Gerry Adams:** I do not envy you your job at times, a Cheann Comhairle.

**An Ceann Comhairle:** Everybody complains that we are not getting through the questions. There is a simple reason - we spend all day talking about things that are not in the questions.

**Deputy Gerry Adams:** I have a series of questions on which I have tried to get clarity from the Taoiseach. The whole McNulty scandal could have been answered. We would not have needed the Fennelly report if the Taoiseach had answered questions. In addition, there was IBRC and Siteserv, and numerous health issues. Since 2012, I have been trying to get to the bottom of the health (transport support) Bill. These are all examples of the Government stalling and prevaricating. It is very bad on the breaking ball and is not coming up with the clarity that is required. I offer that up to the Taoiseach as a failure, or deliberate refusal, to deal with issues, particularly the health (transport support) Bill.

**The Taoiseach:** I have answered questions about that on the Order of Business about 40 times already.

**Deputy Gerry Adams:** The Taoiseach has not answered questions clearly.

**The Taoiseach:** As I said, the scheme in question was protected for those in receipt of assistance. Work is going on to devise the next stage of what will have to be put into legislation. I said that to the Deputy before.

**Deputy Gerry Adams:** I have been asking for three years.

**The Taoiseach:** The Deputy talks about answering questions here.

*4 o'clock*

We have had occasion to ask Deputy Adams questions in the House and we got nothing but obfuscation, confusion and blind allegiance from those who sit around him on very serious matters.

**Deputy Gerry Adams:** The Taoiseach is an eagle in respect of groups dependent on transport from the Government in future for three years. That is the problem.

**An Ceann Comhairle:** Deputy Adams, please resume your seat.



**Deputy Micheál Martin:** It is about the adequacy and the preparation that goes into the answering of questions. The bottom line is that the Taoiseach has never answered the question in respect of the forced resignation of the Garda Commissioner in this House. That is the point I am making to the Taoiseach.

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

**Deputy Micheál Martin:** This should never have gone into the Fennelly commission's terms of reference because the Taoiseach should have answered the questions straight out. We only learned from the media that the Secretary General had been sent out the night before.

**An Ceann Comhairle:** That is a separate issue altogether.

**Deputy Micheál Martin:** The Taoiseach never told us that.

**An Ceann Comhairle:** We are now moving on to Question No. 2.

**Deputy Micheál Martin:** A Cheann Comhairle, it has to do with the adequacy of questions. The final point I wish to put to the Taoiseach is-----

**An Ceann Comhairle:** This question, in my opinion, should not have been allowed in the first place, because questions are addressed to the Minister or the Taoiseach, not his Department.

**Deputy Micheál Martin:** That is more of it. I asked the Taoiseach about it.

**An Ceann Comhairle:** I know it got through the system, however.

**Deputy Micheál Martin:** It got through the system.

**An Ceann Comhairle:** It should not have.

**Deputy Micheál Martin:** It did. The point I want to make to the Taoiseach is that at no stage in the past five years has he made any attempt to debate anything with anyone in the public domain. He does not debate in the evenings.

**An Ceann Comhairle:** I think you have made your point, Deputy Martin. Let us get on because a series of questions is coming up.

**Deputy Micheál Martin:** I have been at numerous public meetings to which the Taoiseach and the Tánaiste have been invited, but the Taoiseach never turns up. The Taoiseach referred to "Tonight with Vincent Browne" but he never turns up.

**An Ceann Comhairle:** We are not talking about "Tonight with Vincent Browne".

**Deputy Micheál Martin:** In five years he has never turned up to such a debate, and neither have members of Fine Gael or the Labour Party in the recent past.

**An Ceann Comhairle:** We are not getting into this, please.

**Deputy Micheál Martin:** It is an important point in terms of whether the Taoiseach is prepared to debate and discuss issues. In my lifetime in this House I have never come across a Taoiseach who will not come to the House to answer questions on the burning issue of the day. He simply does not do it.

**An Ceann Comhairle:** That is a separate issue altogether from the parliamentary question.

**Deputy Micheál Martin:** The Taoiseach always seeks to avoid it. That is why I put down the question.

**An Ceann Comhairle:** Please, resume your seat.

**The Taoiseach:** What Deputy Martin is saying, effectively, is that he never asks questions about the burning issues of the day. Deputy Martin has an opportunity in the House during Leaders' Questions to ask questions about the burning issues of the day. Now Deputy Martin is saying we do not debate them. Is that correct?

**Deputy Micheál Martin:** It is 12 months after the Fennelly commission, but the Taoiseach has answered no relevant questions.

**The Taoiseach:** Are we talking about Leaders' Questions today? The issues include a nurses strike, problems in accident and emergency units and overcrowding.

Deputy Martin cannot have it every way. He leads his party and he is entitled to do so. Good luck to him. I lead mine and I happen to lead the Government. In due course, Deputy Martin will have plenty of opportunity for debate and I look forward to what Deputy Martin has to say. I will remind him of his record and point out the fog of confusion that he is heading for in future.

**Deputy Micheál Martin:** Will the Taoiseach debate?

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

**Deputy Micheál Martin:** Why can I not get an answer? He cannot answer a simple question.

**An Ceann Comhairle:** Sorry, Deputy. Would you put your question through the Chair?

**Deputy Micheál Martin:** Will he debate with other leaders?

**The Taoiseach:** What am I doing now? I am listening to waffle from Deputy Martin.

### **Northern Ireland Issues**

2. **Deputy Gerry Adams** asked the Taoiseach if he will report on the British-Irish Council meeting that took place on 19 June 2015; and if he will make a statement on the matter. [31697/15]

3. **Deputy Gerry Adams** asked the Taoiseach if he will report on his conversations with the Northern Ireland First Minister, Mr. Peter Robinson, and the Deputy First Minister, Mr. Martin McGuinness, at the British-Irish Council in Dublin Castle on 19 June 2015; and if he will make a statement on the matter. [31698/15]

4. **Deputy Ruth Coppinger** asked the Taoiseach when his last meeting with the Northern Ireland First Minister, Mr. Peter Robinson, took place, prior to Mr. Robinson's resignation as First Minister. [31783/15]

5. **Deputy Joe Higgins** asked the Taoiseach if he will report on discussions he has had with the Prime Minister of the United Kingdom, Mr. David Cameron. [31784/15]

6. **Deputy Joe Higgins** asked the Taoiseach if he will report on discussions he has had with the Northern Ireland First Minister, Mr. Peter Robinson, the Deputy First Minister, Mr. Martin Mc Guinness, and the former acting First Minister, Ms Arlene Foster. [31785/15]

7. **Deputy Micheál Martin** asked the Taoiseach to detail the discussions he has had with the UK Prime Minister, Mr. David Cameron, in respect of the Northern Ireland Assembly and the associated withdrawal of the Ulster Unionist Party and the motion placed by the Democratic Unionist Party; and if he will make a statement on the matter. [32838/15]

8. **Deputy Micheál Martin** asked the Taoiseach to outline his views regarding his comments on RTE's "Six One" on 1 September 2015 in respect of suspending the Northern Ireland Assembly; and if he will make a statement on the matter. [32839/15]

9. **Deputy Micheál Martin** asked the Taoiseach to outline the discussions he has had with the Northern Ireland Deputy First Minister, Mr. Martin Mc Guinness, in respect of Stormont; and if he will make a statement on the matter. [32840/15]

10. **Deputy Micheál Martin** asked the Taoiseach if he spoke with the Northern Ireland First Minister, Mr. Peter Robinson, before or since the he stepped down; and if he will make a statement on the matter. [32841/15]

11. **Deputy Micheál Martin** asked the Taoiseach if he will report on his meeting with the Social Democratic and Labour Party on 10 September 2015; and if he will make a statement on the matter. [32842/15]

12. **Deputy Micheál Martin** asked the Taoiseach to outline his views on the Ulster Unionist Party removing its members from the Northern Ireland executive and becoming an opposition party; and if he will make a statement on the matter. [32848/15]

13. **Deputy Micheál Martin** asked the Taoiseach in light of recent difficulties and disagreements in Northern Ireland regarding certain issues to outline the discussions he had with the British Prime Minister, Mr. David Cameron, regarding the full implementation of the Stormont House Agreement; and if he will make a statement on the matter. [32850/15]

14. **Deputy Gerry Adams** asked the Taoiseach if he will report on his recent meeting with the Social Democratic and Labour Party; and if he will make a statement on the matter. [32884/15]

15. **Deputy Gerry Adams** asked the Taoiseach if he has spoken with the British Prime Minister, Mr. David Cameron, recently; and if he will make a statement on the matter. [32903/15]

16. **Deputy Gerry Adams** asked the Taoiseach to set out the number of conversations that he has had with the British Prime Minister, Mr. David Cameron, since July 2015; and if he will make a statement on the matter. [32904/15]

17. **Deputy Gerry Adams** asked the Taoiseach if he will report on his conversations with the British Prime Minister, Mr. David Cameron, regarding the current crisis in the political institutions in the North; and if he will make a statement on the matter. [32905/15]

18. **Deputy Gerry Adams** asked the Taoiseach if he has spoken to the Northern Ireland First Minister, Mr. Peter Robinson, and Deputy First Minister, Mr. Martin McGuinness, since July 2015; and if he will make a statement on the matter. [32907/15]

19. **Deputy Gerry Adams** asked the Taoiseach if he has received a report from the Minister for Justice and Equality on the current crisis in the political institutions in the North; and if he will make a statement on the matter. [32908/15]

20. **Deputy Gerry Adams** asked the Taoiseach if he has received a report from the Minister for Foreign Affairs and Trade following his conversations with the UK Secretary of State, Ms Theresa Villiers, regarding the current crisis in the political institutions in the North; and if he will make a statement on the matter. [32910/15]

21. **Deputy Micheál Martin** asked the Taoiseach to outline the progress made from the March 2012 joint statement on Northern Ireland by the Irish and British Governments; and if he will make a statement on the matter. [33946/15]

22. **Deputy Micheál Martin** asked the Taoiseach to outline the position regarding his meeting with the envoy of the United States of America, Mr. Gary Hart, on 14 October 2015; and if he will make a statement on the matter. [37143/15]

23. **Deputy Gerry Adams** asked the Taoiseach if he will report on the progress made arising from the programme of work announced in the joint statement by the Irish and British Governments which was published on 12 March 2012; and if he will make a statement on the matter. [32911/15]

24. **Deputy Gerry Adams** asked the Taoiseach the number of meetings that have been held involving the Secretary General of his Department and the UK Cabinet Secretary along with the relevant lead Departments, as committed to in the March 2012 joint statement by the Irish and British Governments; the number of civil servants who have been involved in the exchange programme; and if he will make a statement on the matter. [32912/15]

25. **Deputy Micheál Martin** asked the Taoiseach if he has written or spoken to the leader of the Labour Party in the United Kingdom, Mr Jeremy Corbyn; and if he will make a statement on the matter. [33917/15]

26. **Deputy Micheál Martin** asked the Taoiseach if he discussed the Economic and Social Research Institute report on the possible exit of Britain from the European Union with the British Prime Minister, Mr. David Cameron; and if he will make a statement on the matter. [40012/15]

27. **Deputy Micheál Martin** asked the Taoiseach to detail the discussions he has had with the British Prime Minister, Mr. David Cameron, on actions his Government is taking on the possible exit of Britain from the European Union; and if he will make a statement on the matter. [40013/15]

28. **Deputy Micheál Martin** asked the Taoiseach if a special Cabinet sub-committee has been set up to discuss how Ireland will prepare for a possible British exit from the European Union; and if he will make a statement on the matter. [40014/15]

29. **Deputy Joe Higgins** asked the Taoiseach if he will report on any official meetings or contact he has had with the leader of the Labour Party in the United Kingdom, Mr. Jeremy

Corbyn. [40214/15]

30. **Deputy Micheál Martin** asked the Taoiseach to outline his views on comments by the United Kingdom Independence Party regarding a possible British withdrawal from the European Union and its impact on Northern Ireland; and if he will make a statement on the matter. [41158/15]

31. **Deputy Micheál Martin** asked the Taoiseach if he has met the leader of the Social Democratic and Labour Party, Mr. Colum Eastwood, to discuss progress on the talks in Northern Ireland. [41159/15]

32. **Deputy Richard Boyd Barrett** asked the Taoiseach if he has met the leader of the British Labour Party, Mr. Jeremy Corbyn; and if he will make a statement on the matter. [41202/15]

33. **Deputy Richard Boyd Barrett** asked the Taoiseach when he last spoke with the British Prime Minister, Mr. David Cameron; and if he will make a statement on the matter. [41203/15]

34. **Deputy Richard Boyd Barrett** asked the Taoiseach if he has discussed the crisis in Stormont with the British Prime Minister, Mr. David Cameron; and if he will make a statement on the matter. [41204/15]

**The Taoiseach:** I propose to take Questions Nos. 2 to 34, inclusive, together.

I have been asked a range of questions relating to Northern Ireland, bilateral relations between Ireland and the United Kingdom, British membership of the European Union and various meetings I have had in recent months.

I hosted the last meeting of the British-Irish Council in Dublin Castle on 19 June. The UK Government delegation was led by the UK Secretary of State, Philip Hammond. The Northern Ireland Executive was represented by the First Minister, Peter Robinson, and Deputy First Minister, Martin McGuinness. The council discussed the continuing improving economic situation in member administrations, recognising the interdependence and the links between their economies. The council also specifically focused on work being done relating to the misuse of substances. The council discussed the significant harm being caused by alcohol to individuals, families and society.

At the June British-Irish Council I also took the opportunity to have direct talks with the First Minister, Mr. Robinson, and the Deputy First Minister, Mr. McGuinness, in respect of the then current impasse on budgetary and financial matters. This was the last meeting I had with the First Minister, Mr. Robinson, prior to him subsequently temporarily stepping aside as First Minister on 10 September.

I am in regular contact with the UK Prime Minister, Mr. Cameron, regarding the situation in Northern Ireland and a range of other issues of mutual interest, including the EU-UK membership negotiations. We regularly use the opportunity of European Council meetings to meet and we did so most recently on 23 September and 15 and 16 October. The Prime Minister and I are in touch by telephone. We spoke on 2 September, following which we jointly invited the parties in Northern Ireland to talks. These talks in Stormont were facilitated by the Secretary of State for Northern Ireland and the Minister for Foreign Affairs and Trade. My comments in the media at the time outlined the Government's position on the prospects for successful talks. We spoke again by telephone on 20 October regarding the UK assessment of paramilitary ac-



tivity in Northern Ireland. The decision of those in the Ulster Unionist Party in September to withdraw their Minister from the executive was one they were entitled to make. I am unsure whether it was particularly helpful to the process at the time but I respect their right to make that call. Ultimately, of course, it is intended to make formal arrangements for an effective opposition in the Northern Ireland Assembly.

I met with the then SDLP leader and senior colleagues on 10 September in Government Buildings. We discussed the situation that obtained at that point and the optimum arrangements to ensure that the talks might have a successful outcome. I hope to have an opportunity to meet the new SDLP leader, Mr. Colum Eastwood, later this week.

The US Senator, Gary Hart, special envoy of the USA, also made a welcome visit to Government Buildings on 14 October 2015. The Minister for Foreign Affairs and Trade and I expressed our appreciation for the ongoing interest of President Obama's Administration in Northern Ireland and Senator Hart's personal commitment to it. We took stock of the situation at that time and agreed to stay in close contact.

I met the Northern Ireland Minister, Ms Arlene Foster, at the Remembrance Sunday ceremony in Enniskillen on 8 November. We held a brief exchange on the current political situation in Northern Ireland. I have not yet had the opportunity to meet the new leader of the Labour Party in the United Kingdom, Mr. Jeremy Corbyn.

Some questions referred to the UK relationship with the EU. Ministers and Departments are aware of the strategic risks of a withdrawal by the UK from the EU, including risks for Northern Ireland and the Border region. We will continue to deepen our analysis and understanding of the issues at stake in the coming months.

The Minister for Foreign Affairs and Trade, the Minister of State with responsibility for European Affairs and other Ministers and senior officials meet their counterparts regularly to discuss the proposals for EU reform and issues that arise for Ireland in that regard. The cabinet committee on EU affairs is monitoring all relevant matters. The challenge for us is to play a constructive role in the negotiations that lie ahead. We are keen to work with the British Government and all our EU partners in that process to find an agreed basis for the UK's continued presence as a member of the European Union.

I am aware of the public comments by Mr. Nigel Farage of UKIP. He has set out his views on the potential impact of the UK leaving the EU on Northern Ireland. I do not agree with his view that the EU had next to no part in the peace process. I believe that the EU has been an important, perhaps underestimated, enabler of peace in Northern Ireland. It was instrumental in facilitating constructive contact and building trust between our Governments to find a political settlement.

Earlier this month, I had another meeting with the UK Prime Minister on 9 November in London. I also addressed the Confederation of British Industry annual conference that day. I discussed with the Prime Minister, Mr. Cameron, the UK membership of the EU, a question of major interest to us, including in the Northern Ireland context. Our conversation focused on his letter to the President of the European Council, Mr. Tusk, and our desire to keep Britain in the EU. I reiterated my offer of support where possible in the forthcoming process.

The UK Prime Minister attended the CBI annual conference earlier that morning. In my speech at the conference I set out in some detail the implications for Ireland of a UK vote to

withdraw from the EU. While the Prime Minister and I did not discuss the recent ESRI report in detail, it informed the discussion, as it clearly identifies potential adverse economic risks for Ireland and Northern Ireland in the event of a UK exit from the EU. We also discussed ongoing progress in key areas of the comprehensive work programme arising from the joint statement of 2012, including trade promotion and co-operation in respect of defence and security matters. We noted that work continues to be progressed through bilateral contacts between our respective Government officials, including at Secretary General and Permanent Secretary level. A fourth plenary meeting of this group, which oversees the progress on over 20 areas of co-operation, took place on 1 October this year. Delivery on commitments in the joint work programme will be reviewed again at the next annual summit meeting, to be held in the spring. We took stock of the situation regarding the talks in Stormont and the prospect of agreement being reached. I also raised legacy issues with the Prime Minister. On the same day, I travelled to Belfast for a meeting with the Northern Ireland First Minister, Mr. Robinson, and Deputy First Minister, Mr. McGuinness. We discussed the issues in greater detail, including the scope for financial support for certain infrastructure projects with all-island benefits.

We also discussed the measures being negotiated to deal with the unacceptable vestiges of paramilitarism and the corrosive effects of organised crime on both sides of the Border. We discussed the measures being taken to address the legacy of the past, including mechanisms to ensure that the arrangements agreed in the Stormont House agreement would be made to work for the benefit of survivors, victims and their families. I took the opportunity to urge the First Minister and Deputy First Minister to ensure that any emerging agreement would have the maximum possible support of other parties.

As the House is aware, the talks in Northern Ireland concluded successfully last week. The agreement addresses the key issues of welfare reform and financial stability within Northern Ireland. It also makes important progress on dealing with the legacy of the past, albeit that it did not conclude on the full range of issues. I very much hope that this will be done in the coming weeks.

The agreement also contains clear commitments to achieve a society free of paramilitarism and to work to disband paramilitary groups. The agreement contains important measures to tackle cross-Border organised crime, including a new task force led by officials from the PSNI and An Garda Síochána and Revenue officers from both jurisdictions. However, as always, this agreement will ultimately be judged on its implementation.

The title of the agreement is A Fresh Start, and this is precisely what the people of Northern Island will wish to see. They deserve not only a fresh start, but a sustained commitment by all of the parties in Northern Ireland to a complete transition of their economy and society. In my contribution to the British-Irish Association in Cambridge last September, I set out my vision for an island which is defined by optimism, hope and opportunity. At the heart of that vision are efficient, effective and representative devolved institutions working for the common good on a sustainable basis. There must also be co-operation to build the island economy through overseas investment, trade, tourism and utilising a competitive common corporation tax rate.

This is the real work agenda. It is one that must be processed through the agreed structures and processes that we have now put in place. In this regard, I am due to be in London for the next meeting of the British-Irish Council on Friday, 27 November. I will also attend the next meeting of the North-South Ministerial Council, which was rescheduled because of the ongoing talks and which I hope will take place in early December. As co-guarantors of the agreements,

the Irish and UK Governments will continue to work closely together to further consolidate peace and reconciliation in the North and to further embed peace and the normalisation of politics in Northern Ireland generally.

**Deputy Gerry Adams:** The questions cover a period beginning from around June and the Taoiseach, in his reply, quite rightly covered the period up to this month, for which I thank him. However, there is not enough interaction by the Taoiseach and Government on these issues. I do not necessarily mean with the parties in the North, although that is an important element of the process. I thank the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, and the Minister of State, Deputy Seán Sherlock, for their contribution to the ten weeks of talks. I refer instead to the Taoiseach's interaction with the British Prime Minister. It is one area with which we have difficulties because, as the Taoiseach reminded me, he is the co-guarantor of the agreement. The parties in the North have responsibilities and Sinn Féin has never shied away from facing up to them.

As we know, Peter Robinson has resigned, and I wish him and his family well in the time ahead. The winning of the agreement was quite an achievement and even though it was the best that was possible at the time, it has not dealt with all of the issues and has not adequately dealt with some others. I commend Martin McGuinness, our team and others who engaged over the period involved and the months beforehand.

The difference between this and previous agreements - this goes back to the Stormont House Agreement - is that essentially the parties in the North came together. In this case, that involved Sinn Féin and the DUP, which then went to the Governments with proposals, some of which they resisted. Much of the work that was done over the past two or three weeks involved trying to get the Governments on board. That should never be the case in terms of our Government, because it should have a different view from that of the British Government. One would like to think the Irish Government had an ambition or aspiration to be part of a united Ireland and to work with people in the North on a ongoing and daily basis to build harmony, equality and cordiality between everyone who lives on the island. The British Government has a different national interest in terms of all of these issues.

We have ended up with crisis management and the institutions being periodically on the cusp of collapse. Of course, there are times when the institutions have been dysfunctional, but that has been because the Northern state and partition are dysfunctional. Even though it is very frustrating, in particular for those of us who work in the system, it is far better than how things used to be played out on the streets.

If one looks back over the past few weeks, in particular following the killing of Kevin McGuigan and Jock Davison and how that was seized upon by the Ulster Unionist Party, one can consider the response of the leader of Fianna Fáil. He said the institutions should be suspended. What would the outworking of that have been? The Taoiseach called for the institutions to be adjourned and tried to armlock the SDLP into accepting that. What would the consequences of that have been? We have a responsibility to sustain the institutions but they have to deliver.

We do not have a bill of rights or a charter of rights. A charter of rights would include this State, and I know why we do not have one in the North. It is because if we had one, people would have legislative entitlements in terms of all of the rights they are currently being denied. We do not have a civic forum or Acht Na Gaeilge. There is a refusal by the British to deal with legacy issues.

We got €834 million to support vulnerable citizens and Professor Eileen Evason will head a panel to figure out the best way to spend that money. The Government in London is committed to austerity, as is the Irish Government. Therefore, we will have more difficulties on the economic front in the time ahead. We got €877 million in additional funding to help a society which is unique in that it is coming out of conflict. That means we do not have additional domestic water charges or prescription charges. We have a public health service which is free at the point of delivery. That is where Sinn Féin's focus has been.

In terms of legacy issues, will the hooded men have to wait forever? What about the Ballymurphy families, the family of Pat Finucane, the families connected to the Dublin-Monaghan bombings, the families of the Miami Showband and Seamus Ludlow's family, who live in my constituency? Numerous other families have been victims of the IRA and other groups.

Does the Taoiseach have proposals to get the British Government to stick to what it committed to in various other agreements, not least the Stormont House agreement, which it then breached by introducing legislation? Its excuse is that national security is involved. What on earth causes issues of national security when some incidents happened 40, 30 or 20 years ago? I am looking from the Taoiseach for a more proactive interaction with the Prime Minister and a clear and consistent strategic plan. I happen to agree with the Taoiseach on the effects of the British withdrawing from the EU, and we can speak about it at some other point if I am allowed back in. A week or two after we have had this agreement we have other issues, and if they are not dealt with now to be managed in advance, we will have another crisis in the North at some point. The Taoiseach knows what the problems will be. Our responsibility is to be problem solvers and solution finders, and to do this now and not wait until everybody is angsty and in a cranky mood or, God forbid, until people are killed.

**The Taoiseach:** Deputy Adams has raised a number of interesting points in his contribution. This morning, the Government noted its appreciation and that of the people of the work carried out by the Minister for Foreign Affairs and Trade, Deputy Flanagan, and the Minister of State, Deputy Sherlock. I agree with Deputy Adams in this regard. The Government noted this contribution today.

I wish the First Minister, Mr. Robinson, very well on his decision to stand down as leader after a period. It should be noted that in his role as a public representative over very many years, he was one of the main engines of the various strands of ideas which came about. He was sometimes provocative, and I commend him and the Deputy First Minister, Mr. McGuinness, on being able to conclude the Stormont House Agreement. It was not an easy situation for either of them and it is an example of how they faced the responsibilities given to them by the people in respect of the Executive. From two very contradictory points they were able to work with everybody else to put together the Stormont House Agreement. While it is not complete and it does not cover all the issues, it is a pretty substantial achievement. It includes a range of mutually beneficial issues which have not been addressed in the media. Perhaps they might not attract the same level of attention. The First Minister and Deputy First Minister and the respective parties have put it out there for all others to accept or not as the case might be.

Deputy Adams spoke about the Government here having a different view, and we have a different view on a range of things. We will never have a united Ireland unless we have it by consent, and one of the issues that clearly is of relevance is the management of and state of the economic circumstances that apply North and South. This is why under the devolution theory the decision to devolve responsibility to the Executive, if it so wishes, to reduce the level of

corporation tax to that of the Republic would benefit the economy of the island of Ireland in the time ahead. We have always gone out of our way, as Deputy Adams is well aware, to bring on board personnel from Northern Ireland on issues the Government here has dealt with abroad, be it during the European Presidency or trade missions. As he is aware, we had the first tripartite trade mission to Singapore, with Northern Ireland, the British Government and our Minister for Jobs, Enterprise and Innovation. This is the direction in which we need to be able to proceed to prove to everybody that common sense and effective politics actually work in the people's interests, and the more we have in terms of benefits resulting to Northern Ireland, the better and easier it will be to break down prejudice, particularly for young people who might be in very difficult circumstances because of the legacies of the past or politically, in order that people see there is a genuine way forward around the blockages that have prevented this in the past. This type of issue is important.

We took a different view in respect of some of the infrastructure projects mentioned by the groupings. We need a process of preparation for planning and environmental issues. The Government is happy to make a further allocation in a number of years hence for the completion of the first stage of the A5 from Derry to Strabane, which is of particular interest to the Government here and to Northern Ireland with regard to getting to the north west.

It is true we do not have a bill of rights, a civic forum or Acht na Gaeilge, but surely the reason we are in politics is to be able to put these things out there and follow through on them if possible. Clearly the situation in the Executive and the Assembly does not allow for the completion of their implementation now. There is no reason, with the Stormont House Agreement in place and a fresh start, that these issues cannot come into focus again. I would be very supportive of this. I take the point on connection with the UK Prime Minister, Mr. Cameron. We have been in contact as often as needs be. He has other things in focus at present which occupy his time.

Deputy Adams mentioned the legacy of the past and victims, and I noted the comment of the Commissioner for Victims and Survivors, Judith Thompson, on national radio on Sunday. She indicated that she had invited me, as Taoiseach, and the Prime Minister to engage in a meeting with her. I checked before I came down and I have not yet received a letter from the Commissioner for Victims and Survivors. If she has written, it is still in the system or it has not reached me, and I will be very happy to respond when I receive it.

Deputy Adams also mentioned a number of other issues, including Justice for the Forgotten in respect of the Dublin and Monaghan bombings. We support fully the motions passed in 2008 and 2011 urging the British Government to allow an independent international judicial figure access to all original documents in its possession relating to the Dublin and Monaghan bombings. This is also part of the return of Ireland's most famous rock band at present, regarding a declaration in respect of Justice for the Forgotten. The Minister for Foreign Affairs and Trade has raised the issue umpteen times with the British Government, most recently on 8 October. He has received assurances from the Secretary of State for Northern Ireland that the British Government is actively considering how it can respond to the Dáil motions. One of them is seven years old and the other is four years old, and the question is whether there is a willingness to do it. We continue to push for this and I will raise it again with the Prime Minister.

I have spoken before about Kingsmill. A particular set of legal issues arose in the process of the preparation of materials for An Garda Síochána to transmit to the coroner regarding the inquest into the horrific murders at Kingsmill. In June this year, the Government identified a



way forward which involved making regulations under the Data Protection Act and issuing a directive by the Minister for Justice and Equality under the Garda Síochána Act 2005 which helped to provide a legal mechanism for the transmission by the Garda of the relevant material. The Government also formally agreed that as much information as possible, in accordance with the law, should be provided to the inquest, and the directive and the regulations have helped the Garda authorities who have made the transfer of relevant materials to the coroner in accordance with the law. The Garda authorities' co-operation with the Northern Ireland coroner is part of an ongoing legal process, and they will continue to work with the coroner in respect of the inquest.

We also had the motion, as Deputy Adams knows, on Ballymurphy. The Clerk of the Dáil wrote to the Northern Ireland Assembly and the House of Commons communicating the motion to both legislatures. The Minister, Deputy Flanagan, has brought the motion directly to the attention of the Northern Ireland Secretary of State, Ms Villiers, including at their meeting in September in Dublin, requesting follow-up. It should be said the Secretary of State reiterated the position, as outlined before by the Prime Minister, that the British Government feels the balance of interest does not lie in favour of creating an independent panel - I am disappointed with this - and that the existing legal procedures, processes and bodies under the Stormont House Agreement are the best means of establishing those facts not already in the public domain. I regard this as a test of the Stormont House Agreement with regard to dealing with the past because, in theory at least, it provides for an opportunity for an independent person to supply material that has not been provided to persons bereaved or aggrieved over the years. We will continue to press for an independent panel inquiry, and when it reaches the stage of being a test of the Stormont House Agreement, I hope it measures up.

In the Pat Finucane case we continue to hold the very strong view that an independent public inquiry be established into his murder in line with the commitments entered into in Weston Park. The British Government has rejected that and we continue to have a serious difference of opinion with it about that.

With respect to Bloody Sunday of 1972, 14 people were shot dead and there is an ongoing criminal investigation by the PSNI into these murders. I do not wish to comment on the arrest of a former British soldier in connection with that. The Saville report and the subsequent apology received has helped Derry to move on and to begin building a brighter future for the citizens of that city. One never knows, the ongoing PSNI investigation may, I hope, bring the justice demanded by the families and the relatives of those murdered and further assist the healing process.

For information of the Deputies, I met members of the Omagh support group on 6 October and was accompanied by the Minister for Justice and Equality. We had a very good discussion with Mr. Gallagher and his delegation, and that followed through in the commitment I gave in Glenties in July that I would meet him. I assured him that the Government will continue to work with the people of Omagh to pursue every avenue to get to the truth and ensure that those who perpetrated this particular atrocity are brought to justice. I indicated that the Government would give a full response to all the issues raised in the report submitted to the Government following the conclusion of current criminal proceedings. These are obviously matters that will not be concluded in the short term but if we can make small steps of progress, demonstrating the honouring of commitments in the interests of truth and reconciliation, it can all be a help in the longer term.

**Deputy Ruth Coppinger:** I also welcome that events are not, as one previous speaker noted, being “played out on the streets” of Northern Ireland in the way they used to be. Unfortunately, the agreement signed in Stormont is called A Fresh Start: The Stormont Agreement and Implementation Plan but it is not a fresh start for the ordinary people of Northern Ireland. It is a continuation of the sectarian politics that has dominated the North for decades and it is also an acceleration of austerity in the North. This merits much discussion and examination for people in the South as well. For example, it is bad news for working class people as the agreement would implement austerity and a range of cuts in welfare and other departments by the two big parties. It is also a shifting of the economy more towards profit of multinationals, with a massive cut in corporation tax that has been argued for by the Northern Ireland Assembly. I make these points for the Taoiseach’s comment.

With regard to the resignation of Mr. Peter Robinson, he is an example of the type of politician who has been part of the problem in Northern Ireland and not the solution. He is somebody who has blocked marriage equality most recently, and social progress, colluding with other parties to prevent, for example, women having the right to control their bodies, as the Abortion Act 1967 was not extended to the North. He stoked up sectarianism not long ago: the flags issue was quite recent and well documented. Other key parties have space in one community and politics has been reduced to a sectarian head count. That is still the case.

It is a credit to ordinary working class people, both Catholic and Protestant, that they will not allow the region to go back to the Troubles of the past. It is worth noting that the trade union movement is still probably the only organisation where Catholic and Protestant people organise together. I raise the warning that although the Troubles are gone, unfortunately sectarianism has not gone away and there has been an increase in the separation between the two communities. That is well documented if one visits the North. We need a new generation of political representatives who will build unity among ordinary people rather than sowing or fomenting division.

The other key element of the Stormont agreement is the massive austerity programme that has been accepted by the parties in the North to be implemented in conjunction with the slashing of corporation tax. This austerity agreement represents a turning point because lines have been crossed, including by Sinn Féin. The party stated it would not cross those lines and that core payments in social welfare would be protected. It is a warning to those placing hopes in Sinn Féin in the South for the next election.

Let us call these cuts what they are; we cannot just call them “reforms” when it suits. The welfare cuts that have been agreed for implementation will mean an estimated 20,000 job cuts in the public sector. It also means benefits will be cut and day centres etc. will close. The cut in corporation tax equates to another massive hand-out to big business while ordinary people experience cuts in their living standards. That is the reality of the agreement. The cushion money being touted of £585 million over four years also has to cushion the effect of tax credits, defence and other areas, so it is not solely to protect people suffering welfare cuts. The money will last for four years but with the last agreement it was to last for six years. There is less money in this agreement to bulwark against austerity than there was in the previous agreement. Northern Ireland workers will also lose £110 million from tax credits being introduced.

This “fresh start” includes recommendations for cost reduction targets in nine departments. It includes the phrase “structural reforms” to take place-----

**An Ceann Comhairle:** I must ask the Deputy to finish.

**Deputy Ruth Coppinger:** I am just finishing now. They will take place in education, health and justice. “Structural reform” is troika language for major cuts. These cuts and reforms will lead to services closing and benefits being cut. We have already seen how the Belfast City Hospital accident and emergency department has been closed and there is a threat to the Mater Hospital accident and emergency department as well.

If one opposes austerity on principle, how can anybody go along with this agreement? If a struggle was waged against the agreement, it would have received massive support in Northern Ireland society. We have already seen that with the public sector and other strikes that have taken place in the North against the Assembly and Westminster cuts.

**An Ceann Comhairle:** Two other Deputies wish to ask questions.

**Deputy Ruth Coppinger:** We need a new non-sectarian left party that will mobilise communities against these cuts and link with workers in Britain fighting the Tory cuts as well.

**The Taoiseach:** The document is entitled A Fresh Start but it clearly must deal with a range of issues that have been ongoing for many years, current matters and challenges for the future. It is a good title and from having met the First Minister, Deputy First Minister and other members of the political spectrum in Northern Ireland, this was particularly challenging for many of them. The situation evolved and was agreed. Britain would retain responsibility for welfare but because Northern Ireland is recognised as an economy emerging from conflict, an extra £500 million plus would be made available to deal with top-ups with respect to particular credits.

The best way out of poverty is a job. An economy in trouble or with reputational damage suffered either by perception or the reality of paramilitarism or criminal activity would not progress as freely as one might wish. In that sense, the decision taken first by the British Government to devolve authority to the Executive speaks for itself. It is also an indication of a sense of confidence and belief that the Executive fought for so hard through the Good Friday Agreement and others can work, with the responsibility being given to politicians to make it work, which will have a benefit for Northern Ireland.

In our area down here, the figures for corporation tax in 2015 will be the biggest ever, exceeding the €6.7 billion collected way back in 2006. There are reasons for that, many of which relate to changes in the way this is assessed and paid. There has also been an increase in opportunity in firms that contribute between €100,000 and €1 million, with an increase of 20% in the numbers down here. In terms of the island economy, a straight 12.5% corporation tax rate across the board will make the island of Ireland more attractive for investment from abroad.

In the budget the Minister for Finance brought in the first OECD-compliant patent knowledge box, which is 6.25%, half the corporation tax rate. That will make the Republic even more attractive for that kind of investment, and I cannot say whether the Northern Ireland Executive will follow suit in due course.

**Deputy Micheál Martin:** First, I join others in wishing the Northern Ireland First Minister, Peter Robinson, the very best in his retirement. I dealt with him in my capacity as Minister for Foreign Affairs and negotiated with him in the context of the devolution of justice and related matters over a three-year period. In many instances I found him straight up in negotiations, although he came from a difficult position, dealing with many difficult strands within his own

community and party and facing many challenges as a result. Throughout his career, he also went on a journey and changed from a strong hardline position in the earlier part of his career to a position where he brought the DUP into the Northern Ireland Executive and into the broader agreement and peace process.

On the fresh start agreement, as it is called, we all hope it is not a false start and I am somewhat concerned about Deputy Adams's remarks that, before we know it, there will be another crisis if certain things are not done. That is what upsets much of the middle ground in Northern Ireland, the sense that it is going from one crisis to another and they are becoming immune to it at this stage in terms of the stop-start nature of the operation of the Executive and the Assembly. Deputy Adams can go into semantics, but essentially the Executive was not working for the past while. One can say it was adjourned or call it what one likes, but it was not working because there was a crisis. The crisis was not caused by political parties. Two men were murdered. The PSNI made a judgment in terms of the links of the murders to paramilitaries and in particular to the Provisional IRA. We did not make that link and we did not seize on that. An attempt is being made by Sinn Féin to say the PSNI was wrong to say what it said, every other political party is wrong to say what it said, that Sinn Féin's narrative is the correct one and that everybody else was doing it for politics. That is wrong, so-----

**Deputy Dessie Ellis:** You wanted the process abandoned. That is what you wanted.

**Deputy Micheál Martin:** No, I certainly did not.

**Deputy Dessie Ellis:** That was the most ridiculous thing of all.

**An Ceann Comhairle:** Please, we have only seven minutes left and Deputy Boyd Barrett has three questions.

**Deputy Micheál Martin:** In fact, if one watches all the interviews I gave, I am very clear about wanting the talks to succeed and wanting the institutions to survive.

**Deputy Dessie Ellis:** That is not what you said.

**An Ceann Comhairle:** Deputy, would you please-----

**Deputy Dessie Ellis:** I have to remind him.

**An Ceann Comhairle:** You do not have to remind him of anything, you have to stay quiet.

**Deputy Micheál Martin:** It is not Sinn Féin's process, it is everybody's process. It belongs to the people of Ireland. A number of aspects of the agreement would concern people. The financial package does not quite add up and there is a bit of play going on in terms of changing six years to four years and taking money from one department to fund another department. In fact, in some respects, the package is less if one looks at the contraction in the number of years. There is a bit of kicking the can down the road in terms of the finances. Would the Taoiseach accept that? Even financing the corporation tax reduction will be left to the Executive. In terms of the welfare package, other departments will have to cough up and there will have to be cuts in other departments.

Of more interest, and I would ask whether the Taoiseach agrees with this, is that for some reason Sinn Féin and the DUP, in an extraordinary Machiavellian manoeuvre, have given power over welfare back to Westminster whereby, without even debate in the Assembly, a motion is

passed which says the welfare cuts and the welfare reform package are to be decided in Westminster. The Deputy First Minister, Martin McGuinness, was adamant for the past year that there could be no rowing back on or reversal of devolution. He said it would be unacceptable, but in essence welfare powers have been taken back by London in respect of this package. I do not know whether that is to facilitate Sinn Féin, to spare its blushes and to make it look better, as if it is not doing this but merely facilitating someone else in doing it. That is a very interesting aspect of the agreement and I would like some explanation as to how that came about. I note that the UUP and the SDLP have voted against that.

**Deputy Gerry Adams:** They have voted against the entire agreement.

**Deputy Micheál Martin:** Yes.

**Deputy Dessie Ellis:** You were in favour of it.

**An Ceann Comhairle:** Through the Chair, please.

**Deputy Micheál Martin:** The issues with the UUP and the SDLP have not just started this summer. There has been a lack of inclusivity around how the Executive works. I would put that to the Taoiseach. Will he indicate to me whether any progress was made on the need to involve all parties on the Executive in a much more inclusive way in terms of the governance of Northern Ireland, particularly in terms of the operation of the Executive? I asked him questions about the UUP and the SDLP and his meetings with them. That has been a consistent view of theirs, that they effectively have been squeezed out by the DUP and Sinn Féin in terms of any decisions taken by the Executive, that they are the last to know and that certain memos are frozen or do not get circulated. That has really undermined the working of the Executive. That has been a long-running saga. I can recall meeting the current Northern Ireland Minister for Justice, David Ford, who did not even realise his name was being touted. Sinn Féin and the DUP orchestrated that the Alliance Party, not the SDLP, would get the justice portfolio. Sinn Féin thinks the SDLP should toddle along and support everything, but there is a price to be paid for that. Governments, including our own, facilitated that as well.

**Deputy Gerry Adams:** What about suspension?

**Deputy Micheál Martin:** One cannot always expect the SDLP to cosy up to any deal the big two parties make, to the exclusion-----

**Deputy Gerry Adams:** They did not take your advice about suspension.

**Deputy Micheál Martin:** I did not advise them at all. I let the SDLP make up its own mind. I did not advise the SDLP at all because I would have had more respect for it in that it has its own processes and is in command of its own situation to make its own informed judgments, which is what it has done.

**An Ceann Comhairle:** Will we let Deputy Boyd Barrett in?

**Deputy Micheál Martin:** I will indeed. The one big difference between this agreement and the Stormont House Agreement is that the issues around the past have essentially been parked in this latest iteration. I have always had the view that the British Government and Sinn Féin are probably the two main protagonists who never want full disclosure about the past, but I am concerned about why this agreement parks it and that we do not see any advances in respect of the issues that have been raised.



**Deputy Richard Boyd Barrett:** Having listened to Deputy Martin's questions, I am not sure what precisely Fianna Fáil's position is on this agreement, other than to score political points.

**Deputy Micheál Martin:** We welcome it.

**An Ceann Comhairle:** Put your questions, please.

**Deputy Richard Boyd Barrett:** The Taoiseach welcomed the agreement in the first instance and has been joined in support of it by Sinn Féin. How can he and anyone who has signed up to this agreement, including Sinn Féin, seriously call this a fresh start when it is clear this is the stale, regressive old austerity? It is the Northern Ireland version of the troika assault that was imposed on people here over the past six years and it would better be described as a fresh offensive against the poor and working people in the North rather than some sort of fresh start. Is it not the case that public services are going to be assaulted? The agreement warns of "challenging cost reduction targets for each of the nine new departments", which will include "structural reform in health, education, housing and justice". We all know from the troika agreement that "structural reform" is code for savage cuts. Some 20,000 public servants are to be cut from the public service in the North in areas like health, education and housing. How can the Taoiseach welcome that? How can that be anything other than an assault on those services? Do we not know that from our own experience? Does the Taoiseach not know, and should not Sinn Féin know, that when one slashes - as we did down here - 30,000 staff from the public sector, what one gets is a crisis in health and housing, and that what we are lining up to do now in the North is exactly the same? Is it not inevitable that this agreement will have the same devastating effects on the North as our austerity package had on the South?

**An Ceann Comhairle:** Could the Deputy let the Taoiseach in to respond to his point?

**Deputy Richard Boyd Barrett:** How can anybody justify cutting the corporation tax rate and having the North now joining the race to the bottom where corporations that make significant profits will pay less tax while at the same time we will have cuts in social welfare and cuts affecting those on disability? According to the Northern Ireland Department for Social Development, 25% of those currently on disability living allowance will not receive anything under the new personal independence payment and 33% of them will have a reduced award. How can this be justified? Is it not merely an austerity assault on the poor of the same sort that did such damage to people in the South?

**The Taoiseach:** Deputy Martin raised a number of points. When I met the First Minister and Deputy First Minister, I encouraged them to bring in the SDLP so that they could brief that party on the developments that were taking place at the talks, both under the auspices of the First Minister, the Deputy First Minister, and the Minister for Foreign Affairs and Trade and the Secretary of State. The UUP, with its leader, Mr. Nesbitt, has stated it is going into opposition but that does not mean it should not be informed of what is happening. The SDLP, which was in a slightly different position, was welcoming in principle of many of the issues and was opposed to others. While I did not advise them, I certainly encouraged the First Minister and Deputy First Minister to do that and not have drift between the parties. I take Deputy Martin's point.

I felt that if one is now going to have a different system that applies across the United Kingdom, then the question is whether one accepts responsibility to deal with welfare in the first place. The decision was taken by the politicians - it was not our strand to deal with - that this

should be based in London and the extra £500 million was given as a consequence to deal with an economy emerging from conflict. In respect of the past, it was always going to come down to that at the end of the day.

Will the Stormont House Agreement and Fresh Start be able to deal with the legacies of the past and will the historic unit - the independent person - be able to have access to material that is currently off limits? It remains to be seen, whether in the case of Ballymurphy, Finucane, Kingsmill or whatever.

In response to Deputy Boyd Barrett, we have come through some fairly difficult choices down here. This year will be the best year ever in terms of collection of corporation tax. We will exceed, as I stated, the €6.5 billion plus gathered in 2006. That is because there are more firms now paying tax. Between those which pay €100,000 and €1 million, it is up very significantly.

I do not agree with Deputy Boyd Barrett that this is a stale, regressive, old austerity agreement. I believe it is the politicians, elected by the people, measuring up to implement this agreement, which contains a lot of beneficial elements on a North-South basis and particularly for the people of Northern Ireland.

Clearly, on the question of the return to greater austerity, there will have to be structural changes made in Northern Ireland. We had to make them here and look what has happened in four and a half years-----

**Deputy Richard Boyd Barrett:** The health service is banged up.

**Deputy Ruth Coppinger:** What about the mass emigration and patients on trolleys?

**The Taoiseach:** -----with the deficit about to be eliminated in 2018, interest rates down from 15.2% to less than 2%-----

**Deputy Richard Boyd Barrett:** For the health service and housing.

**The Taoiseach:** -----and unemployment down from 15% to 8.9% and heading in the right direction, the national debt falling towards European norms, and 130,000 jobs created. One gets the economy moving. As Deputy Boyd Barrett will be aware, the best route out of poverty is a job. Therefore, making Northern Ireland more attractive is a decision under devolution of the politicians of the North to introduce a common corporate tax rate, here and in Northern Ireland.

**Deputy Ruth Coppinger:** They are getting rid of jobs.

**The Taoiseach:** It will be 12.5%, the same as ours. It will make the island more attractive for foreign direct investment, but no more than this Government-----

**Deputy Ruth Coppinger:** There will be 20,000 jobs going.

**The Taoiseach:** -----focusing on small and medium-sized enterprises, access to credit, ease of business, ease of employment and making work pay and demonstrating that it pays, that is as it should be. That is partly the adjustment that the politicians in the North will have to accept.

*Written Answers follow Adjournment.*

## **Order of Business**

**The Taoiseach:** It is proposed to take No. a14, Motor Vehicle (Duties and Licences) Bill 2015 – Financial Resolution; and No. 43, Finance Bill 2015 - Order for Report, Report and Final Stages. It is proposed, notwithstanding anything in Standing Orders, that: (1) the Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m.; (2) No. a14 shall be decided without debate; and (3) Private Members' business, which shall be No. 217, motion re credit unions, shall be taken at 8.30 p.m. tonight and shall, if not previously concluded, adjourn after 90 minutes.

Tomorrow's business after oral questions shall be: No. 43, Finance Bill 2015 - Report and Final Stages (resumed); No. 9, Motor Vehicle (Duties and Licences) Bill 2015 - Order for Second Stage, and Second and Remaining Stages; No. 44, Criminal Justice (Burglary of Dwellings) Bill 2015 - Second Stage (resumed); and No. 45, Credit Guarantee (Amendment) Bill 2015 - Second Stage (resumed). It is proposed, notwithstanding anything in Standing Orders, that the Second and Remaining Stages of No. 9 shall be taken tomorrow and shall, if not previously concluded, be brought to a conclusion after 95 minutes and the following arrangements shall apply: (i) the proceedings on the Second Stage shall, if not previously concluded, be brought to a conclusion after 65 minutes by one question which shall be put from the Chair; the opening speeches of a Minister or Minister of State and of the main spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, shall not exceed 15 minutes in each case and such Members may share their time; a Minister or Minister of State shall be called upon to make a speech in reply which shall not exceed five minutes; and (ii) the proceedings on the Committee and Remaining Stages shall, if not previously concluded, be brought to a conclusion after 30 minutes by one question which shall be put from the Chair, and which shall, in relation to amendments, include only those set down or accepted by the Minister for Environment, Community and Local Government.

**An Ceann Comhairle:** There are four proposals to be put to the House. Is the proposal for dealing with the late sitting agreed to? Agreed. Is the proposal for dealing with No. a14, Motor Vehicle (Duties and Licences) Bill 2015 – Financial Resolution, without debate, agreed to? Agreed. Is the proposal for dealing with Private Members' business agreed to? Agreed. Is the proposal for dealing with No. 9 tomorrow, Motor Vehicle (Duties and Licences) Bill 2015, agreed to? Agreed.

**Deputy Micheál Martin:** The programme for Government contains many chapters. I ask the Taoiseach to indicate whether, even at this late stage, there will be any redrafting or updating of the programme for Government, in particular, whether the entire section dealing with universal health insurance will be formally deleted from the programme for Government and whether there will be a ceremony to announce formally and officially its abolition given that the Taoiseach has been prone to ceremonies for a whole lot of other matters contained in the programme for Government.

**Deputy Paul Kehoe:** Deputy Martin's party would have got run out of ceremonies.

**Deputy Micheál Martin:** On a specific issue, delivering equity in education, the programme for Government states, "We will consider recommendations of the review of the DEIS

programme and use it as platform for new initiatives to deliver better outcomes for students in disadvantaged areas.” DEIS suffered cuts of 15% over two years ago. Those cuts have never been reversed, particularly for DEIS band 2 schools. In the review mentioned in the programme for Government, can that matter be addressed as a matter of urgency in the case of those schools?

There was a commitment to publish a plan in the programme for Government for the implementation of the Education for Persons with Special Educational Needs, EPSEN, Act 2004 to prioritise access for children with special needs to an individual education plan. The priority would be to move to a system whereby necessary supports follow a child from primary to second level and to achieve greater integration of special needs related services. This is the commitment given four years ago. The results have been in the opposite direction. I have not yet seen any plan for the implementation of the EPSEN Act 2004. Could the Taoiseach indicate the sections of the Act that have been fully commenced?

*5 o'clock*

Have all sections of the Act been commenced? If the Taoiseach does not have the information immediately, could he forward it to me? There is major disquiet in the special education community about the Government's lack of engagement and the cutback in resources, particularly regarding assessment, diagnosis and intervention.

**The Taoiseach:** The Government still has a very clear commitment to introducing a single-tier health system. There will be no ceremony. Last week, I confirmed that the Government will not pursue the universal health insurance model assessed by the ESRI. There will not be any ceremony about it. While I will have to check the figures, I think 42 issues in the programme for Government have been completed, 40 have substantial work under way, 11 have been commenced and two have not been commenced. I will advise the Deputy regarding his question on DEIS band 2 schools and the sections of the EPSEN Act that have been commenced or are intended to be commenced.

**Deputy Gerry Adams:** I welcome the Government's belated decision to sign the Istanbul convention on preventing and combatting violence against women and domestic violence, which is a very important framework for tackling violence against women and girls. The Government must fully ratify the convention. It has been five years since the Government promised consolidated and reformed domestic violence legislation, and the Bill has still not been published. The reformed and consolidated domestic violence Bill was cleared in July. When will it be published?

Emergency legislation was promised to deal with the mess surrounding the commission of investigation into IBRC. Can it be published before Christmas? The interim report from Mr. Justice Cregan has revealed a litany of mistakes, bad legal advice and incompetence. While the legal advice from the Attorney General is questionable, responsibility for this shambles rests ultimately with the Cabinet, particularly the Taoiseach. The Cabinet discussed the matter this morning. When will the emergency legislation be published?

**The Taoiseach:** I have previously told the Deputy that we had a road map of legislation to be dealt with. The Deputy is correct that heads of the domestic violence bill were cleared in July. The recently published Criminal Law (Sexual Offences) Bill, the Court of Appeal Bill and the Children and Family Relationships Bill are all part of the road map that need to

be implemented. In this country, we take the view that one should put the legislation in place before signing a convention, unlike other countries which sign the convention without having the legislation in place. There is a deal of work to be done and the Bill will be published in the new year.

I sent the interim report of Mr. Justice Cregan to everybody and asked that Opposition parties, including Sinn Féin, respond in writing by tomorrow. I hope I can have the party's views on the judge pointing out the difficulties and challenges he sees. I expect to bring to the Government a response taking into account all the parties' views next Tuesday.

**Deputy Bernard J. Durkan:** What is the position regarding the new children's hospital establishment Bill? Have the heads been cleared and is it likely to come before the House soon? Regarding the protection of cultural property in the event of armed conflict Bill, the issue has manifested itself across the globe. Has action been taken on bringing the Bill forward in this or the next Dáil session?

**The Taoiseach:** The latter Bill will be in the next Dáil session. The heads of the children's hospital establishment Bill have not been cleared, and it will be published in the next session.

**Deputy Dessie Ellis:** The Residential Tenancies (Amendment) (No. 2) Bill is being debated in the Seanad this evening and the Dáil will review the Seanad amendments on Thursday. The process had been very messy and rushed, due to the Government's foot-dragging. Nonetheless, we need the small measure of delaying rent reviews. Can the Taoiseach outline the remaining progress of the Bill through the Houses and when it will reach Final Stage, so it can be implemented as soon as possible? Landlords are increasing rents in anticipation of the Bill.

**The Taoiseach:** It will not be debated on Thursday but next week. We will have Committee Stage as soon as possible.

**Deputy Dessie Ellis:** It is urgent.

**The Taoiseach:** It will be taken next week, so the Deputy will have time to examine it properly. We will take Committee Stage as quickly as possible.

**Deputy Peter Fitzpatrick:** Patient safety and quality is one of the Government's top priorities. We need to promote and guarantee patient safety. We also need to enhance the power of the Ombudsman and HIQA, improve governance of health information including data matching and support for clinical audits. When can we expect the health information Bill to be published?

**The Taoiseach:** Although the heads of the Bill have been cleared, it will be published in the next session.

### **Postal and Telecommunications Services (Amendment) Bill 2015: First Stage**

**Deputy Michael Moynihan:** I move:

That leave be granted to introduce a Bill entitled an Act to amend the Postal and Telecommunications Services Act 1983 to obligate An Post to maintain the post office network



throughout the State as it currently stands.

This is a short Bill to ensure, in legislative format, that ComReg places a public service obligation on An Post to ensure the post office network, as it currently exists, is maintained throughout the nation. It is a vital piece of legislation. For many years, there has been much talk about An Post and the post office network throughout the State. However, unless the House adopts this Bill, we are at nothing regarding maintaining the post office network, which is vital for the well-being of both rural and urban communities which An Post wishes to serve.

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

**The Taoiseach:** No.

Question put and agreed to.

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

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

Question put and agreed to.

### **Motor Vehicle (Duties and Licences) Bill 2015: Financial Resolution**

**The Taoiseach:** I move:

THAT the Schedule to the Finance (Excise Duties) (Vehicles) Act 1952 (No. 24 of 1952) which specifies the excise duties in respect of mechanically propelled vehicles used on public roads be amended in the manner and to the extent specified in the Act giving effect to this Resolution—

(a) to provide that articulated vehicles currently charged at the nonagricultural tractor rate of €333 annually are to be charged at the goods rate of—

(i) €92 annually, in the case where such vehicles are electrically propelled and do not exceed a weight unladen as specified in that Schedule,

(ii) between €333 and €5,195 annually, in the case where such vehicles are not electrically propelled and have a weight unladen as specified in that Schedule,

and

(b) as respects licences taken out under section 1 of that Act for periods beginning on or after 1 January 2016, to provide that articulated vehicles referred to in paragraph (a) of this Resolution are to be charged at the rate of—

(i) €92 annually, in the case where such vehicles are electrically propelled and do not exceed a weight unladen as specified in that Schedule,

(ii) between €333 and €900 annually, in the case where such vehicles are not electrically propelled and have a weight unladen as specified in that Schedule."

Question put and agreed to.

## **Topical Issue Debate**

### **Road Projects Status**

**Deputy Anthony Lawlor:** I thank the Ceann Comhairle for allowing this topic to be taken today. It is ironic that this debate is taking place a day after Kildare County Council decided to scrap a section 38 proposal that would have changed the traffic pattern in Celbridge and that would have had implications for a number of residential estates in the town. The bridge in Celbridge was built after a flood in 1802. It has been in existence as the town has developed over the past 200 years to its current size with a population of almost 20,000. The problem in the town is that there is just one bridge over the River Liffey. This restricts access from one side of the town to the other. It makes it difficult for many people to avail of the very good public transport links that are provided at Hazelhatch railway station. I commend the Minister on today's announcement of investment in the DART and Luas networks. It is very difficult for public transport operators to get through the village at the moment.

Seven options were set out in a report that was produced for RPS Consultants on behalf of Kildare County Council in June. The option that was favoured by a local Fianna Fáil councillor caused fierce consternation in the town. I am delighted that the public realised what was happening. The proposed route would have gone through the Simmonstown and Hazelhatch Park estates. Traffic would have been diverted onto a road that has a public play area on one side and housing on the other. Kids who wanted to cross that road to get to the area where they normally play would not have had a proper junction or crossing point to use. I thought it was absolutely crazy. I am delighted that as soon as the period of time for public submissions was completed, Kildare County Council made a rapid decision not to go ahead with the section 38 proposal. The proposal in question was one of the options put forward by RPS Consultants when they were asked to suggest ways of improving the traffic flow in Celbridge.

A second bridge is needed in the town of Celbridge. Most of us who have gone through the town of Enniscorthy have seen the helpful one-way flow system there, which uses two bridges in close proximity to each other. A second bridge in the centre of Kilkenny is helping to alleviate the traffic problems associated with the town. I accept that such a venture in Celbridge would cost between €8 million and €10 million. We need to put plans in place now for the development of something like this in the long term. I believe we can bring the public on board with the proposed second bridge if a long-term strategy is put in place. It was proposed to develop a second bridge from Castletown to Donaghcumper, but that was unacceptable because it would have been too close to the gates of historic Castletown House. That made no sense at all. I believe that if we put a plan in place, engage in proper public consultation and get the people on board, we can develop a second bridge in the village of Celbridge, which is wanted to ease the traffic flows that are there at the moment. If there is a better flow of traffic through the town, people will be more likely to use the public transport options that are available in Celbridge, including those provided through CIE and Dublin Bus at the railway station in Hazelhatch. I hope we can start a long-term process that will lead to the construction of a second bridge in Celbridge.

**Minister for Transport, Tourism and Sport (Deputy Paschal Donohoe):** I thank Deputy Lawlor for raising this matter. As he is aware, the improvement and maintenance of regional and local roads in County Kildare is the statutory responsibility of Kildare County Council in accordance with the provisions of section 13 of the Roads Act 1993. Work on such roads is funded from the council's own resources, supplemented by allocations made directly from the Department of Transport, Tourism and Sport. The initial selection and prioritisation of works to be funded is also a matter for the council. Ireland has just under 100,000 km of roads in its network. The maintenance and improvement of national, regional and local roads places a significant financial burden on local authorities and the Exchequer. Due to the national financial position, there have been large reductions in the amount of Exchequer funding available for roads expenditure over recent years. Funding for the national, regional and local road network was €2.3 billion in 2008, but it is just €760 million this year. In light of the challenging financial climate, the specific improvement grants scheme was curtailed to maximise the funding available for repair and strengthening work. It is important to reiterate that the purpose of Exchequer funding is to supplement the resources of each local authority. I have been emphasising to local authorities the importance of prioritising expenditure on roads when they are allocating their own resources, including local property tax receipts. The capital plan that will run from 2016 to 2021 provides for a gradual build-up in capital funding for the road network towards the levels that are needed to support maintenance and improvement works. The primary focus in the next few years will continue to be on road maintenance and renewal rather than new projects.

I announced the 2015 regional and local road allocations on 3 February last. Some €10.7 million was allocated to Kildare County Council. The council received an additional €799,900 in restoration improvement funding in July of this year. All available funding for this year has now been allocated. I am aware that Kildare County Council has published a document, Feasibility Report for River Crossings of the River Liffey and Associated Traffic Management Requirements in Celbridge, that was prepared for it by RPS Consultants. I believe that is the report to which Deputy Lawlor has referred. I understand that the council commissioned this study to explore river crossing options and traffic management arrangements that could alleviate traffic congestion in Celbridge and that the report identifies short-term traffic management options and a longer-term new river crossing option for further study and evaluation. Local authorities are aware that it is a matter for each council to determine its priorities and to allocate funding accordingly. Therefore, it is a matter for Kildare County Council to decide how best to address the findings of this report and to allocate its own resources to the further evaluation of options if it considers that appropriate.

**Deputy Anthony Lawlor:** The report was welcomed in so far as it put options into the public domain. One of the short-term traffic management options referred to by the Minister was not acceptable because it would have had an impact on local residential housing estates. As I said, the road that would have been used divides houses from areas used by young kids for playing. I can understand why that short-term solution was not deemed to be acceptable. I appreciate that we need to take a long-term view in this regard as the economy improves. I do not envisage that Kildare County Council will be able to afford to put a new bridge in place on its own, but it might be able to do so with the assistance of the Department of Transport, Tourism and Sport. I remind the House that the feasibility study was funded by the National Transport Authority. I suggest that if we work jointly on a long-term basis, we might be able to find a solution for the town of Celbridge which is choked by traffic at the moment. People are not able to go from one side of the river to the other because of the traffic volumes going through the town.

The Minister launched various public transport projects today. Public transport has difficulty going through the town. Feeder buses for Hazelhatch railway station also find it difficult to get through the town. We always try to make the most efficient use of our public transport system, but when it is being choked by the town, it is very difficult. I hope the Minister will consider engaging with Kildare County Council to provide some long-term funding towards this because we have to find a solution for the traffic issues in Celbridge.

**Deputy Paschal Donohoe:** I take on board what the Deputy is saying and I acknowledge that there is a congestion problem and an access issue in the community to which he refers. Early next year my Department will allocate funding for local and regional roads for 2016. We would be able to work with the local authority to see if, within the allocation, it would be possible to deal with the matter. I am not in a position to make further funding available for this year but I hope that, as the economy strengthens and the funding available for local and regional roads improves, as is the case with the capital plan for transport which we published a number of weeks ago, it will be possible to do projects such as this. I am aware they are needed and that some of them require further support from local authorities in order for the necessary work to be done.

### **Pesticides Directive Training**

**Deputy Bobby Aylward:** I thank the Ceann Comhairle for selecting this important matter for debate. I am relieved to have the opportunity to raise the matter with the Minister following months of back and forth with his office and with officials from his Department. Unfortunately, I have got nowhere.

The Department of Agriculture, Food and the Marine is failing farmers with learning disabilities and literacy problems who wish to be registered as professional users under the sustainable use of pesticides directive by way of statutory instrument SI 155 of 2012. I have been contacted by a farmer within my constituency who has been told that he cannot avail of the highest accredited course under one of the bodies which the Department has tasked with providing the appropriate training because he suffers from severe dyslexia. The farmer was informed by representatives of the training body that he would not be able to participate in the course as he was not capable of reading the instructions on the labels on the back of the pesticide canister. This farmer assures me that he is just one of many others who feel marginalised and discriminated against as a result of the Minister's inability to address this issue appropriately.

I wrote to the Minister regarding the matter in early September and received the following reply, "As part of the quality assurance accreditation of every provider by the awarding bodies, QQI and City & Guilds in this case, there is an undertaking to make skills/competency-based courses, such as those required by DAFM for the registration of professional users, accessible to all." This should include people suffering like my client.

In fairness to the Minister, he did say he had been in contact with three providers who indicated that the necessary supports would be put in place following consultation and agreement with the individual concerned. However, the providers cited in his response are not the preference of the farmer who wishes to participate in a top accredited City & Guilds course under Kearney Training & Consultancy. Why should he not be given the opportunity to participate in the best course available? Why can he not be facilitated? Students with similar learning disabilities are facilitated with audio facilities when taking their State examinations. Why can the

instructions on the pesticide canisters not be provided in audio form? This would get this man over the hill.

The Minister, Deputy Coveney, referred me to an official within his Department with the purpose of ensuring that participation would be facilitated for this farmer. There was no urgency in dealing with my queries and, as we speak, we are two days out from the deadline of 26 November and I am no better off than when I started. This man and many others have met roadblock after roadblock in their attempts to gain top accreditation, and this is as a result of having learning disabilities or literacy difficulties. Why should this man, and many others in the same situation, have to settle for a lesser qualification? This is a man who has been farming for his whole life and has more than 45 years' experience of working with pesticides and associated dispensers. He probably has more knowledge in this area of agriculture than the so-called experts who have deemed him ineligible to take part in this course and gain a full qualification.

There are only four days left to look at this man's situation. He came to me at the cow mart a couple of months ago and told me he suffered from dyslexia. He cannot read the canisters at the moment so he cannot take this course because of the rules and regulations. If we can provide audio facilities for students, why can we not do the same for a man who makes his living in this way? It is his business, and his income will be severely hit unless he can get accreditation. Will the Minister look at the case of this individual and give him time to get accreditation because we are close to the deadline?

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Tom Hayes):** I thank Deputy Aylward for raising this case. The individual concerned was not mentioned in the question. I did not realise the Deputy's question was specific to one person but we may look at his particular case.

The sustainable use of pesticides directive establishes a framework for community action to achieve the sustainable use of pesticides. It aims to fill the current legislative gap regarding the use phase of pesticides at EU level through setting minimum rules for the use of pesticides in the community to reduce risks to human health and the environment. It also promotes the use of integrated pest management.

Implementation of the sustainable use of pesticides directive relies heavily on the training of the various people involved at all levels of the industry, including pesticide advisers, pesticide distributors, professional users and inspectors of pesticide application equipment. A new programme to test all pesticide application equipment is also being put in place. Bearing in mind the potentially toxic nature of pesticides, the need for appropriate training must be viewed in the context of protecting both human health and the environment and, in particular, maintaining the high quality of our water. The risk associated with the use of pesticides is related to the properties of the product itself and not to either the quantity used or the frequency of use.

As part of the quality assurance accreditation of every provider by the various awarding bodies, there is an undertaking to make skills-based courses, such as those required by the Department of Agriculture, Food and the Marine for the registration of professional users, accessible to all. The Department has worked with a wide variety of service providers, including Teagasc, City & Guilds and FETAC, to ensure participants who have completed relevant pesticide application courses will meet the requirements for professional user training. In addition, an individual who has completed a pesticide application module equivalent to one of the Department's recognised qualifications as part of their certificate in agriculture or other award is



not required to undertake any further training to register as a professional user. A list of training providers for professional pesticides users is available on the Department's website.

All plant protection products are classified as either professional or non-professional. Labels indicate to which category a product belongs and the status of a product may be checked on the Department's website. Non-professional or amateur plant protection products can continue to be used in the home or garden situation and are approved for such purposes. There are no restrictions on the use of such products and there is no requirement for such users to be trained or registered with the Department of Agriculture, Food and the Marine. These products are most likely to be found in the local garden centre, DIY store or supermarket. It should be emphasised that 26 November 2015 is simply the official start date for the new regulations. The sustainable use of pesticides directive requires all professional users, namely, anybody who applies or sprays products authorised for professional use, to be trained and registered as a professional user with the Department by 26 November, regardless of the quantity or method of application. Therefore, only registered professional users can spray professional use products after this date and there is an obligation on an individual to be appropriately trained as a professional user and registered with the Department before he or she may apply or spray professional plant protection products in order to be compliant with the provisions of the sustainable use directive. In practice, however, only those individuals who intend to apply plant protection products authorised for professional use immediately after 26 November will be required to have completed their training and registration. The vast majority of individuals who will not apply plant protection products until the spring or summer of 2016 will have some further time to be trained and registered. However, they must meet this requirement before they apply or spray professional plant protection products.

**Deputy Bobby Aylward:** I thank the Minister of State for his reply. While I may have referred to one individual in my constituency, I have been informed by the individual in question that several other people are affected by the issue I raise.

As a farmer, I accept the pesticide directive. It is good policy as it is appropriate that people know how to handle spraying devices. The response of the Department on this issue has been inadequate, however. The farmer who raised this matter with me has many years' experience spraying pesticides and does a significant amount of contract work dispensing slug pellets over the winter months. As a result of the lack of urgency displayed by departmental officials, he is likely to be penalised for engaging in this type of work when the deadline passes on Thursday next. Is the business of the man in question being placed at risk because he has dyslexia? I am not asking questions about the scheme, which is perfectly in order. As a farmer, I accept it and I know that either I or my son will have to complete the course if either of us wishes to use pesticide sprays in future. The person who raised this matter with me suffers from a disability, namely, dyslexia. Why will the Department not facilitate him by affording him the same rights as are afforded to everyone else?

The Minister of State's reply was fine in so far as it related to the pesticides directive. I am asking about an individual who cannot obtain the accreditation on which his business depends and who will lose money this year if he is penalised or prevented from making a living from spraying pesticides. I ask the Department to address this issue, rather than the implementation of the scheme. The issue is one of access for the individual in question and others who are in the same position.

**Deputy Tom Hayes:** I acknowledge that the Deputy has accepted the need for the direc-

tive. We all agree that it is important because there has been too much misuse of pesticides and people have concerns about cancer and so forth. The regulation has been introduced for that reason and requires people to be trained in the use of pesticides. The directions printed on spray cans are a specific issue. Users need to know how much of a product needs to be added to water before a solution can be sprayed on plants.

I will speak to the relevant officials about this and similar cases. The Deputy may wish to come to the Department to discuss the issue, which we want to solve. No one is placing obstacles in anyone's way and none of us wants to take away a man's job. There are many spraying businesses. We should be able to facilitate the individual in question within the terms of the directive. I am amenable to arranging a meeting to discuss this issue with some of those involved. No one wants to close down a business. That is not our role. I would welcome a meeting with the Deputy, perhaps later this week, to try to find a solution.

**Deputy Bobby Aylward:** I have been trying to arrange a meeting with departmental officials for three months and I have got nowhere.

**Deputy Tom Hayes:** I spoke to the relevant officials while preparing for this discussion. They are not trying to put anyone out of business. They want to implement the directive because pesticide sprays are dangerous.

### **School Transport Eligibility**

**Deputy Seamus Healy:** I welcome the presence of the Minister of State, Deputy Tom Hayes, as I know he has an interest in this issue. The school transport system is based solely on providing transport to the nearest resourced school. While it works reasonably well for most students, unfortunately it is detrimental to some students with special needs and disabilities who attend special schools as it does not take account of their medical needs or the support services they require. The problem is particularly difficult in areas such as Carrick-on-Suir in County Tipperary as the Department insists that students with special needs from the Carrick-on-Suir area attend school in Waterford city. This issue has been raised with the Department on numerous occasions.

School transport has been refused, including on appeal, and I appeal to the Minister to address the issue as it is particularly difficult for students and parents. The problem is that, since birth, special needs students have been availing of services in County Tipperary and have built up relationships with the services and their staff. For instance, many have been visiting paediatric consultants, medical, nursing, psychological, physiotherapy, social work and speech and language therapy staff in Tipperary. In some cases, they have attended preschool services in Tipperary. All of these services are available in two special schools in Cashel, Scoil Aonghusa and Scoil Chormaic, where they are provided by a multidisciplinary team. They are of great benefit to the students and provide families with great support.

If the students are forced to attend school in Waterford, they will have to be taken out of school to travel to Tipperary to visit the paediatric consultant, psychologist, physiotherapist, social workers and speech and language therapists with whom they have built up a relationship. All these services are based in Tipperary. It will be traumatic for the children who avail of these services if they are forced to leave the county to attend a school in Waterford, which is excellent, and have to travel back to the county to access the services they require as a result of their dis-

abilities. This does not make sense and will be traumatic and costly for the children in question and their families. Will the Minister to look at this very seriously and amend the scheme? A small number of students are affected by it and it could be addressed at little to no cost. In fact, it would probably cost nothing to amend the scheme to include these students.

**Minister of State at the Department of Education and Skills (Deputy Damien English):**

I thank Deputy Healy for raising the matter. The Department of Education and Skills provides for the education of children with special educational needs through a number of support mechanisms and placement options depending on the child's assessed needs. In general, education provision for children with special educational needs is made in special schools, special classes attached to ordinary schools or in integrated settings in mainstream classes.

I am not sure what wording the Deputy used. I only have the wording I have here as to the debate he raised which was on services in general. I understand that the issue was discussed at a public meeting last night and that there was a support locally from other Deputies on the issue. The Deputy did not clarify, however, what wording was different from what he submitted.

While departmental policy is to ensure the maximum possible integration of children with special educational needs into ordinary mainstream schools, students who have been assessed as having special educational needs also have access to a range of special schools or class placements. Special educational needs organisers, or SENOs, from the National Council for Special Education, or NCSE, can assist parents to identify appropriate educational placements for children with special educational needs. The NCSE has published a guide for parents and guardians on choosing schools for children and young people with special educational needs. The guide is available at the council's website.

The Department's policy on school transport is that transport is provided to the nearest school which can be resourced to provide education for the child, taking into account any recommendation made about the type of educational provision that is recommended for the child, whether special school placement, special class placement or mainstream placement with additional resources. The pertinent recommendation for consideration for school transport is the recommendation by the NCSE as to which is the nearest school which can be resourced to cater for the educational needs of the particular child taking into account the type of placement recommended in professional reports. The role of the NCSE is to advise parents on the educational and other resources which can be provided to allow a child to attend school. The availability and provision of health related services, including therapy supports, which is the issue that was raised, is the responsibility of the Health Service Executive. The Department of Education and Skills has no responsibility or mandate for such services. The availability of therapy services in a particular school is not, therefore, a factor which is taken into account by the NCSE in designating which is the nearest school placement which can be resourced to meet the educational needs of a particular child. I understand that therein lies the Deputy's problem.

I understand that the situation the Deputy is trying to raise is the difference between the services provided by the Department of Education and Skills and the Department of Health and decisions made in the latter as well. I stress, however, that the rules around school transport are designed and implemented nationally. I have to ensure they are implemented fairly across the board. In circumstances such as those the Deputy has raised in respect of a particular school, it can be difficult when different Departments provide different services. In light of that, a health and education steering committee has been established to progress the national programme on progressing disability services for children and young people. The programme is based on the

recommendations of the report of the national reference group on multidisciplinary services for children aged five to 18 years which was produced by representatives of the professions and management involved in delivering multidisciplinary services to children. The long-term goal of the programme is to bring consistency to therapy service delivery and a clear pathway to services for all children with disabilities according to need. The implementation of the programme will have a positive impact on the provision of clinical services for all children requiring access to health related supports regardless of where they live or which schools they attend.

**Deputy Seamus Healy:** The difficulty I am trying to raise is set out towards the end of the Minister of State's reply. The nub of the question is the absence of communication or connections between the Department of Education and Skills and the Department of Health on transport services for children with disabilities where the resourced school is not in the area where the services have been provided to the particular child since birth. That is the key problem. The Minister of State has acknowledged that there is no communication between the two. To be fair to these students and their families, communication is needed between the Departments and the scheme must be amended to take into account the medical and support service needs of children with disabilities where they have established a relationship with those services and with the individuals providing those services in their own county. It is nonsense to have them attend school in Waterford city and have them brought back regularly from school to Tipperary to attend psychology services, speech and language, paediatric services and physiotherapy services. All these services are available in south Tipperary in special schools that provide an excellent service. It is time the Departments of Education and Skills and Health got together to ensure the scheme was amended to allow for the small number of cases we are talking about. These are cases that are highly traumatic for the children and traumatic and pressurising for families. I appeal to the Minister of State to get the Department of Education and Skills and the Department of Health to knock heads together to amend the scheme to make it available to the parents and students I have outlined.

**Deputy Damien English:** I thank the Deputy for raising the issue. It is one about which the Minister of State, Deputy Tom Hayes, has also spoken. It is an issue that has arisen in a number of places and not just in Tipperary, which I think Deputy Healy acknowledges. The solution regarding a combination of services provided through the Department of Education and Skills and the Department and Health is not really a school transport one. I have sympathy for the issue. It is something I have been involved in before in other scenarios. Other cases were brought to me where we have tried to work with the Department of Health to find solutions. Solutions have generally been found. We had a case last year which I do not want to outline but in respect of which the Departments - rightly - came together. What the Deputy is saying is that we have a policy issue to fix.

I agree to talk to my Department and the Department of Health to determine how we can fix this. I am not of the view that the solution involves school transport. The issue is the provision of services between the Department of Health and the Department of Education and Skills. I will raise the matter to see if there is anything we can do in any policy area to address the problem. The difficulty for my Department is that we do not get involved in the provision of health related services. That is a matter for the Department of Health, as I think the Deputy acknowledges. I will talk to colleagues in both Departments to see if anything can be done to improve this. It has caused difficulty in a couple of cases. I agree that we have a duty to find a solution. I will provide feedback to the Deputy. If he wants to provide me with the specific details of the case, I will certainly investigate it personally. On the overall policy issue, there is

ongoing work which might help in this regard. I will certainly add to that conversation to see if we can fast-track matters.

### **National Broadband Plan Implementation**

**Deputy Martin Heydon:** I thank the Ceann Comhairle for selecting this very important matter. It not only impacts on the rural parts of south Kildare but also is an issue throughout the country. I thank the Minister for attending to address the matter personally. I start by acknowledging the role the Minister and his Department have played in addressing the structural deficit in certain parts of Ireland outside the larger urban areas and the deficiency in certain areas which lack high-speed broadband. I acknowledge in particular the recent capital programme of State expenditure which is the first in which we have seen significant direct Exchequer funding for broadband provision. Normally, capital plans cover only schools, hospitals, physical buildings and roads, but this is a real recognition that broadband, which is perhaps invisible, is equally important infrastructure for the State. The money is required for the Minister to do his job because this is very frustrating for those who have not benefited from high-speed broadband. I have been frustrated by the amount of time that has been wasted in the past and the years of underinvestment in this area.

I raise this matter today because it is timely to do so. A year ago today, the Minister published the national high-speed coverage map for 2016 which marked out areas in blue and amber depending on whether they were going to get commercial high-speed broadband from the private sector or needed State-led intervention. I note from recent responses by the Minister to parliamentary questions that his Department intends to publish an updated version of the map before the end of the year and hopes to proceed to formal procurement, which would be welcome. The updated map will take account of details relating to proposed new commercial investments that have been unveiled during the year.

I have concerns about specific areas in my constituency, including Narraghmore, Calverstown, Kilmeage, Brannockstown and Maganey, which were marked in amber on the Minister's map one year ago and were due for State-led intervention. Subsequently, they were included in Eircom's fibre broadband roll-out plan last June. This was met with much local enthusiasm, as something was finally going to happen. However, despite my repeated requests of eir, as it is now known, I have been unable to get a clear timeframe for this. That worries me. I am afraid that those areas will be excluded from the updated version of the map of State-led intervention that the Minister is about to publish because we will not have a commitment from the private sector on when it will invest in broadband.

We must ensure that an area that has been removed from the map is not adversely affected by a delay. Private operators may try a land grab, take as many areas from the State as they can and stockpile business for themselves in the years to come without being held to clear timelines for roll-outs. Will the Minister assure me that the areas removed from the State intervention map will receive high-speed broadband roll-outs in a shorter timeframe or, at the very least, in the same amount of time as those areas covered by the map? Other areas in my constituency, such as Moone, Allenwood, Ballitore and Ballymore Eustace, were included in previous Eircom plans but are still awaiting commencement.

As the Minister knows, broadband is no longer a luxury. It is a daily necessity for most adults and children. It is used for work, education and social purposes and is one of the first



services that we look to when moving to new premises. It is crucial that we get this process right. Before the Minister publishes a new map and we move to procurement, we should have clear commitments.

**Minister for Communications, Energy and Natural Resources (Deputy Alex White):** I thank the Deputy for raising this important issue. I agree with him on the importance of broadband infrastructure. He was correct in that, when we traditionally spoke about infrastructure, we meant physical infrastructure like roads and other big-ticket infrastructure that was important to a modern economy. Now, though, we must speak of the digital infrastructure. Broadband is at the centre of that. The Deputy was right to lay emphasis on the necessary digital infrastructure for our economy.

The Government's national broadband plan is delivering high-speed broadband to every citizen and business in Ireland. This is being achieved through a combination of commercial investment by telecoms operators and a proposed State intervention where the commercial sector will not invest. The high-speed broadband map that I published last year provides detailed information on commercial investment areas and the proposed intervention area. It covers more than 50,000 townlands in every county, including Kildare.

I understand that high-speed broadband services have been rolled out to more than 55,000 premises in County Kildare to date, with more than 12,500 more expected to be served by commercial investment by the end of 2016. Approximately 20,500 remaining premises in Kildare will either be covered by further commercial investment or will be targets for proposed State intervention.

Ireland's proposed broadband intervention strategy, which I published on 15 July, sets out a series of detailed proposals by the Government in respect of the proposed State intervention. Some 41 submissions have been received arising from the recent public consultation on the draft intervention strategy. These are being carefully considered with a view to finalising the strategy by the end of this year, as the Deputy mentioned. A detailed procurement process will then be undertaken in order to select a potential bidder or bidders in line with all EU and national legislative requirements.

The Government is determined to ensure that the network is built out as quickly as possible, and engagement with industry stakeholders has indicated that this could be delivered within three to five years of the contract's award. Following this process, 85% of premises in Ireland will have access to high-speed services by 2018, with the balance having services by 2020.

I assure the Deputy that I am alive to the issues that he has raised. However, it is too soon to say precisely how the announcements by eir and other operators this year will impact on the cost to the State of funding our intended intervention. Detailed examination and analysis of all commercial proposals are continuing. I expect to be in a position to make a final decision on them by December, when I intend to publish a revised national high-speed broadband coverage map showing commercial investment out to 2020 and a potentially revised intervention area.

The detailed scrutiny that the Deputy would expect us to apply to all commercial plans and undertakings is ongoing and is quickly nearing a conclusion. By the end of this year, we will be in a position to make our announcements and proceed to procurement.

**Deputy Martin Heydon:** I thank the Minister for his detailed response. Can I take it from him that just because a commercial operator claims it will look after an extra 300,000 house-

holds, as was the case with last June's announcement, the Department will not take that at face value? Can he confirm that there will be detailed scrutiny and that an area that was to receive State-led intervention will not necessarily be knocked off the list unless the Department can be assured of a swifter roll-out of broadband that is at least of equal quality? If so, I will be greatly reassured. It is important that my constituents know whether that will be the case.

State-led intervention is the right approach where there is commercial failure. Previous Governments were happy to sit back and leave this to the private sector, which has given us a patchwork map of broadband across the country. Obviously, the commercial sector was always going to look after large urban areas first because they had more customers and larger returns were possible, which meant that small areas such as villages and one-off houses in rural areas were left behind. We have been left another mess to clean up, as we must ensure that everyone gets equal access and the commercial sector does not get the jump on us.

Last year, I surveyed a large number of constituents in my area about the effect on them of a lack of broadband. It brought home to me the positive impact that a change would have. We are a little more than one hour from Dublin. A number of my constituents could work from home a couple of days per week, not clog up the roads, have a better quality of life and be at home at 5:30 p.m. instead of 8 p.m. That is not even to mention children who want to study or do projects online, the possibility of watching television on the Internet, etc. Small businesses must be located in towns because people do not have sufficient broadband speeds to set up at home. For Ireland to develop a more even spread of our economy so that the economic recovery is not urban-centred, broadband is necessary. I look forward to developments in the coming weeks.

**Deputy Alex White:** I thank the Deputy for his support for what we are doing. His assessment of what we are doing and his analysis of what is necessary is spot on. We are rigorously assessing new and existing industry investment commitments in order to ensure it delivers the services that have been promised. The Deputy laid some emphasis on speed of delivery. That is a factor that we must all be conscious of, but it is not the only one. When we assess what we are being told, we look behind mere assertion. That is the point of an assessment process. The commercial operators understand this. Assertions are not taken entirely at face value.

*6 o'clock*

We have our own expert input available to us in order to assess and evaluate the quality and credibility of what is being said and the intentions. The speed of delivery is one issue but there are others, as the Deputy will appreciate.

Very considerable work is being done on this. We are on target to do what we said we would do. When I became Minister, we said we would publish the map in November. We did that. We said we would come back in July of this year with the detailed intervention strategy, and we did so. We then said we would have further consultation in respect of that and the map and that we would commence the procurement process by December. We are on target to do that. We are moving ahead with this project, which is critical to the people for the reasons the Deputy has set out in terms of the economic, social and cultural and educational benefits. The Deputy is absolutely correct in this regard. We are progressing this project and I thank the Deputy for his support.

## **Finance Bill 2015: Order for Report Stage**

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

Question put and agreed to.

## **Finance Bill 2015: Report Stage**

**An Ceann Comhairle:** Amendments Nos. 1 and 2 are related and are to be discussed together.

**Minister for Finance (Deputy Michael Noonan):** I move amendment No. 1:

In page 8, line 9, to delete “and” and substitute the following:

“(iii) to insert the following after subsection (4):

“(5) Subject to subsection (7), where relevant emoluments are paid on 31 December in a tax year or, if that year is a leap year, on 30 or 31 December in that year (referred to in this section as the ‘relevant date’) to an individual who is paid weekly or fortnightly, the part of aggregate income specified in column (1) of Part 1 or column (1) of Part 2, as appropriate, of the Table to this section shall be increased by—

(a) where the individual is paid weekly, one-fifty second of the amounts referred to in the appropriate column, and

(b) where the individual is paid fortnightly, one-twenty sixth of the

amounts referred to in the appropriate column, but where the relevant emoluments paid on the relevant date is less than the increase provided in paragraph (a) or (b), as appropriate, the increase in the part of the aggregate income shall be limited to the amount of the relevant emoluments.

(6) Where subsection (5) applies in respect of an individual, each amount of aggregate income referred to in subsections (1) and (3) and section 531AM(2) shall be increased by—

(a) where the individual is paid weekly, one-fifty second of the amount, and

(b) where the individual is paid fortnightly, one-twenty sixth of the amount,

but where the amount of the relevant emoluments paid on the relevant date is less than the increase provided in paragraph (a) or (b), as appropriate, the increase shall be limited to the amount of the relevant emoluments.

(7) Subsection (5) shall not apply where the normal day on which relevant emoluments are paid to an individual, who is paid weekly or

fortnightly, during a tax year changes either during that year or the preceding

year.”,

and”.

The purpose of these amendments is to address an issue whereby an employee may suffer a fall in net income in his or her last payment of the year in a week-53 or fortnight-27 year. USC rate bands for employees are divided equally across the year, assuming a 52-week and a 26-fortnight year. However, a calendar year consists of 52 weeks and one day, or 52 weeks and two days in a leap year. As a result, once every five or six years for weekly paid employees, the additional day will be a payday, resulting in 53 paydays falling within the calendar year. Similarly, once every ten or 12 years, a fortnight 27 arises for fortnightly-paid employees. As no USC rate bands remain for that year, the full amount of the pay is liable to higher rates of USC, resulting in a lower net income for the employee in that week or fortnight.

The same issue arises for income tax purposes. The regulations provide for an additional set of credits and rate bands to be allowed in a week-53 or fortnight-27 year. This amendment will bring the application of USC into line with that of income tax, ensuring employees do not see a reduction in net pay as a result of the date on which their salary is paid. The amendment also ensures that those who are exempt from USC due to low income do not become liable solely as a consequence of having an additional payday in a year. It similarly provides that those who benefit from the exemption from the higher rate of USC, including those over 70 and medical card holders whose income does not exceed €60,000, will not inadvertently become liable at the full rate of USC as a consequence of the additional payday within the calendar year.

These amendments will come into effect for the current year, which means that individuals affected by this issue or who are due to be paid on 31 December this year will benefit from the changes.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 2:

In page 8, to delete lines 25 and 26 and substitute the following:

“(2) (a) *Subsection (1)*, other than *subparagraph (iii)* of *paragraph (b)*, applies for the year of assessment 2016 and each subsequent year of assessment, and

(b) *Subsection (1)(b)(iii)* applies for the year of assessment 2015 and each subsequent year of assessment.”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 3:

In page 14, between lines 5 and 6, to insert the following:

**“Amendment of section 97 of Principal Act (computational rules and allowable deductions)**

**15.** (1) Section 97 of the Principal Act is amended by inserting the following subsection after subsection (2J):

“(2K) (a) In this subsection—

‘Board’ means the Private Residential Tenancies Board;

‘household’ has the meaning assigned by the Housing (Miscellaneous Provisions) Act 2009;

‘housing authority’ has the meaning assigned by the Housing (Miscellaneous Provisions) Act 1992;

‘Minister’ means Minister for the Environment, Community and Local Government;

‘lease’ means any lease or tenancy in respect of a residential premises required to be registered by the person chargeable under Part 7 of the Residential Tenancies Act 2004;

‘qualifying lease’ means a lease granted by the person chargeable to a qualifying tenant;

‘qualifying tenant’, in relation to a qualifying lease, means—

(i) a household in respect of which rent is payable by a housing authority—

(I) in accordance with Part 4 of the Housing (Miscellaneous Provisions) Act 2014, or

(II) under a contract under section 19 of the Housing (Miscellaneous Provisions) Act 2009, between the housing authority and the person chargeable,

or

(ii) an individual in respect of whom a rent supplement is payable by, or on behalf of, the Minister for Social Protection;

‘register’ means the private residential tenancies register maintained by the Board under Part 7 of the Residential Tenancies Act 2004;

‘relevant borrowings’ means borrowed money employed in the purchase, improvement or repair of a premises or a part of a premises which, at a time interest accrues on the borrowings, is a residential premises let under a qualifying lease;

‘relevant interest’, in relation to relevant borrowings and a specified period, means the amount by which the aggregate deductions authorised by subsection (2)(e) are reduced by the application of subsection (2J) in respect of that part of the chargeable periods (within the meaning of section 321) that falls within the specified period and, for the purposes of this definition, interest shall be treated as accruing from day to day;

‘relevant undertaking’, in relation to a residential premises, means an undertaking under paragraph (b)(i);

‘rent supplement’ means any payment under section 198 of the Social Welfare Consolidation Act 2005 towards the amount of rent payable by an individual in respect of a residential premises;



‘specified period’ means a continuous period of 3 years commencing on or after 1 January 2016 but not later than 31 December 2019.

(b) (i) The person chargeable shall submit to the Board, in such form and containing such information as shall be prescribed by the Minister for the purposes of this subsection, an undertaking to the effect that the person chargeable will let a residential premises under a qualifying lease for the duration of a specified period commencing on—

(I) in the case of a qualifying lease commencing on or after 1 January 2016, the date of commencement of that lease, or

(II) in the case of a lease that commenced prior to 1 January 2016, which would, if the lease commenced on that date, be a qualifying lease, 1 January 2016.

(ii) The Board shall register the relevant undertaking in the register, and the provisions of Part 7 of the Residential Tenancies Act 2004 shall apply to information regarding a relevant undertaking registered in the register as they apply to information regarding a tenancy registered in the register, subject to any necessary modifications.

(iii) A relevant undertaking shall be submitted to the Board under subparagraph (i)—

(I) in the case of a lease referred to in clause (I) of that subparagraph, at the time the person chargeable is required to make an application to register the tenancy under section 134 of the Residential Tenancies Act 2004, and

(II) in any other case, by 31 March 2016.

(iv) Where the person chargeable submits a relevant undertaking in accordance with this paragraph and, following the end of the specified period (in this subparagraph referred to as the ‘first period’), submits a relevant undertaking (in this subparagraph referred to as the ‘subsequent undertaking’) in respect of a subsequent specified period (in this subparagraph referred to as the ‘second period’), the second period shall commence on—

(I) in the case of a qualifying lease commencing on or after the day following the end of the first period, the date of commencement of that lease, and

(II) in the case of a qualifying lease that commenced before the end of the first period, the day following the end of the first period, and the subsequent undertaking shall be submitted to the Board—

(A) in the case of a lease referred to in clause (I), at the time referred to in subparagraph (iii)(I), and

(B) in any other case, not later than 3 months after the second period commences, and subparagraph (ii) shall apply to a subsequent undertaking as it applies to an undertaking.

(c) For the purposes of this subsection, where a lease has commenced before 1 January 2016, which would, if the lease commenced on that date, be a qualifying lease and a relevant undertaking is submitted to and registered by the Board, the lease shall be deemed to be a qualifying lease commencing on 1 January 2016.

(d) (i) For the purposes of this subsection, where a qualifying lease (in this subparagraph referred to as the ‘first lease’) terminates during a specified period the currency of that lease shall be deemed to include a period immediately following its termination (in this paragraph referred to as the ‘intervening

period’) if—

(I) at the end of the intervening period, the person chargeable grants a subsequent qualifying lease in respect of the residential premises (in this paragraph referred to as the ‘subsequent lease’), and

(II) during the intervening period—

(A) the premises was not let under a lease that was not a qualifying lease,

(B) the person chargeable immediately before the termination was not in occupation of the premises or any part of the premises but was entitled to possession of the premises, and

(C) a person connected (within the meaning of section 10) with the person chargeable was not in occupation of the premises or any part of the premises, and the first lease and the subsequent lease shall be taken together and treated as one qualifying lease.

(ii) More than one subsequent lease may be granted in respect of a premises under and in accordance with subparagraph (i).

(e) For the purposes of this subsection, where a qualifying tenant ceases to be a qualifying tenant during a specified period, the lease shall nonetheless be treated as a qualifying lease for so much of that period as the tenant occupies the premises under the lease.

(f) This subsection shall apply where the following conditions are met:

(i) a residential premises is let under a qualifying lease for one or more than one specified period, and

(ii) a relevant undertaking in respect of that premises for each specified period is submitted to and registered by the Board.

(g) (i) Subject to this section, a person chargeable who meets the conditions referred to in paragraph (f) may, after the end of the specified period, make a claim to have a deduction authorised by subsection (2)(e) in respect of the residential premises referred to in paragraph (f) computed as if the relevant interest for the specified period accrued on the day immediately following the end of that specified period, and subsection (2J) shall not apply to that relevant interest.

(ii) The relevant interest referred to in subparagraph (i) shall not be included

in any computation of relevant interest for a specified period subsequent to the specified period referred to in that subparagraph.

(h) Any claim under this subsection shall—

(i) contain a statement to the effect that the conditions referred to in paragraph (f) are satisfied, and

(ii) be furnished to the Revenue Commissioners by electronic means and through such electronic systems as the Revenue Commissioners may make available for the time being for the purpose of a claim, and the relevant provisions of Chapter 6 of Part 38 shall apply.

(i) Where a premises in respect of which the person chargeable is entitled to a rent is let in part under a qualifying lease and in part under a lease other than a qualifying lease (in this paragraph referred to as the ‘other lease’), the amount of deduction authorised under subsection (2)(e) by reference to interest on borrowed money employed in the purchase, improvement or repair of those premises shall be computed on the amount of interest on that part of the borrowed money which can, on a just and reasonable basis, be respectively attributed to the parts of the premises which are let under the qualifying lease and the other lease.

(j) Notwithstanding section 886, where a person chargeable makes a claim under this subsection, the period for which the linking documents and records (within the meaning of that section) relating to the claim are to be retained by the person required to keep the records under that section shall commence on the final day of the specified period in respect of which the claim is made.”.

(2) *Subsection (1)* shall come into operation on 1 January 2016.”.

This amendment introduces a new section 15 to the Bill, which amends section 97 of the Taxes Consolidation Act 1997, relating to the rules applying to the computation of rental profits. The purpose of the new section 15 is to give legislative effect to the tax relief measure for landlords that was announced as part of the package of measures and reforms to the private rental sector announced jointly by the Minister for the Environment, Community and Local Government and me earlier this month. The aim of this package of reforms is to support housing supply and provide rent stability for both tenants and landlords. Deputies will be aware that the deduction against rental profits of interest on borrowings used to purchase, improve or repair a residential rental property has been restricted for several years now to 75% of the relevant interest incurred. With a view to incentivising landlords to rent or to continue to rent their properties to tenants in receipt of social housing supports, I am providing for the reinstatement of the full 100% interest deduction where the landlord undertakes, for a period of at least three years, to provide accommodation to such tenants and registers such undertakings with the Private Residential Tenancies Board within certain time limits.

The social housing supports involved include rent supplement, payable by the Department of Social Protection, and the housing assistance payment and rental accommodation scheme, which are administered by certain local authorities. The landlord will be able to avail of the increase in interest deductions from 75% to 100% after the end of the three-year undertaking and where other conditions have been fulfilled. It will be provided on a retrospective basis in that the additional annual 25% deduction for the three-year period will be rolled up and allowed

as a deduction against rental profits in year four. This will be in addition to the 75% interest reduction that will be available to the landlord in year four in the normal way.

The new scheme includes a sunset clause specifying 31 December 2019 as the latest date by which a three-year undertaking period to rent to social housing support tenants can commence. The aim is to encourage landlords to buy into the scheme as early as possible so that they may be in a position to commit to a second three-year period and avail of a second tranche of additional rolled-up interest reduction. In essence, a landlord will be able to avail of the scheme for a maximum period of six years, but this will be the case only where the first three-year undertaking is commenced not later than the end of 2016. The legislation includes provisions to ensure a landlord will not necessarily lose the additional interest reduction if, say, a tenant ceases to qualify for social housing supports or a tenancy in respect of a social housing tenant ceases before the three-year commitment period ends. This caters for cases where a relevant tenant might find employment during the period of the tenancy, for example.

Landlords can evaluate what is on offer from this scheme and decide if the expected rate of return from availing of the scheme in terms of tax savings outweighs the expected rate of return in the form of potential additional rents for remaining outside. Obviously, the additional interest reduction is unlikely to have any impact on those landlords with little or no borrowings. However, it must be remembered that 70% of landlords have outstanding debt on their property and therefore could benefit from the measure.

I would not for a moment suggest that this incentive will, on its own, solve the current crisis affecting the rental sector in so far as tenants seeking accommodation with the aid of social housing supports are concerned. However, I am convinced it will help in some way as part of the overall package of measures that have been introduced by the Government to tackle the problems being observed in the housing market.

I commend the amendment to the House.

**Deputy Michael McGrath:** The amendment is quite detailed and runs to four pages, so it requires some analysis. I know it flows from the joint package announced by the Minister, Deputy Noonan, and his ministerial colleague, Deputy Kelly. The backdrop to this is the fact that there simply is little or no availability for tenants who are dependent on State support, including rent supplement and the housing assistance payment. They find it increasingly difficult, if not impossible, to access rental accommodation not just in Dublin but throughout the country because it is now a landlord's market. Landlords can, in effect, choose the type of tenant they want to sign up for a lease.

It remains to be seen what effect this amendment will have. I do not believe it will have any impact on supply, nor is the Government suggesting it will. What it may do, however, is divert some accommodation in the private rental sector from tenants who are not dependent on State supports to those who are. As we know, many of those people are ending up in emergency accommodation, especially in Dublin but elsewhere as well.

Perhaps the Minister can clarify the issue in paragraph (c) where there is a pre-existing lease in place prior to 1 January 2016. If my reading of this is correct, that lease should be deemed to be a qualifying lease on 1 January. Does the landlord need to renew or roll on that lease to benefit from the additional taxation relief which is provided for in this amendment?

**Deputy Brian Stanley:** To put it simply, this is a tax break for landlords. This is a long

and detailed amendment. If it is being included to strong-arm landlords somehow or coax them to make it more beneficial to rent to people in receipt of rent supplement, I do not think it will have that effect. Surely it would have been far better to stamp out the practice, common with landlords, of refusing to take on tenants who are on rent supplement. They are doing so for a number of reasons. One is that in some areas they can get a higher rent from tenants who are not in receipt of rent supplement. That is because the rent supplement caps are so low. The amount set by the Department of Social Protection that one is allowed to rent for does not bear any resemblance to the price in the local rental housing market.

The other reason is that many landlords are not registered with the PRTB. That is the problem and therefore they will not take tenants or prospective tenants who are in receipt of State support for their rent. That is the bigger issue because I think this will miss the target. It is a bit like the rent control proposal. The latest report on the rental market from *daft.ie* shows that prices jumped by 3.2% in the last three-month period that is available to us. That is the biggest jump since 2007 and one could say it was in anticipation of the proposals that came two weeks ago.

Has the proposed measure been costed? If so, how much will it cost the Exchequer? Would it not have been better to channel what it will cost the Exchequer, whatever figure that may be, into the social housing budget for the construction of local authority houses? I know the Government inherited an economy that was in bad shape, but there have been only 1,270 local authority house completions since 2011. One must compare that with the 1992 to 1996 period, when a Government of which the Minister was a member was in power, when 10,600 such houses were built. In the five years from 1997 to 2002, 15,900 were completed. In the 2003 to 2007 period, there were 21,000 social house completions. The figure over the past four years has been very small. Surely that is where the problem is in the housing market. I do not like referring to the housing market, however, because we are talking about people's homes.

If we are trying to do something about housing, it should be noted that the shortfall is in the supply of social housing. If there were more social housing, there would not be as many people in receipt of rent supplement trying to rent from private landlords. In addition, the amendment misses the target. We should be looking at legislation to try to stop the practice of landlords refusing to accept tenants in receipt of rental subsidies for the reasons I have outlined. That is what we should be doing.

**Deputy Richard Boyd Barrett:** We are dealing with the bitter fruit of the Government's abysmal failure to deal with the housing crisis over the past four years. There has been spectacular inaction by the Government as well as misguided policies, most notably the decision in the summer of 2011, months after the Government took office, to instruct local authorities that council housing construction was to cease for the foreseeable future. We are now faced with an emergency due to that policy failure.

Subsequently, a lunatic proposition was made by the Minister for Social Protection, Deputy Burton, when she cut rent allowance in 2012. She claimed it would lead to rents going down. I remember laughing, more fearfully than humorously, at her confident claims that reducing rent allowance would see rents fall. That is what she said. It was the most extraordinary misjudgment imaginable when one considers the consequences of rents subsequently going through the roof. It led directly to a homelessness emergency. It is not something the Minister for Finance simply inherited. He certainly inherited a mess, but he compounded that mess at every hand's turn with the policy decisions he made.



Faced with this catastrophe, the answer is tax breaks for landlords. It is quite extraordinary. Faced with this suggestion, we are in the invidious position of knowing that in the absence of a major council house construction programme, which the Minister is not promising and which, despite all the trumpeting of announcements here, there and everywhere, is not actually happening, the total capital budget for social housing as against money going on leasing arrangements, rent allowance, housing assistance payments and so on is small. The capital budget for physical council house construction is €360 million, approximately the same as it was in 2006 when we already had a major problem. At approximately €100,000 per house, the figure corresponds to 3,600 houses. We were speaking to the relevant Minister today and he admitted that the number will be far less than that. It will probably be in the region of 2,000 at best. That is what will derive from a capital budget of €360 million.

This is against a background in which we do not have figures on how many people have joined the council list this year. It is extraordinary. We have seen the worst housing emergency in the history of the State but we do not know how many people joined the housing list this year. The Minister acknowledged this was something of a lacuna, to put it mildly, and that we should have that information. Again, that is on the long list of promises.

**An Ceann Comhairle:** This is Report Stage and we are on an amendment. It is not time for a Second Stage speech about housing. Will the Deputy stick to the amendment, please? He should also remove the piece of paper in front of him. He is not allowed display material in the Chamber.

**Deputy Richard Boyd Barrett:** There are notes on it. On a point of order-----

**An Ceann Comhairle:** There is no point of order. This is Report Stage. We are dealing with an amendment, not Second Stage speeches.

**Deputy Richard Boyd Barrett:** It is. The amendment relates to an incentive for landlords to deal with the lack of social housing. That is what the Minister is bringing in. That is what it is about. I am pointing out that we would not even need this amendment-----

**An Ceann Comhairle:** We have the amendment. That is the point.

**Deputy Richard Boyd Barrett:** I am allowed to argue on the amendment.

**An Ceann Comhairle:** We are discussing the amendment.

**Deputy Richard Boyd Barrett:** I am discussing the amendment.

**An Ceann Comhairle:** The Deputy cannot make a Second Stage speech on the amendment.

**Deputy Richard Boyd Barrett:** This is the first time we have seen this amendment.

**An Ceann Comhairle:** That is not my problem.

**Deputy Richard Boyd Barrett:** Yes, but it is something we are allowed to comment on.

**An Ceann Comhairle:** The Deputy is allowed to comment on the amendment and the content.

**Deputy Richard Boyd Barrett:** I am commenting on the amendment. This is the first-----

**An Ceann Comhairle:** He cannot go back into the housing crisis of the past four years.

**Deputy Richard Boyd Barrett:** This amendment is supposed to be an effort to address it. I am pointing out that it does not address it. It repeats the mistakes of the past. Having failed to do what was necessary to deal with the housing crisis, in other words, build council houses or control rents, we are left in the invidious position whereby the only proposal being put before the House is an amendment to give new tax breaks to landlords. Tax breaks to landlords and developers were precisely what caused the economic collapse. That is where we are.

It is difficult for us to know what to do with this. Faced with the emergency that surrounds us, anything that even marginally improves on the disaster surrounding us cannot be opposed. In the medium to long term, however, this compounds the problem because it diverts money from the real solution into tax breaks for landlords. It gives landlords and developers even greater control over the market. We need to move in the opposite direction.

Some of the biggest beneficiaries of this, I suspect, will be the vulture funds that have bought all the NAMA properties. Perhaps the Minister would like to comment on that. It is bad enough that the NAMA properties were not given lock, stock and barrel to the local authorities to provide social housing and instead were sold to the funds at knockdown prices. They have made a killing at the expense of NAMA, which we paid for. Now, they are going to make a killing again by renting those properties back to the State which has only recently sold the properties to them. It is extraordinary. We are going to give tax breaks to the people to whom we sold the properties at knockdown prices. One could not make this stuff up. The Mafia would be greatly impressed at the ingenuity of it. The bottom line is they are going to be vastly enriched by this.

It is difficult to know what to say. If even one extra property were made available to people on the social housing lists, I would welcome it, such is the disaster. It is nauseating in the extreme that to provide the extra social housing that is so desperately needed, these funds have to make a killing. Would it not have been better for us to make the up-front investment in social housing construction? Would it not be better now? That would not be money down a deep, dark hole.

**An Ceann Comhairle:** The Deputy is straying again. Stick to the amendment, please.

**Deputy Richard Boyd Barrett:** I am suggesting that is what the Minister should propose as an alternative to this amendment.

**An Ceann Comhairle:** We are dealing with an amendment. Do you understand?

**Deputy Richard Boyd Barrett:** I am talking about the amendment.

**An Ceann Comhairle:** We are not dealing with alternatives. We are dealing with an amendment.

**Deputy Richard Boyd Barrett:** I am opposing the amendment.

**An Ceann Comhairle:** You are opposing it? That is fair enough.

**Deputy Richard Boyd Barrett:** I am opposing the amendment. I am suggesting what the Minister should have done instead. In so far as it is supposed to deal with the issue of rent, a serious regime of rent control should have been introduced. For example, I will set out how it works in Scotland. Representatives from the local authority go to a property, measure it up and

examine how it ticks various boxes, including insulation, general quality and so on. The local authority decides that a given amount is what the landlord is allowed to charge and the landlord is not allowed to charge any more. It does not matter where the property is. The issue of profit for the developer or landlord simply does not come into it. That is the way it should be, particularly faced with the current situation. Instead, it seems we have to enrich these people by coaxing or luring them into providing social housing. We are effectively rewarding them for their rack-renting and discrimination against social housing tenants.

I do not know what to say. It is a pity we have come to this. Given that this is going to pass, will the Minister give the House a guarantee that this will be a short-term measure, the need for which will be removed by major investment in social housing? That would be cheaper and more efficient than this measure from the point of view of the State. This is money down a black hole. We are literally giving money away to these people.

**Deputy Liam Twomey:** I support the Minister on this amendment. Deputy Boyd Barrett has put on the record many of his objections to what is happening and has quoted the position in Scotland. I am keen to put on the record that there are many people in Sweden who maintain rent controls there have not worked. They say it stops the development of new apartments and houses for people. The controls there have restricted the market and caused more problems than they were worth.

Deputy Boyd Barrett promotes some alternatives. We can look around and find appropriate jurisdictions where such alternatives have not been the panacea to the crisis that Deputy Boyd Barrett suggests they are.

Only a short number of years ago we were not making our own decisions on our economy. Now things have recovered but, unfortunately, this is part of the legacy of the collapse in our economy. Deputy Boyd Barrett is acting as if money falls from the sky and everything can be sorted. I have not read Deputy Boyd Barrett's proposals, but a party similar to his, Sinn Féin, has recognised that-----

**Deputy Richard Boyd Barrett:** We are socialists.

**Deputy Liam Twomey:** Those in Sinn Féin claim to be socialists as well.

**An Ceann Comhairle:** Speak through the Chair, please.

**Deputy Richard Boyd Barrett:** They are republican.

**Deputy Liam Twomey:** There are republican socialists of some sort.

**Deputy Michael Noonan:** We have socialists who oppose property taxes.

**Deputy Richard Boyd Barrett:** We oppose home taxes.

**Deputy Liam Twomey:** They are funny socialists.

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

**Deputy Pearse Doherty:** Speak to the amendment, for continuity purposes.

**Deputy Liam Twomey:** We use a different word from "continuity".

**An Ceann Comhairle:** Will the Deputy please speak through the Chair rather than across the floor?

**Deputy Liam Twomey:** My apologies, a Cheann Comhairle. Deputy Doherty will understand that when those in Sinn Féin were passing the budget in Northern Ireland, they ran into many of the same problems with regard to housing and the environment. Indeed, I must try to make more sense of why they handed control of social welfare benefits back to Westminster. I thought that was something that was supposed to be very dear to their hearts when it was discussed.

**Deputy Pat Rabbitte:** It is always a bit of a fillip when somebody so manifestly enjoys his or her work. As I watch Deputy Boyd Barrett, he is like Willy Wonka in the chocolate factory because he is so delighted that every day he has a new target.

**Deputy Richard Boyd Barrett:** Is Deputy Rabbitte speaking on the amendment?

**Deputy Pat Rabbitte:** Having spent some 30 years on the back of a tar barrel in some corner of Dún Laoghaire raving and ranting, he cannot believe he has the Minister for Finance in his sights. He goes on and on and lectures us. He has things the wrong way around. This is a modest measure, designed to alleviate and make a contribution to solving our current problems. He is correct in that in the previous 20 years inadequate social housing was provided and we transferred social housing need to the private sector. That drove the building programme and suited the politics of the day. However, the current Government has announced the largest social housing provision since the 1970s. It is wrong to present this modest amendment as the total response to the housing situation.

If this Government had discussed building houses in 2011 when it came into office, the people in white coats would have been sent for. There was an overhang in housing everywhere, including Dublin. Things have changed quickly-----

**Deputy Richard Boyd Barrett:** There are 70,000 people on the list.

**Deputy Pat Rabbitte:** -----due to changing demographics, including the revival in the economy. There is an acute housing shortage in some urban areas. Despite what Deputy Boyd Barrett would like the House to believe, one cannot go to Tesco and buy a housing estate off the shelf. It takes some time to build housing. In the interim, this is a modest measure designed to make a contribution.

It is entirely wrong to misrepresent the remarks on the level of the housing supplement in 2011 and 2012. It helped to reduce rents at the time but, of course, rents have increased since then because of the housing shortage. The social housing package announced by the Minister for the Environment, Community and Local Government is designed to make a serious impact in that area.

Housing is the subject today. Every time I watch Deputy Boyd Barrett's contributions, which I enjoy, he deals with a different subject. He seemed to ignore the fact that we have come through the worst financial crisis in the history of the State. If we could do all the things he wants us to do, there would not have been a crisis. We are where we are. It will take some time to get-----

**Deputy Richard Boyd Barrett:** A famous phrase.

**Deputy Pat Rabbitte:** It is an accurate phrase. It will take some time to develop building output. In the interim, one does what one can. I do not think any economists in Ireland, including the small number who agree with Deputy Boyd Barrett's analysis, dispute the fact that if the Government's response was to raise the rent supplement cap, as advocated by the Deputy, it would be absorbed in the pricing arrangements by landlords within months and would only drive rents higher. This is a measure designed to make some contribution. It will do so and I support it.

**Deputy Pearse Doherty:** This amendment deals with the supply side of the housing crisis. The way to deal with it is not through tax breaks for landlords, but rather by building additional houses. Deputies on the Government side have veered into Sweden and the Stormont House Agreement, which the Minister for Foreign Affairs and Trade supports, as I am sure the Government does. Through Sinn Féin's efforts, an additional €700 million has been secured for social welfare recipients whose payments were cut by the Government's sister party in the Tory Government.

Let us stick to the facts. The Government swallows its own spin so often it starts to believe it. Deputy Rabbitte referred to the most ambitious housing building programme in the history of the State, or words to that effect. The reality is that there have been 1,270 social housing completions under this Government since 2011. People who have watched me in the Chamber know I am no supporter or cheerleader of previous Fianna Fáil Governments, but between 1992 and 1996, 1997 and 2002, 2003 and 2007 and 2008 and 2010, a total of 10,600, 15,900, 21,000 and 9,594 social housing units were built, respectively.

There is a housing crisis because of the policies of the Government, which did not invest in social housing. Deputy Rabbitte referred to oversupply and said that anyone who had mentioned building houses would have been dragged away by people in white coats. However, even when there was an oversupply of housing in the State, tens of thousands of families were on social housing waiting lists, because the oversupply was not in social housing but rather in private housing in areas that were tax-driven. Some measures that were introduced originated under the Labour Party when it was in government to meet certain purposes and were enhanced and developed under subsequent Administrations.

This is a half-arsed attempt to try to deal with the issue of 100,000-----

**An Ceann Comhairle:** A what?

**Deputy Pearse Doherty:** A half-arsed attempt.

**An Ceann Comhairle:** That is not parliamentary language.

**Deputy Pearse Doherty:** It was a terrible attempt to try to deal with the fact that more than 100,000 individuals are on the housing waiting list.

What analysis has the Minister done to determine how this measure will address the crisis? It will not put another brick on a site, a slab of mortar in between bricks or build any homes. Given that there is a supply-side problem, not only in social housing but also in private rental accommodation, how will this amendment alleviate that pressure? What are the estimated costs to taxpayers of this additional relief for private landlords? How many individuals does the Minister believe will avail of this tax break? What will be the cost to the State?



The Government has done some type of analysis on this relief. The Minister has information on those who are already in receipt of payments from local authorities or payments to support their housing needs, in terms of how many individuals and landlords will benefit from the measure and the total amount involved.

I asked the Minister to address the question of landlords with multiple units, such as apartment blocks with five apartments or old houses that have been split up into five units. The cost of refurbishment may be €5 million, yet under this measure only two of the apartments may be let to recipients of social housing. Can the Minister outline how the overall loan will be subdivided? How will we know that the refurbishment was done in flat 2B instead of 2A, which is rented by a private individual?

I ask the Minister to refer in particular to the cost of the measure, the number of individuals he expects to avail of it and how he expects it to deal in any way with the supply-side problem. What effect will it have on private renters in the market? We know about the Minister's other half-baked - it is a better term - attempts to deal with rent controls. Figures from *www.daft.ie* show that rents increased by 3.2% in the last quarter because of the mess the Government made of the rent control issue. That is the biggest increase in any quarter since early 2007. This is the incompetence of the Government. Letters are being sent to renters to state rents are increasing dramatically, in some cases by more than 50%, because of the Government's half-baked attempts. The question is whether this has been really thought out. Has the Government done a proper analysis of it? What impact will it have on other areas of the market?

**Deputy Bernard J. Durkan:** I congratulate Deputy Pearse Doherty on being able to say what he just said with a straight face. It requires a great deal of conviction and commitment. I like him because he is a very nice fellow, but he has been speaking a lot of rubbish. What he failed to recognise when he quoted the period from 2006 to 2008 and the availability of finance in the country, and it should be clear to all and sundry who have listened to the debate since then, was that the period from 2002 to 2008 was the peak of a boom when money was flowing from the trees and one Minister said the Government had so much money it did not need it. These are not my words but those of a Minister at the time.

The Deputy compared this era with the era the Government inherited, when there was no money anywhere, not even for the essential needs of the country and its people, the entire economy had imploded and we were the laughing stock of the world. Nobody was coming to our aid and saying we were great guys. If what Deputy Pearse Doherty and others have said is to be taken seriously, we should not have been speaking about the number of houses that were built during that period, because they were short of what was required given the building boom that was taking place in the country. It was an appalling dereliction of duty that after a building boom we now have a shortage of houses never known before in the history of the State.

While I fully understand and appreciate that the Opposition wants to avail of every opportunity to show the Government in a poor light, surely somebody on that side of the House has a little bit of cop on and might come forward and honestly say the Government that took over in 2011 had no money or support to get money anywhere, had a broken and derelict banking system and a derelict economy with thousands of people leaving the country on a daily basis. This era is being compared with the boom period before it. Let us be serious about this. There comes a time when we say things that either we mean or we know they are wrong.

**An Ceann Comhairle:** I ask the Deputy to speak to the amendment, please.

**Deputy Bernard J. Durkan:** I am sorry for coming in, but I was moved almost to tears when I listened to and watched what was on the screen over the past half an hour.

**Deputy Michael Noonan:** I thank all Deputies who participated in the debate on the amendment. They will recall that the Minister, Deputy Alan Kelly, and I made a joint announcement on a series of measures to deal with the problem of rents, rental property and the lack of supply and housing market. There was a range of measures and I am sure Deputies can recall some of them. They included everything from NAMA's commitment to build 20,000 houses over the next five years to the commitment of the Minister, Deputy Kelly, to confine rent increases to limited periods.

This is a proposal I brought forward in response to a case made by some Deputies in the House, but more particularly by the voluntary organisations. They were very concerned about increasing homelessness, particularly in Dublin. The case made to me was that as the economy grew and as more people got jobs, people in work could pay more rent than people in receipt of rent supplement or assistance from the local authorities, and some landlords were replacing people on rent supplement or those getting assistance from local authorities with tenants who were economically viable and could pay more rent. This was the case made and presented to me by the voluntary organisations and many Deputies in the House as a key driver of homelessness, particularly in this city.

The amendment is not a big issue and is designed in the first instance to incentivise landlords to hold onto their tenants who are in receipt of rent supplement or financial assistance from the local authorities, and to incentivise them to look at a more even playing pitch when choosing a new tenant because they will get this extra benefit in terms of a tax break on their interest if they select a tenant on rent supplement rather than a tenant from the labour market in the private sector. This is its purpose. Of course it is not designed to solve the housing problem. It is not even designed to solve the rental problem. It is designed to make an impact on an issue related to homelessness, which was explained in great detail by the voluntary organisations involved, and their arguments were taken up by a number of Deputies in the House. This is the position and it is why we are introducing it.

Existing tenancies registered prior to 1 January can qualify, once the landlord registers an undertaking to continue to make the accommodation available for three years on or after 1 January 2016 but no later than 31 March 2016. This is the question Deputy McGrath asked and it was a very good question. If this was not allowed, it would not work as intended. There is also a sunset clause, which provides for a three year permanent tenancy, which must be given before the additional part of the interest rate, between 75% and 100%, is rebated to the landlord. It is an incentive built in for this reason. It allows the landlord to roll it over again and give security of tenure for a six year period, and to avail of a break on 100% of the interest rather than the 75% available at present.

It does not apply to all landlords because some landlords do not have any mortgages. This only works as a tax incentive if one has borrowed to the point where there can be a tax break on the interest. Of course many landlords are very indebted. There is a case to be made that it should be a deductible expense at 100% for all landlords. This case was made by representative groups, including IBEC. It would cost €180 million and would be mostly dead weight because it would not incentivise any additional supply or progression towards extra tenancies at least for two years. I decided not to go that way but to have a very narrow focus on this aspect.

Deputy Pearse Doherty asked how it would be apportioned if a property was divided into a number of living units. The legislation provides for the interest deduction to be apportioned on a just and reasonable basis between various properties or between parts of one property let under qualifying and non-qualifying tenancies. The increased interest deduction will be allowed on interest relating to qualifying tenancies only. If there are five units in a house and it costs €1 million in total, that is €200,000 apiece, and if two are rented to people on rent supplement only the interest which runs from those two apartments will be covered. It will be apportioned justly and fairly.

I do not think the Deputies want me to go through the range of measures already announced, but it is true to say the Minister for Public Expenditure and Reform, Deputy Brendan Howlin, announced €3.7 billion in the capital programme for social housing up to 2021. We all know we went through times when the country was bankrupt, in effect. Any money we had to spend we had to borrow from abroad, from our colleagues in Europe or the IMF. We lived on the charity of our friends because the country went bust under the previous Administration. It took a lot to repair it. I would be the first to say that many of the decisions made were tough, hard to make and implement and unpopular. Nevertheless, they had to be made. I see Deputy Paul Murphy shaking his head up there at me, as he always shakes his head, but on television I saw him on the streets of Athens, cheering on Syriza as the revolution was coming. He was trying to apply the same formula to Ireland.

**Deputy Paul Murphy:** I saw the Minister stabbing them in the back and the Irish people as well.

**Deputy Michael Noonan:** Six months later the banks were closed by the same Greek Government and withdrawals from ATMs were restricted to €60.

**Deputy Paul Murphy:** The Minister wanted them closed.

**Deputy Liam Twomey:** The Deputy did not help the Greek people.

**Deputy Michael Noonan:** It is part of the Trotskyite dialogue to always blame some outside force, but there is a connection between the policies that were followed and the results that were achieved. The policies followed by the Greek Government ended up with the country on the brink of disaster. The Greek Prime Minister of the day realised this and sacked his finance Minister, and a different set of policies have been followed since. The Deputy should not shake his head when a country that applied a successful formula is now growing very rapidly.

One of the reasons for the housing crisis is the fact that the country is growing very rapidly. One of the reasons for the housing crisis is that so many young people have jobs in this city and they want to form families. That is where the demand is coming from, by and large. It is also coming from some emigrants coming home and migrants coming in. That is the way it works. It is very hard, as Deputy Rabbitte says, to flick a switch and get 10,000 houses overnight. It is going to be difficult because the building and development industry, of all the sectors in the economy, was the most fractured. It is still fractured, but we are working very hard to remediate it and get traction on this issue.

I would be first to admit that the amendment is narrow in its focus, and it is intended to be so. It will be narrow in its results and it is intended to be so. It is designed specifically to deal with an issue raised by the voluntary organisations. Landlords found it more profitable to rent to tenants other than tenants on rent supplement, and this was leading to homelessness. People

had their leases discontinued and they could not get new leases from other landlords. I hope it works, but it is one of those cases in which we will have to see what happens in practice. It has been welcomed and there is sufficient traction for it to work as intended. Of course, it will not solve the housing problem, as it is one contribution. The Minister for the Environment, Community and Local Government, Deputy Alan Kelly, and I have announced a series a measures.

**Deputy Michael McGrath:** As the Minister knows, finance Bills generally contain the taxation measures set out in the budget, with a costing provided in the budget booklet for all the other taxation measures. Will the Minister address the question about the expected cost of this measure by way of tax forgone and the number of landlords that the Department anticipates will take up this proposal? Some of them will already have tenants in receipt of State supports and they will be entitled to this particular tax break.

With regard to the overall package, the really important missing piece of the jigsaw for supply in the housing sector is the lack of a sustainable financing model for builders and developers. The Minister announced some time ago a €500 million joint venture fund under the Ireland Strategic Investment Fund, with an interest rate in the region of 14%. The Minister knows that the main banks in Ireland are risk-averse - understandably so, given what happened - and when they are prepared to finance development projects, they might give 60% to 65% of the overall cost. Builders and developers are finding it exceptionally difficult to put a viable financing model in place and the State has failed so far to deliver that piece of the jigsaw. More could be done in that area, which might help kick-start supply, which is the root cause of the problem.

**Deputy Pearse Doherty:** I rise for the second time to ask the Minister to answer the questions I put. Deputy McGrath has just repeated them. What is the cost of this measure? How many individuals does the Minister expect to avail of this measure? There are obviously existing tenants and landlords who will be able to avail of this, so what will be the cost? Has there been any examination of the knock-on effects on the rental property market?

I very much regret bringing a tear to Deputy Durkan's eye earlier, but I was just rubbishing Deputy Rabbitte's point by putting on the record of the House - I was not saying it was good, bad or indifferent - the indisputable fact covering five Governments, including the current one, which only completed 1,270 houses in the past five years. The Deputy focused on the boom period, but let us compare that with the time between 1992 and 1996, which saw 10,600 homes built. I recognise that there are different economic circumstances to consider, but the Deputy should not peddle the spin that this is the biggest house-building programme in the history of the State.

I thank the Minister for the clarification regarding subdivision. My particular questions are how many individuals are expected to participate and whether there has been any analysis. Will the Minister commit to doing a quick follow-up analysis? As I noted, the half-baked attempt at dealing with rising rents certainly had a major detrimental effect for many renters by pushing up rents over a very short period. Will the Minister commit to this? He is giving a three-year commitment for landlords, with a possible three years afterwards. It is difficult to swallow because there is no other solution. I agree that we cannot go to Aldi and get 10,000 houses, but the Government has been in office for five years. This Finance Bill gives €180 million in tax breaks to the top 14% of earners but the Government will not put bricks and mortar on the ground to build houses. That is the problem.

**Deputy Richard Boyd Barrett:** As I stated, we are in an invidious position in which we

cannot really oppose this. If it stops even one eviction, it is better than allowing the eviction to take place. In a finance Bill, we would hope the Government would look for the best, most efficient and most sensible expenditure of public money. It is a pity that in order to deal with a problem that the Government failed to address for four years, the only way to stop further evictions is to line the pockets of developers and landlords. We are back to where we started because of the emergency.

Will there be an investment programme in social housing from public capital expenditure accompanying this amendment in order to do away with the need for this approach to delivering social housing? If not, this will be a recipe to repeat the mistakes of the past. Perhaps the process could be time-bound, phased out and replaced with the provision of council housing that should have been built, as the process should not have been stopped for the past four years. In reply to Deputy Durkan, I say that although we did not have cash, we had NAMA, which had the biggest property portfolio in the history of the State. Effectively, we gave this away.

Will real estate investment trusts, REITs, and big property speculators who borrowed money to buy stock from NAMA, such as big residential properties, benefit from this? Will they be able to write off the interest payments on big purchases involving tens of millions of euro and large numbers of properties? That would be scandal that I would really worry about.

**Deputy Pat Rabbitte:** It is difficult, when language loses its meaning, to have a reasonable debate. There is no point in Deputy Pearse Doherty taking four different periods in history and asking us to look at housing output during those years compared with the period between 2011 and now.

*7 o'clock*

Where, in 2011, was the Government supposed to source money to build houses? Where, in 2011, was the Government supposed to find builders? There were no builders left standing, and those-----

**Deputy Richard Boyd Barrett:** There were lots of them on the dole.

**Deputy Pat Rabbitte:** -----who were, as Deputy McGrath has observed, were unable to get credit. The Government has announced its house-building programme. There are going to be tens of thousands, literally-----

**Deputy Richard Boyd Barrett:** No. Three hundred and sixty million euro this year

**Deputy Pat Rabbitte:** -----of construction workers employed over the next two years in this economy. The €3.8 billion announced for social housing provision, I repeat, is the largest allocation since the 1970s.

**Deputy Richard Boyd Barrett:** It is €360 million this year.

**Deputy Pat Rabbitte:** That is the fact of the matter. If Deputy Boyd Barrett is supporting this amendment, he has a very funny way of demonstrating it. If, like Deputy Boyd Barrett, his colleague in the other splinter group and Deputy Pearse Doherty in Sinn Féin, one has invested everything in things getting worse and in generating more misery in order to get more votes-----

**Deputy Pearse Doherty:** You have done your fair share of that.



**Deputy Pat Rabbitte:** That is one approach to politics.

**Deputy Richard Boyd Barrett:** We have been appealing for housing for four years.

**Deputy Pat Rabbitte:** Sinn Féin has done well from austerity; that is true. Unfortunately for Sinn Féin, the game has changed. Austerity is no longer the central issue in Irish politics. It is now about people getting back to work and looking for accommodation. The Deputy is right: we have a supply-side issue, but that is going to take some time to deal with. I do not know what the Minister for Finance is going to say to the question about how many landlords he thinks might benefit from this and how much it will cost. I imagine it is difficult to cost it and I do not think a great many landlords will be able to avail of it for a variety of reasons, including that many of them are not holders of mortgages on properties traditionally let, and so on. I do not think it is the be all and end all of housing policy. If it makes a contribution on a particular aspect, it is welcome, and it does not seem to me to be the central focus of the Finance Bill.

**Deputy Liam Twomey:** I just have a quick comment. Something was said by Deputy Doherty that he might clarify for me. If the deal with Westminster was so good, why did Sinn Féin abandon social welfare recipients in Northern Ireland?

**Deputy Pearse Doherty:** Are you serious? You are pathetic. Honest to God.

**An Leas-Cheann Comhairle:** If there is nobody else offering, could I call the Minister?

**Deputy Liam Twomey:** You are the one who said it.

**Deputy Pearse Doherty:** Engage in the debate. There is a housing crisis.

**An Leas-Cheann Comhairle:** Please. The Minister is on the floor.

**Deputy Liam Twomey:** I am listening to the hypocrisy.

**Deputy Bernard J. Durkan:** We cannot all go to Westminster.

**An Leas-Cheann Comhairle:** Could we have some order, please? The Minister is answering.

**Deputy Pearse Doherty:** You are embarrassed even sitting down. It is pathetic. That is schoolboy debate stuff.

**An Leas-Cheann Comhairle:** The Minister is replying to the debate. Please listen.

**Deputy Liam Twomey:** Answer the question, since you are so good at answering.

**Deputy Michael Noonan:** Behave yourselves, lads.

**Deputy Pearse Doherty:** He is bringing a tear to my eye now. I know what it feels like.

**Deputy Bernard J. Durkan:** You know how it feels now.

**Deputy Liam Twomey:** We will keep asking it. You will answer it.

**Deputy Michael Noonan:** Many Deputies are looking for background and general information, so I will give them that first and then I will try to answer some of the specific questions that were raised. At present it is estimated that approximately 87,500 households are in receipt

of social housing supports. This is made up of the following: 62,900 are in receipt of rent supplement; 20,000 are in the rental accommodation scheme, RAS; and 4,600 are in receipt of the housing assistance payment. It is estimated that approximately 70% of landlords have debt outstanding on their properties and may therefore be in a position to benefit from increased interest deductability. However, some landlords with outstanding debt would also have losses to carry forward. In these cases, there would be a reduced incentive to avail of the scheme.

At present, according to the PRTB figures, there are 170,000 registered landlords and 320,000 registered tenancies. Revenue has estimated that a full restoration of the 100% interest deductability for all residential tenancies, both private and social housing, would have an Exchequer cost in the region of €80 million per year. I think I inadvertently said €180 million earlier, so I would like to correct that. As this scheme will be demand-led, it is difficult to estimate the potential cost. However, it is tentatively estimated that should 10% of all landlords avail of this scheme, the potential cost would be approximately €8 million per annum. As the incentive operates on a three-year arrears basis, the first costs would be due to be borne by the Exchequer in 2019 for tenancies in the period 2016 to 2018. The potential cost in 2019 in respect of a three-year look-back is, therefore, tentatively estimated to be in the region of €24 million, but of course it will depend on what the take-up is. I think it was Deputy Doherty who looked for a further assessment. I am informed by my officials that an *ex ante* economic assessment of the measures using the tax expenditure guidelines is being finalised currently. A comprehensive assessment of the proposal has already indicated that the benefit would outweigh the cost. I can publish or provide Deputy Doherty with this when it is completed.

Deputy Boyd Barrett talked about multi-millionaires and those with massive investments benefitting from this. The trigger for this measure is that the tenant must be in receipt of rent supplement or one of the other types of assistance for social tenants. It is not about multi-million investments. Landlords can claim the interest tenancy by tenancy. REITs-----

**Deputy Richard Boyd Barrett:** A REIT could do it.

**Deputy Michael Noonan:** No. REITs are excluded. Deputy Boyd Barrett probably understands the REIT system. They are exempt from tax within the REIT on condition that they distribute 85% of profits to their shareholders. As they do not pay tax within the REIT, there is no tax deductability on the interest within the REIT, so they are excluded.

**Deputy Richard Boyd Barrett:** What about funds that buy stuff from NAMA?

**Deputy Michael Noonan:** It does not really matter who the landlord is. The test is whether he is prepared to rent to somebody on rent allowance. If so, he or she gets the interest tax break of 100% rather than 75%, but only on the unit that is rented, not on the block. The scheme does not depend on the background or nature of the landlord. It does not distinguish between wealthy landlords and poor landlords, but it does distinguish between tenants, and it is because of the tenant that the landlord might qualify. It is an incentive to the landlord to rent to tenants such as I have described and to reduce in the first instance the potential for them to lose their lease and become homeless, but the intention is also to even the playing field somewhat, so that it would be as worthwhile for the landlord to rent to a tenant who is being assisted in the way I have described as to somebody who has not been assisted in the way I have described.

The registration of a three-year commitment is with the PRTB. The fact that landlords who are availing of the scheme have to register will allow us to do a running tot and see how many

landlords are actually availing of the rent allowance. After the three-year period we will have very good data, but since it is demand-led, it is very hard to be absolutely accurate on it. I am not building it up as a solution to the rental problem; I am simply saying it is one measure among a range of measures announced by myself and the Minister for the Environment, Community and Local Government, Deputy Alan Kelly. This particular one is on the tax side, so it is appropriate for the Finance Bill, but it is based on the potential arguments about homelessness, rather than fixing the rents or anything like that.

Deputy Michael McGrath raised another interesting point about the present funding model for the building sector. As any of the Members who have been around for ten years or longer will be aware, the model was that a small builder built 60 or 70 three-bedroom houses, usually semi-detached, with the odd four-bedroom house studded into the scheme, and then he sold them and moved on to the next site to build another 60 or 70. The funding model was that between 60% and two thirds of the cost was funded by the bank, but the equity piece was the profit on scheme A rolled into scheme B. That is how it was done. When the small builders went bust, they had no equity. The banks are still prepared to give a good builder 60%, but where does he get the other 40%? This is the point Deputy Michael McGrath has addressed, and he is absolutely right.

We have tried a number of schemes. The Ireland Strategic Investment Fund put a fund of €500 million together. The equity is expensive. They were charging 15% on it, but there has been take-up. I understand there will be a second tranche of funding, the interest rate on which will be slightly lower, but that may not make a dramatic difference.

A model that some builders are using now to reduce the interest rate on the equity is to offer profit-sharing on the up side. For example - I am not sure whether these figures apply in real life - funding is made available at 7% provided the lender gets 40%, 30% or 20% of the profit on the scheme. There are different models being tried.

The cheapest funding is in publicly quoted companies. For instance, both Cairn Homes, which now has an interest in Dublin, and Hines from Texas, probably the biggest developer in the world, which has the Cherrywood land with sites for 4,500 houses, can get funding on the market at 3.5% or 4% because they are publicly quoted. The movement is in that direction because if a developer can fund through the banks to the tune of 60% or 66% - two thirds - and if he or she can fund on the markets at 3.5% or 4%, that is a working model.

What we trying to do in all directions is to repair a sector that was badly damaged. The builders were damaged and the funding model was damaged, and morale was shot to bits. Then, on top of that, as we came through the recession, the sectors that were most scapegoated, for good or bad reasons, were builders and developers and banks. We need a combination of the two to fix housing supply. If one talks to small builders, many of them will say they would get out if they could. Some of the courageous ones are going back in. No doubt it will take a while to rebuild it.

Deputy Michael McGrath will probably come back at me when I say it, but we are quickly moving towards the economic and social problems of success rather than of failure. No doubt housing will be an issue in the lifetime of the next Government, but traffic and transport are becoming increasingly pressing issues as well. It is getting more difficult to come in from west Dublin off the M50, and that is directly related to an economy growing at 6%. All sorts of decisions will have to be made.

All I would ask is that the Deputies stop the sloganeering. They do not have to do it. There is a lot to be done and there is a lot can be done constructively. If the debate is reduced to slogans, it is great fun but it gets nowhere.

Amendment agreed to.

**Deputy Pearse Doherty:** I move amendment No. 4:

In page 39, between lines 18 and 19, to insert the following:

“**20.** The Minister shall, within nine months from the passing of this Act, prepare and lay before Dáil Éireann a report on options available with regards to ensuring that the new Petroleum Products Tax applies to all earnings from all petroleum revenue within Irish territory, regardless of discovery date at the taxable field.”.

We had a short discussion on this on Committee Stage. It is a different amendment but it goes to the same core issue. It relates to the oil and gas that has been found but also the new taxation rates the Minister introduced in the Finance Bill. I must say we welcome the change to the petroleum products tax, but it falls short of the overall change that is required.

This amendment, given the limitations on the Opposition in terms of tabling amendments that pose a charge on the State, is framed in such a way as to provide that the Minister shall, within nine months from the passing of this Act, prepare and lay before Dáil Éireann a report on options available with regard to ensuring that the new petroleum products tax applies to all earnings from all petroleum revenue within Irish territory, regardless of the discovery date at the taxable field.

The tax, now that the Minister is introducing the increase, will only apply in the case of any discover of oil or gas after 18 June 2014, which will result in the exclusion of significant finds, such as the Corrib gas field, from this tax. We would like to see this tax applied to all future earnings on any discovery, regardless of when the discovery was made. It is not about changing the rules and trying to apply a tax for years that have passed, but about applying a tax on profits that will accrue from the production of fields that have been discovered in previous years.

I note that the report issued by the committee, which enjoyed all-party approval, went away beyond what the Minister is proposing in the Bill. The Minister hired a consultancy firm to examine that, and suggests the model that the firm suggested.

The core of the proposal here is that it should apply to all profits, regardless of discovery date.

**Deputy Paul Murphy:** I support the amendment proposed by Deputy Pearse Doherty.

The context of this is one of the major political scandals in the State over the past few decades, which was accurately called “the great Irish oil and gas robbery” by the Workers’ Party even before the giveaway took the form it took in the 1990s. It was carried out by the former Minister for Energy, Ray Burke, and the former Taoiseach, Bertie Ahern, and was accurately described by the former Tánaiste, Dick Spring, as an act of economic treason. I refer to the giveaway of significant oil and gas resources, estimated by the companies themselves as the equivalent of 20 billion barrels of oil, worth €600 billion at today’s prices. It resulted in a system which has yielded among the lowest levels of tax in the world, according to a report commissioned by a previous Government from Indecon. This proposal from the Government goes

a tiny way towards remedying that but, in reality, would leave Ireland still at the very bottom of the pile in terms of the tax take from oil and gas and would continue to allow our oil and gas effectively to be given away, with no security of supply guaranteed and no control over what happens to it under these major oil multinationals, with the kind of behaviour that we saw over the past decade in the west by both Shell and Statoil at the expense of a local community. I agree with the amendment, which provides for the preparation of a report from the Government about how even this minimal measure could be applied to all finds. I do not accept the argument made by the Minister on Committee Stage that this would somehow amount to retrospective taxation, because it clearly would not. We are talking about tax from now on as opposed to tax applied retrospectively. It is simply a question of when the oil and gas was discovered. I do not see how a case can be made about legitimate expectation, etc., that rules us out of going there. It is clear, if the Government is serious in any way about tackling the giveaway that has taken place, that it should apply at least to all finds. Presumably, the Minister will oppose the amendment. I am interested in hearing his response as to why we cannot even have a study on this.

To demonstrate how minimal the Government's response on these issues has been, it may be noted that in 2012 the Oireachtas committee all-party report recommended a take of 40% on smaller discoveries and 80% on larger discoveries. Instead, we have 30% and 55%, which is clearly completely and utterly inadequate. I am interested in hearing the Minister defend the continuation of the giveaway.

**Deputy Pat Rabbitte:** As Deputy Pearse Doherty said, the focus of the amendment is on making the application of the new regime retrospective. The one thing the all-party committee agreed on was that there should be no retrospective application. I thank the Minister for keeping faith with the proposals I brought to the Government following the Wood Mackenzie report. The debate took place in the House with a very diverse range of views, and some entirely unfeasible propositions were advanced, but everybody agreed there would be no retrospective application.

The challenge is to put in place a tax regime that will bring a fair return to the Exchequer without frightening away the exploration capacity we need. Ireland does not have the resources to go drilling offshore. We do not have the kind of investment that can afford to spend €100 million per offshore well. Way back in the 1970s, there was a brief period of optimism when it looked as though we might imitate some of the great finds in Norway and the North Sea. However, since the 1970s, we have made no oil find. Despite all the talk about giving away €600 billion, or whatever figure people want to pluck out of the sky, we have never had an oil find. We have had three gas finds that gave rise to the optimism of the early 1970s, and the find off north Mayo is the fourth. This has been the entire result of prospecting in offshore Ireland. While the well off Belmullet is small, it has the capacity, at peak, to meet 60% of Ireland's needs. The peak will probably be brief, probably less than a decade.

The challenge is to increase prospecting and attract those who have the expertise, drilling capacity and, above all, resources to increase the level of exploration off our shores. We have not even managed to drill two wells on average during the past decade. At this rate, it is like trying to find a needle in a haystack. The Department directly concerned has assimilated a great deal of scientific and geological data that was not available earlier and it shows positive promise, but only if we can increase the exploration rate. The challenge was to strike a balance between a fair return to the Exchequer and not scaring away the exploration companies that we might attract here. Out of the blue, oil prices fell from more than \$100 per barrel to half that price. There are more lucrative areas in the world for drilling than Ireland. If there is one area



in which the ultra left of Ireland believes in poppycock and fairy tales, it is offshore exploration.

**Deputy Richard Boyd Barrett:** We got all our ideas from the Deputy.

**Deputy Pat Rabbitte:** I welcome Deputy Paul Murphy's announcement that he is paying his local taxes.

**Deputy Paul Murphy:** I am not paying my water charges.

**Deputy Pat Rabbitte:** It is very important in my constituency in view of the fact that, after the protests about the bin charges, they left the residents with huge bills and moved on to the next protest.

**Deputy Paul Murphy:** Is this relevant?

**Deputy Pat Rabbitte:** We can talk all we like about €600 billion in oil revenues. The problem is, we have not found any oil. I thank the Minister for giving expression in legislation to the new regime, which will last for a decade and will give certainty to the industry. It will also ensure there is a return to the State on a field-by-field basis. A company will not be able to drill in offshore Ireland and write off its profits on a particular find against a range of drillings elsewhere. Tax will be charged on each particular field. It is a reasonable balance and is likely to last for a decade. It dates from immediately after I got Government approval at the time. All parties agreed that there would not be retrospective application and, therefore, we should broadly welcome it and move on.

**Deputy Richard Boyd Barrett:** Deputy Rabbitte is always entertaining.

**Deputy Bernard J. Durkan:** We might say the same about Deputy Boyd Barrett.

**Deputy Richard Boyd Barrett:** Whether there is substance behind the entertainment and quips is another matter. There is a deep irony in the fact that the Deputy is adopting the stance that any claim that there is a major resource of gas and oil offshore in Ireland is fantasy and poppycock.

**Deputy Pat Rabbitte:** I did not say either of those things.

**Deputy Richard Boyd Barrett:** Deputy Rabbitte was a leading voice in the past in writing pamphlets demanding that we ensure the people of this country get proper benefit from their offshore resources and that there should not be a giveaway. It was not just Deputy Rabbitte. The late Justin Keating, a former Minister, had a very different approach and was critical of what happened under the Fianna Fáil regime of the former Taoiseach Bertie Ahern and former Minister Ray Burke - the tax regime that effectively meant a giveaway of our potential gas and oil resources.

We should be well aware that gas and oil companies operate, in their offshore and onshore gas and oil exploration, in a very similar way to property developers, in that they are happy to sit on assets until the moment is opportune for them to make a killing. They are not remotely interested in the benefit to the State, the people or the environment, any more than the developers and land bankers were interested in how their land could contribute to housing our citizens or maintaining the economic stability of the country. They do not give a damn about any of those things. They sit on assets for the long term and wait for the opportune moment when they can make a killing. This is why there has been a chorus of voices protesting, campaigning and

demanding that a regime that amounts to a giveaway must be changed in order to guarantee that when these companies decide it is profitable to start producing from these fields, we get what is ours.

**Deputy Pat Rabbitte:** What fields?

**Deputy Richard Boyd Barrett:** I brought in a jar of oil to Deputy Rabbitte one day. It was taken from the Connemara field. He said in this House one day that there had never been a drop of oil taken from the Irish offshore. I got a call from someone who worked in the Connemara field. He said to me it so happened that he had a drop of oil from the Connemara field.

**Deputy Pat Rabbitte:** I referred to commercially extractable oil.

**An Leas-Cheann Comhairle:** Deputy Boyd Barrett has the floor.

**Deputy Richard Boyd Barrett:** We are changing now.

**Deputy Paul Murphy:** Oh dear.

**An Leas-Cheann Comhairle:** One voice, please.

**Deputy Richard Boyd Barrett:** I brought in a jar of this oil.

**Deputy Bernard J. Durkan:** How much oil?

**Deputy Michael Noonan:** Was it from the sump of a motorbike?

**Deputy Richard Boyd Barrett:** The interesting thing was that this jar was from-----

**Deputy Pat Rabbitte:** The boot of the Deputy's car.

**Deputy Richard Boyd Barrett:** No, no.

**Deputy Pat Rabbitte:** It was from the engine or the sump.

**Deputy Richard Boyd Barrett:** It filled a tanker, which was then taken off to Norway.

**Deputy Liam Twomey:** Was it from an oil barrel in Dún Laoghaire?

**Deputy Richard Boyd Barrett:** It filled a tanker from the Connemara field.

**Deputy Liam Twomey:** Have they been back since?

**Deputy Richard Boyd Barrett:** I want to explain this to the Deputies opposite.

**Deputy Liam Twomey:** We are very interested.

**Deputy Richard Boyd Barrett:** I was told by a person who worked on the rig in question that we do not have anybody on these rigs to see what they are doing. He explained that we are relying on the information given to us by the oil companies. That is in contrast with what was done in Norway. In the initial period, the Norwegian authorities had to make deals with the oil companies because they did not have sufficient expertise. However, they shadowed every employee of the multinationals so they could oversee what those workers were doing and, in the process, develop the knowledge and expertise to enable them to develop their own state company. In the case of our exploration rigs, this State does not have a clue about what is going

on. The reality is that we are listening to what the oil companies are telling us about what is or is not down there and whether it is commercially viable. I put it to Deputy Rabbitte that we do not really know what is down there. However, it is estimated that it is very substantial. If there is even a tenth of what is estimated, it would be a hell of a resource and would be worth a great deal of money. It is absolutely right, therefore, to insist that this royalty tax, at least, should have to be paid in respect of any drop of oil or bit of gas that comes up or is produced from now on. I think that is what Deputy Pearse Doherty is saying. It is not about retrospection; it is about saying anything that comes up from now should be subject to this payment. That is an entirely reasonable thing to say, given that there is such a generous regime for these guys anyway. Even if this small measure is accepted, we will still have one of the lowest tax takes from oil and gas production of any country in the world. In that context, could we not say this payment will have to be made in respect of anything which comes up from here on?

**Deputy Bernard J. Durkan:** I could not resist the temptation to contribute to the debate on this amendment. The Leas-Cheann Comhairle knows how it is. We have had this debate on many occasions during my time in this House. It has certainly been a regular debate during the past ten years. I remember a very tortuous debate that took place in 2005 or 2006 when I was a member of a committee that dealt extensively with oil and gas exploration and its potential. It is all very fine to refer to what was done in Norway but they have a different seam there.

**Deputy Richard Boyd Barrett:** That was not the case at the beginning.

**Deputy Bernard J. Durkan:** In Norway, one in seven explorations is a commercially viable strike. That is the difference. In this country, the strike rate is somewhere between one in 40 and one in 47. I cannot be sure. I cannot remember exactly but there is a distinct difference. Given that reductions in the use of oil and other fossil fuels will be debated at the climate change talks in Paris next week, I cannot understand for one moment how it is presumed that the oil companies have hidden resources off our shores that are waiting to be tapped at some stage in the future. Are the oil companies going to cod the Irish people?

**Deputy Paul Murphy:** They are waiting for the price to go up.

**Deputy Bernard J. Durkan:** As Deputy Rabbitte said, this is for the fairies. When we were kids, we used to hear stories from the older generation about the little people. They talked about the fairies who lived in forts up on the sides of hills. We were told that if we went out at night, we were liable to be accosted by them.

**Deputy Richard Boyd Barrett:** I was wondering what happened to Deputy Durkan.

**Deputy Bernard J. Durkan:** We were told that we would be dragged away down to the bowels of the earth never to be seen again.

**Deputy Pat Rabbitte:** That is a very attractive solution sometimes.

**Deputy Bernard J. Durkan:** I do not object to Opposition Deputies talking wildly, throwing figures around with gay abandon and saying there are billions to be made. A figure of €600 billion has been mentioned. Why hit on a small sum? Why not come up with something big?

**Deputy Paul Murphy:** That is the company's figure. We did not make it up.

**Deputy Bernard J. Durkan:** I think those opposites have got their papers mixed up. Their papers are definitely mixed up when they are talking about Norway. The oil, gas and coal re-

sources that are directly offshore in Norway are up to 12 times greater than the known resources. That is a fact that has long since been established. The problem is that we have to move inexorably towards a programme of dealing with climate change. We need to be thinking about what we want to do. Are we going to live in cloud-cuckoo land in the future? Are we going to pretend there is no such thing as climate change at all?

**Deputy Richard Boyd Barrett:** That is a good point.

**Deputy Bernard J. Durkan:** Are we going to have billions and billions of gallons and barrels of oil coming out of the ground and spewing up black smoke?

**Deputy Richard Boyd Barrett:** That is a reason to tax them 100%. The Deputy is dead right.

**Deputy Bernard J. Durkan:** I want to mention another matter for the benefit of the Deputies opposite who pointed out that the late Justin Keating correctly criticised the regime that was applied in a certain period. Deputy Rabbitte has already cleared that up by referring to the expectation in the 1970s that having struck gas on a number of occasions, we would have a plentiful supply in the future. It did not happen that way. The number of potential prospectors was not what was expected. The very good regime that was drawn up by the Government in the 1970s remained in place, but the bottom line is that there were no takers. We can have all the grandiose plans we like.

**Deputy Richard Boyd Barrett:** This is like the Government's housing strategy.

**Deputy Bernard J. Durkan:** We could talk about silver linings on every cloud and about billions of barrels of oil pumping up out of the ground until we are all black in the face. However, the fact is that we would not be dealing with reality. The only way to deal with reality is to look at the number of commercial finds that were determined during the period in the 1970s that I mentioned and measure it carefully by reference to the period between then and now.

Deputies should be prepared to focus on the need to deal with the reality relating to banking as well. When I was on the committee that dealt with this issue a few short years ago, numerous people proposed how they would resolve the energy problems that were facing this country at the time. I remind the House that the economy was growing on a daily basis at the time. Annual growth rates of 10% or 12% were being achieved and much more was being anticipated. There was no doubt that there was going to be an energy problem. Given that the economy needs to expand if we are to ensure some form of economic sustainability for our people, please God we will have the situation where there will be an energy problem again. Proposals came from different quarters. I will not name those who made the proposals to be fair to them. It would not be fair at all. Some of the proposals that came before the committee involved this commercial enterprise being done on a not-for-profit basis. Can I ask the Leas-Cheann Comhairle if he would explore off our shores on a not-for-profit basis? Can I ask the Members who are so enthused by the whole idea of things being done on a not-for-profit basis if they would like to spend a couple of years or maybe ten years exploring off our windy shores with the waves breaking over their heads?

**Deputy Richard Boyd Barrett:** Yes, I would.

**Deputy Bernard J. Durkan:** How long would they like to spend exploring on a not-for-profit basis?

**Deputy Paul Murphy:** The ESB and Bord Gáis did that.

**Deputy Bernard J. Durkan:** Can I ask a further question? How would Deputy Paul Murphy, who lives on the eastern shore of this island, like to delve into the depths of the Atlantic on a not-for-profit basis? He could then pray that we found the 600 barrels of oil and the billions of which he speaks.

**Deputy Paul Murphy:** There are 20 billion barrels of oil.

**Deputy Bernard J. Durkan:** We could then go to a lending institution and borrow the money to carry out the exploration on the basis of hope. It does not work that way. It never did and it never will.

**Deputy Michael Noonan:** I put the speaking note on the record on Committee Stage so I will do so as a courtesy to those who are here this evening. The amendment, in the names of Deputies Pearse Doherty and Tóibín, proposes that a report be prepared on options available with regard to ensuring that the PPT will apply to all earnings from all petroleum revenue, regardless of the discovery date of the taxable field. This amendment seems to indicate that the Deputies recognise that the new regime is a suitable measure to ensure that the State will receive a reasonable and equitable return from the discoveries. The overall objective of the new legislation is to ensure that the State will get a higher return in the case of more profitable oil and gas fields while continuing to encourage the industry to invest in exploration for oil and gas in offshore Ireland.

There is a balance to be struck in revising the taxation policy as it applies to these activities. To apply the new regime to existing authorisations would be ill advised because it would give rise to reputational damage and generate fiscal uncertainty, undermining efforts to attract exploration investment to the Irish offshore. If we change once, how can people have faith in a new regime or be assured that we would not change again in a couple of years' time? The new fiscal regime provides industry with certainty and clarity. It allows industry to forecast and prepare detailed business plans. It allows it to evaluate the risks involved in exploring the Irish offshore and the potential returns. Given that the cost of a single exploration well in the Atlantic can be in excess of €100 million, a key element of the State's strategy for this sector is that industry, rather than the Exchequer, should carry the financial risk associated with exploration. Exploration in the Irish offshore is heavily capital intensive, particularly in the Atlantic margin with its deep waters, its distance from shore and adverse weather conditions. Ireland also faces competition for exploration investment from established and proven oil and gas provinces and from emerging provinces with similar exploration profiles. The maximum degree of certainty on the stability of the fiscal system encourages industry to make those high-risk, high-cost, long-term exploration investment decisions which are necessary to realise the oil and gas potential of the Irish offshore. The implementation of new fiscal terms for existing authorisations would undermine that certainty. Any decision to alter the fiscal terms for existing authorisations would impact on exploration investment in such authorisations, many of which are at the stage at which exploration drilling has yet to be undertaken or even committed to.

The Oireachtas joint committee report into Ireland's offshore oil and gas regime, published in May 2012, recognised that retrospective changes to fiscal and licensing terms can risk long-term reputational damage and it recommended that existing agreements should be adhered to irrespective of changing circumstances. The Wood McKenzie report also recognised that making retroactive changes to fiscal terms is not a policy that should be pursued in Ireland. Ireland's



strategy for the exploitation of indigenous oil and gas resources aims to maximise the level of exploration activity and increase the level of production activity while ensuring a fair return to the State for these activities. The new PPT achieves this. It is only through active exploration that the potential of the Irish offshore will be proven.

I am not accepting the Deputies' amendment. Deputy Rabbitte has put on the record the background to this legislation. The proposals were brought to Cabinet by Deputy Rabbitte when he was Minister for Communications, Energy and Natural Resources. The Cabinet made decisions and those decisions are now being reflected in this Finance Bill. I congratulate and compliment Deputy Rabbitte on bringing such an important item of work to conclusion. He spoke with authority on the subject today and he has much expertise in the area.

There was some debate on the ability for discovery and on drilling wells in different jurisdictions. The probability of discovery in drilling a well in Ireland is one in eight but the possibility of a commercial discovery on drilling that well is one in 32. In the UK, the probability of discovery when drilling a well is one in four and the probability of commercial discovery is one in six. In Norway, the probability of discovery on drilling a well is one in two and the probability of a commercial discovery is one in seven. The source of this is a PwC report entitled "Making the most of our natural resources" from May 2013.

**Deputy Pearse Doherty:** I acknowledge the fact that the Minister actually spoke to the amendment. The quality of debate from his backbenchers is appalling. It is no wonder the country got into the state it is in. We are dealing with the Finance Bill and it is a very simple amendment about whether profits accrued from now on should apply to all oil and gas licences. Whether Deputy Paul Murphy paid his household charges is not relevant to this. Deputy Murphy had very little to say when others close to him were accused of not paying their taxes in previous years. This type of debate does not add to the Finance Bill whatsoever.

The Minister answered to the effect that he believed there would be reputational damage and there have been reports saying that would be the case but other jurisdictions have looked into the revenue that could accrue from oil and gas finds from changing the tax rate. Is the Government saying that the rates that are applied to existing finds will continue to apply even if they are still producing after 50 years? Is he tying the hands of this Chamber when it comes to changing taxation rates? If we did the same for motor taxation, the Minister would only change the taxation rates for cars purchased after 18 June 2014. There would be a higher rate for them and a lower rate for everything purchased before that date. The certainty of which he spoke does not exist anywhere else. A grown-up debate would be on whether there was enough counter-evidence to suggest that reputational damage would not be so great.

The rates should at least be kept under advisement. This is not a radical proposal and it does not go as far as what the Minister's own party colleagues signed up to in committee. Deputy Rabbitte said it should be for future finds but this amendment does not even propose the 80% rate for future finds. It is a simple question - should it apply before or afterwards?

As for the standard of the debate, some Deputies should be embarrassed about their carry-on in this Chamber today.

**Deputy Paul Murphy:** It is sad to see how far Deputy Rabbitte has travelled from being the rumoured author of the pamphlet I mentioned earlier to being the apologist, the excuser, of the continuation of the giveaway of oil and gas resources to major multinational corporations.

The figure of 20 million barrels of oil equivalent, which includes gas, is not made up but is from the companies' own estimates in a pamphlet which replaced Deputy Rabbitte's as the essential work in the area of liquid assets. The writers compiled all the companies' estimates and, with the current price of oil, that amounts to some €600 billion. I am not in favour of taking this oil and gas out of the ground, given the crisis we are in.

**Deputy Bernard J. Durkan:** That is reassuring.

**Deputy Paul Murphy:** However, the answer is not to hand it over to multinational corporations, which will do precisely as I have outlined whenever it makes commercial sense. The responsible thing to do would be to place production in public ownership and leave the vast majority in the ground.

On the detail of the amendment, I do not accept the notion that applying an increased taxation rate on oil and gas discoveries that occurred in the past amounts to some form of retrospective action. That is not the case and the same logic does not apply when ordinary people are simply expected to pay water charges, even if the majority still do not do so. Two, three and four years ago, people did not expect to have to pay water charges. The Government, however, felt free to impose these charges and citizens did not have the right to argue that they did not expect to have to pay them. Double standards are being applied. It is the right of the Government to propose and of the Dáil to agree to increase taxation rates regardless of when things were founded or discovered. At a minimum, we should have a report that explores the possibilities of doing so.

**Deputy Pat Rabbitte:** I wish to establish again that the all-party committee, including Deputy Pearse Doherty's party colleague, Deputy Martin Ferris, agreed that we would not apply this measure retrospectively. In addition, there has never been a commercial oil find in Ireland.

**Deputy Paul Murphy:** Barryroe.

**Deputy Pat Rabbitte:** I hope the news will be more positive in the case of Barryroe. The challenge facing Barryroe is to prove that it is commercially viable.

**Deputy Paul Murphy:** It was declared commercially viable in 2012.

**Deputy Pat Rabbitte:** It is not a question of Deputy Murphy coming to the House with a jar of oil and stating that there is oil out there; of course there is oil out there. The question is whether it is commercially extractable. It would take a further two or three drillings to establish whether Barryroe is commercially viable, and I hope those drillings are successful. The company involved has been seeking for some time to farm in investment because it does not have sufficient funding to determine whether Ballyroe is a commercial find, which I hope will be the case.

The net point is the one Deputy Durkan made about the strike rate. The reason things are the way they are in Norway is the country's unique geology. Whether one sets the tax rate at 55%, 80% or 100%, it will not change the geology of Ireland.

I am glad that we were able to secure all-party agreement on this measure, given the point at which we started. I welcomed the agreement at the time as it represented considerable progress. The measure before us is likely to last for a decade or so.

To answer Deputy Doherty's question, there is nothing to prevent the Minister for Finance

of the day, as the Minister of a sovereign Government, from introducing whatever proposals he chooses. However, we have regard to our reputation in this area, and when contracts are entered into on particular terms, they should apply until they are changed in the way that we have changed them in this Bill. I am proud of this particular change, as recommended by Wood Mackenzie following considerable debate among colleagues in the House. I hope it will lead to an increase in the level of prospecting offshore in Ireland and, as a result, provide more gas for the spanking new terminal off north Mayo. I also hope it will result in an oil find.

**Deputy Richard Boyd Barrett:** Notwithstanding the clowning around, Deputy Durkan made one serious point on the environmental question and the merits or otherwise of bringing gas and oil onshore. He is absolutely correct in that regard. I believe most of it should not be taken out of the ground. For this reason, the State must have complete power of decision making in this area. If any of this oil and gas is brought onshore, every single cent of profit and revenue that is generated should be channelled into and ring-fenced for the development of non-fossil-fuel energy sources, rather than handed over to oil companies to be used to dig up oil and gas elsewhere. Deputy Durkan has made an argument for the complete nationalisation of this resource.

On the geological issue, the liquid assets pamphlet to which Deputy Paul Murphy referred helpfully includes a map of the basins. The basin that provides most of the gas and oil to Norway, which Deputy Rabbitte claimed has a unique geology, is continued in the Faeroe-Shetland basin and the Hatton Rockall basin. These basins are a continuation of one another. The basin that has produced Norway's gas and oil and the high strike rate to which Deputy Rabbitte alluded continues along the Irish coast, notably in the north west, and on to Newfoundland, where Canada produces most of its gas and oil. It is the same basin and, as such, the suggestion that Ireland and Norway are completely different cases is simply not true.

At the beginning, when Norway did not know how much gas and oil it had, the Norwegians stated that they would ensure the regime they established before the industry took off would mark and shadow the multinational companies.

**Deputy Pat Rabbitte:** That is not true.

**Deputy Richard Boyd Barrett:** While accepting that they had to co-operate with these companies to get the industry going, they committed to using the country's resources to develop a state company that would deliver all the benefits to Norway in the medium to long term. We have not done that.

**Deputy Pat Rabbitte:** They only did that after the big find.

**Deputy Bernard J. Durkan:** It is very difficult to deal with this subject in two minutes. Deputy Boyd Barrett made some positive comments, with particular reference to climate change and the responsibility on all of us to make alternative arrangements. However, he is not entirely correct in citing the various geological surveys, as the cost of drilling off the coast of Ireland is different from the equivalent cost in Norway. I referred previously to information that was made available to the committee in its previous incarnation to the effect that what would be viewed as commercially viable and worth drilling off the coast of Norway would be viewed completely differently by a commercial enterprise in terms of attracting the necessary investment to drill off our coast.

While I have no difficulty with the concept of taxation, it remains the position that explo-

ration companies must have funds from some quarter if they are to drill. If they carry out an exploration test, they will also have to carry out a drill, and if the drill is deep, as is invariably the case off the coast of Ireland, they will have to have more money to spend. They will not do this unless they have some degree of confidence that they will at least get some of their money back or be compensated for their activities.

This returns me to my comment that it would be nice to get exploration companies and hard-headed bankers to operate on a not-for-profit basis. I would love lending institutions to offer funding to various exploration agencies on a not-for-profit basis, but they do not do so. I would love to be introduced to some such institution, because it would be of great benefit to the economy, particularly given the position it has been in for some years.

**Deputy Michael Noonan:** The reason we introduced the sections that provide for a new regime for drilling for offshore oil and gas reserves is, as Deputy Rabbitte pointed out, that Wood Mackenzie recommended against retroactive impositions, as did the all-party committee. The Government relied on the Wood Mackenzie report and Deputy Rabbitte's advice. I am very pleased that no one moved an amendment to change the rates that are enshrined in the Bill.

*8 o'clock*

That suggests to me that all of the Deputies are happy that we have the right rates and that the only issue is the one raised by Deputies Pearse Doherty and Peadar Tóibín.

**Deputy Pearse Doherty:** Assumptions are very dangerous and I would not assume anything in relation to the rates. The Minister knows that on Committee Stage we pointed out that his own party colleagues - Deputy Rabbitte's party colleagues - believed a larger tax take should be for future discoveries and licences that have been granted from now on. Let us make that clear. This was a very modest amendment.

Going back to the core of this and forgetting about all of the other side issues which are important in terms of whether it is State oil or not for profit, we are dealing with a specific issue. The point I was trying to get to is that relying on a report from the Oireachtas all-party committee which says the licences and tax regimes should not be changed retrospectively and then dismissing the rest of it is not good enough. The Minister relies on that one line but refuses to introduce the other tax increases that the committee suggested. He then relies on a consultancy report which says the same thing. Where is the other evidence of reputational damage? What has our closest neighbour done, for example, in terms of the PRT? Has it not increased it year on year for the last number of years up to 2013? Has there been reputational damage as a result of that for Britain? What about other countries that went a lot further and renegotiated the contract? Maybe the Minister will enlighten me. I have never seen the contract, but when these oil and gas contracts enter into Deputy Rabbitte's former offices in Government Buildings, do they sign a contract with the Government saying it will not increase the tax rate from then on? It is not about changing the contract on them, it is a matter of changing the rate of tax. I presume that when someone opens a business, there will always be a concern that taxes may go up or down. It is one of the risks one takes. We talked about the great sell off which many people believed was treason. A lot of other words could be mentioned, but they would probably be ruled out of order by the Chair. In relation to this, were side deals done with a nod and a wink to say the Government would never raise taxes on finds entered into before 2014? Is that what the Minister is telling us? It does not make sense.

If the Minister was saying that what I was putting forward would result in the loss of revenue to the State, I would say the ideological issue is that these major companies have made serious gas finds and got away with unbelievable things in the deals they entered into as a result of the previous Fianna Fáil Administration. Outside of trying to rectify that, I would not put this forward if I believed it was going to result in less tax for the State. However, if the Minister relies on saying it would cause reputational damage, I want to see the case study on that. How does it compare to other countries which actually changed the rates? Did they suffer reputational damage or is this just a cop out by the Government? Is it a question of the Government saying “Ah, we will say it will cause reputational damage and let Shell and whoever else has made finds off with the lowest rates and the best deal in the world”. It is unbelievable. I am not convinced on this and will press the amendment.

**An Leas-Cheann Comhairle:** The amendment is being pressed.

**Deputy Pearse Doherty:** I would like to hear the Minister’s response.

**An Leas-Cheann Comhairle:** The Minister has spoken twice like everybody else.

**Deputy Bernard J. Durkan:** He spoke in anticipation.

Amendment put and declared lost.

Amendment No. 5 not moved.

**Deputy Pearse Doherty:** I move amendment No. 6:

In page 60, between lines 32 and 33, to insert the following:

“**32.** The Minister shall, within nine months from the passing of this Act, prepare and lay before Dáil Éireann a report on the expected impact of the Knowledge Development Box, including its expected beneficiaries, expected tax take and cost to the Exchequer.”.

This amendment is on the knowledge development box, which is a matter my colleague, Deputy Peadar Tóibín, teased out with the Minister on Committee Stage. I have published legislation on this which has been voted down by the Dáil and it makes a mockery of the Finance Bill that we cannot put forward amendments in opposition, not that we would have any expectation of them being passed, due to the constitutional provision that only allows the Government to propose motions or amendments that would result in a cost to the State. There needs to be a constitutional referendum on that. It is not a contentious proposal and it is something the Irish people would support.

The amendment proposes a requirement for a report within nine months of the passing of the Act on the expected impact of the knowledge development box, including the expected beneficiaries, expected tax take and the cost to the Exchequer. Sinn Féin is concerned about this measure and the effect of having corporation tax repayable for those availing of this relief. We already have large companies not paying anything close to the 12.5% corporation tax rate in the State despite Government assertions that the effective rate of corporation tax is 11.8%. We have already teased this out on Committee Stage and we know that the model which came up with that figure is so unique in relation to a company that it does not reflect the types of companies we have here. We also know that Professor Jim Stewart, a lecturer in Trinity College, has recently estimated that the corporation tax rate paid by foreign firms based in Ireland was 2.2% using data provided by the US Bureau of Economic Analysis. We have other reports from mul-



tinational companies of arrangements even lower than this and some of them are very notable.

The question is whether the Department of Finance has done any impact assessment in relation to the impact of this measure on indigenous businesses. Is there a report? I have not had any SMEs knocking on my door saying this measure will benefit them given that very few of them produce and sell high value patents or other intellectual property. Given that it is geared towards the patent heavy industries such as technology and pharmaceuticals, has the Department considered how the measure will assist SMEs? Has a report been done and has a cost-benefit analysis been carried out on the measure given that the cost outlined in budget 2016 is €50 million? We will not know whether it is one company that avails of that €50 million or five or if it is the existing top ten companies because there will be confidentiality in relation to Revenue. I am interested in the type of analysis that has been done and whether the Department has conducted any risk analysis in particular in relation to our reliance on foreign direct investment and the potential for those companies to move from the State. Everybody likes to see extra tax coming into the State's coffers when it is not being peeled off households in terms of water or property tax. In terms of the corporation tax increase, something is going on there. One cannot just have a year where tax receipts increase by 50% or 60%. Something is happening and we have our own ideas of what that is. Some of it is down to BEPS and attempts by companies to get their houses in order before country-for-country reporting comes in. There may be some issues there but in any event it shows the volatility in the sector.

Has a risk analysis been done on foreign direct investment and our reliance on it? The knowledge development box again puts huge emphasis on foreign direct investment, reducing corporation tax by 50% for certain expenditures. It is a risky thing that we are doing. We have been here before. We are completing the banking inquiry process and much of the evidence we heard was of the over-reliance on property, VAT and corporate tax at the time of the property boom. The questions need to be asked in real life today. We need genuine debate instead of a throwaway remark and an assertion that there is nothing to see here. Have we done a risk analysis? No one wants to see a flight of foreign direct investment, but it is highly mobile. When there is a year in which taxes from foreign corporations have increased to that level, it shows how volatile the sector is. I will listen to the Minister's response, but we are very concerned about the knowledge development box.

**Deputy Richard Boyd Barrett:** The amendment I submitted on the knowledge development box has been ruled out of order for being a potential charge on the people, which is the new formulation. It used to be "a potential charge on the Exchequer". The new formulation is ironic in this case. If we eliminated the tax loopholes that benefit multinationals and allow them to aggressively avoid paying large amounts of tax, far from being a charge on the people, it would be of major benefit to them. That is what we should be doing but have failed to do. For this reason, I am opposed to what is a new tax avoidance mechanism that will allow multinationals to replace - progressively, between now and 2020 - the "double Irish" tax scam with the knowledge development box tax scam. The whistle was blown on the double Irish and outrage was expressed across the world and by growing numbers in this country at the manner in which a small number of considerably profitable multinationals were aggressively avoiding making fair tax contributions. Even 12.5%, one of the lowest corporate tax rates in the world, was too much for them. They did not even want to pay that. No, we must have a mechanism that allows the largest, most profitable multinationals in the world to pay approximately 2%, which is what the US Bureau of Economic Analysis and the US Congress, which held hearings on this matter, estimated that the large American multinationals, particularly those in the IT sector, were

paying in Ireland. According to the Revenue Commissioners, the average is approximately 6%. These figures are unbelievable. The European Commission was forced to investigate. The preliminary indication is that it believes we agreed a special tax deal with Apple and other beneficiaries in the IT sector. Were Apple forced to pay the tax that it should have paid, it is estimated that we would receive an extra €18 billion or €19 billion. Imagine what that sort of money could do for the housing crisis, rehabilitating our water infrastructure, investing in our universities and schools or dealing with the disastrous situation in the health service.

I stated something on Committee Stage and will keep trumpeting it at every opportunity. If one shouts long and loudly enough about scandals like this, one eventually forces the situation. For example, it took us four years to get an acknowledgement of the housing crisis. We kept going. Similarly, we will continue shouting about the corporate tax robbery by these multinationals.

The so-called abolition of the double Irish tax mechanism was much trumpeted, but it was not abolished. It will remain in place for the key culprits in this story until 2020. They will continue to benefit from that tax scam so that, by essentially handing money to themselves, they will be able to avoid paying billions of euro in tax. Trying to explain in simple terms to the public just how cute these multinationals are in avoiding paying their tax and the efforts to which they go to do that is almost preposterous. This amounts to people such as Bill Gates having conversations with themselves. Bill Gates says to himself that he has a great idea. He asks how much he will charge himself for that idea and decides on \$500 million. Bill agrees to pay himself the \$500 million, takes it out of one pocket and puts it in the other. In that one action, he saves himself tax on 80% of the \$500 million. This is how it works. Multinationals pay money to themselves through subsidiaries to avoid paying tax. We allowed this to happen and will continue to allow it until 2020.

The scale of what we are losing is shocking. As I told the Minister on Committee Stage, it stretches credibility past any point of belief to claim that the Government was not aware of the scale of what the multinationals were doing and the way in which they were doing it. I referred to a certain document then. If people have the time, they should read it. It is the technical paper produced by the Department of Finance on effective corporate tax rates. From table 3.2.5 of the Revenue Commissioners' corporation tax statistics, it is as clear as day that the multinationals began to take advantage of the tax loophole more aggressively from approximately 2008 onwards, robbing the Exchequer of tens of billions of euro in the process. In 2007, for example, there was €63 billion in total corporate income, the bulk of which was generated by a small number of multinationals. In that year, the deductions, or write-offs, on that income amounted to €6 billion. In 2011, total income was €61 billion but the write-offs had almost quadrupled, to €21 billion, because companies were charging themselves for the use of ideas. Bill Gates came up with another idea, upgrade or whatever the hell it was. An idea, so-called intellectual property, is intangible, which means that it cannot be measured and is impossible to chase down.

The knowledge box that the Minister is proposing to replace the double Irish scam over a six-year period will give tax breaks on intellectual property - that is, the management, development, creation and processing of intellectual property, which is the technical term for someone coming up with an idea. A multinational comes up with an idea, wonders how much it will cost and decides on \$500 million, \$700 million, \$300 million or whatever it wants to charge. Based on the claim that it came up with the idea in Ireland, it will be able to write off most of its profits and avoid paying tax on them. The knowledge box will facilitate that. Just in case the companies have to work it a bit to get used to the new method through which they can avoid tax, we

are going to phase out the existing tax scam up until 2020. Therefore, between now and 2020, they will have two mechanisms to avoid tax, namely, the double Irish and the patent box. Patent boxes are being investigated in many other countries for precisely this reason. They are being abused by multinationals as a way to avoid tax. We are now copying other countries instead of simply demanding that multinationals pay corporation tax at a minimum rate of 12.5%. We should stipulate that any other tax breaks, incentives and research and development measures should kick in only after they pay at that rate. If we just insisted on that and if it were in this Bill, we would have €4 billion extra in revenue for the Exchequer next year. Imagine what we could do with that annually. I just do not see why we cannot do what I propose. If we did so, we would still have a lower effective rate than most of our so-called international competitors. However, the Government will not do as I propose. This is really quite shameful when one considers that the multinationals use our infrastructure also. When we talk about the water infrastructure that needs to be rehabilitated, we should realise the multinationals use a large amount of our water. Should they not pay for the rehabilitation of the infrastructure?

Multinationals' employees need houses. At present, they cannot find or afford them. Should the multinationals not contribute towards their employees' housing? Guinness used to be involved with providing housing in the Liberties. It was not the most benign capitalist in the world in the 19th century but even it understood that it had to build parks and houses for its employees because in order for those employees to make money for it, they had to have somewhere to live and a semi-reasonable environment in which to live. However, the multinationals now do not believe they have any responsibility to the country, infrastructure, society or their employees who generate all the profits for them. Should we not force the multinationals to make some sort of reasonable contribution instead of facilitating them yet again in avoiding tax?

I am utterly opposed to the Government's proposal. Given that our amendment to delete it has laughably been ruled out of order on the basis that imposes a so-called charge on the people, we must support the amendment that calls for a review, at the least. Can we at least have an analysis in six months of the real cost of the measure and its impact?

Even very mainstream voices are now seriously questioning the Government's measure. In the business section in *The Irish Times* today, Mr. John FitzGerald of the ESRI refers to the folly of relying so heavily on the FDI sector and so-called tax competition in the corporate sector, based around multinationals, for a sustainable economy in the future. He does not use the phrase "race to the bottom" but effectively makes the same argument, that is, that Ireland has spearheaded a race to the bottom in the corporate tax area such that every country is now starting to do the same. Soon they will be outbidding us. The North is now doing it, Britain is reducing the tax take from the corporate sector and countries in Eastern Europe are even trying to underbid further. It is a dangerous strategy that we are pursuing. We are putting all our eggs in one basket such that our policy will come back to haunt us. We should be developing indigenous SME and public enterprise sectors that are sustainable in the longer term. This would contrast with the dangerous dependency on multinationals that do not pay their taxes and that could flit off at any moment or be hit by some big external shock. It is a dangerous, unjust strategy. I am absolutely opposed to the knowledge box and the whole economic strategy that lies behind it.

**Deputy Paul Murphy:** We live in a corporate welfare state that has not developed accidentally. It is the developmental model of successive Governments, driven by Fianna Fáil and Fine Gael. It is an ideology to which the parties are absolutely wedded. It is based on the notion that the only way to attract investment into the country is by winning the race to the bottom, be it

through tax competition, in respect of which the only winners are the big corporations, or data protection, labour regulation or other means. The issue that epitomises this most, and which I believe will cause a scandal among people, is that which relates to Apple and to which Deputy Boyd Barrett referred. If the people knew the position of the Government is to say to Apple that it does not want €17 billion in tax seemingly owed to the Irish taxpayer and that we are to join the company in a fight against the European Commission to ensure taxpayers do not get that revenue - which could wipe out the housing crisis, for example, by building enough homes for everybody on the housing waiting list - they would regard it as an absolute scandal. This epitomises the approach of the Government, which is to say corporations and multinationals should pay nothing based on the idea of trickle-down economics. This idea, which informs all of its thinking, is based on the belief that another benefit will somehow accrue eventually.

The knowledge benefit box is a precise replacement for the double Irish arrangement. The phasing out of the latter began in last year's budget. The knowledge development box began to be phased in with last year's and this year's budgets and it will begin to take effect next year. It is what it is. Ireland has not invented the knowledge development box. It is just a version of the patent box regime that exists in a number of countries. I referred in a previous debate to a paper by PricewaterhouseCoopers that asks the Minister directly whether it is time for the country to consider the patent box. The paper contains the telling observation that "Countries without a patent box regime generally have higher effective tax rates which may make it difficult to adopt the patent box." The purpose of the patent box is to lower the effective corporation tax rate. It is a tax scam to facilitate multinationals in avoiding as much tax as they can possibly avoid. It is at the expense of our society and societies across the world as the Government drives the tax competition model in respect of which it is a major culprit.

I have some questions for the Minister. The estimated cost of this provision next year is €50 million. That seems low for a measure that is to replace the double Irish arrangement. Is the figure to increase, as I suspect it will, over a number of years? Is the knowledge development box's cost expected to rise from the €50 million mentioned in the budget to €100 million, €150 million, €200 million, €250 million and €500 million as it replaces the double Irish over time and becomes the main tax scam that multinationals in this country will use? How did the Minister come up with the figure of €50 million and does he expect it to increase?

As far as I can tell, the scam is a two-way process from the point of view of the corporations in terms of investment in so-called research and development. At present, the corporations receive tax relief for expenditure on research and development. There is a 25% refundable tax credit. The corporations get a tax benefit or credit based on expenditure but, as far as I can tell, they will also benefit from a half rate of corporation tax on the income. They win both ways, that is, in terms of expenditure on research and development and on the income on the other side.

My final question relates precisely to the point that this is an intangible. How on earth does the Government propose to establish that ideas are produced in Ireland and that the tax break should consequently apply here? What is to stop multinationals simply funnelling all their so-called innovations through this State in order to avail of the lower tax rate and keep the double Irish scam rolling, which, I presume, is the purpose of what is happening here?

**Deputy Liam Twomey:** Ireland is a small, peripheral, island nation on the edge of Europe. In order to attract investment, a lot of guile and ingenuity are required. The facts that 100,000 people are directly employed in FDI companies in this country and that we can attract and re-

tain FDI companies comprise a remarkable testament to the stability of our country, taxation system and legal system. One of the multinationals to which the Deputies opposite have such an aversion actually invested €1 billion in the Irish economy last year. It was not expenditure on salaries or taxation but an investment in the economy. It is a huge sum of money. I do not think we have even one Irish-based enterprises that could come up with that sort of investment within the economy. That is just one multinational.

Debate adjourned.

### **Credit Union Sector: Motion [Private Members]**

**Deputy Michael McGrath:** I move:

That Dáil Éireann:

is concerned that the planned commencement at the end of December 2015, without amendment, of the remaining sections of the Credit Union and Co-operation with Overseas Regulators Act 2012, and the regulations set out in Central Bank of Ireland (CBI) Consultation on Regulations for Credit Unions on commencement of the remaining sections of the 2012 Act (CP88) pose a significant threat to the competitive viability of the credit union movement across Ireland;

notes that:

— as banks close branches and restrict in-branch services, credit unions provide important competition and choice to consumers;

— predictions of a cost of up to €1 billion to support the sector have proven entirely inaccurate;

— the regulatory measures contained in CP88 were conceived at a time when the Government was convinced that significant funds would be required to support and resolve the sector;

— the recommendations of the Commission on Credit Unions have only been selectively and half-heartedly implemented to date;

— recommendations of the Commission on Credit Unions relating to the growth of the sector have largely been ignored;

— credit unions have adopted a wide range of new compliance measures over the last five years;

— 55 per cent of credit unions would be impacted by the impending €100,000 cap on member savings;

— there is up to €8 billion in un-lent deposits held by credit unions which could be utilised to stimulate the domestic economy; and

— the sector has significant potential to provide funds for mortgage lending for both



social and commercial housing in Ireland;

agrees that:

- the introduction of a €100,000 limit on savings held in credit union accounts will place the sector at a significant disadvantage *vis-à-vis* the banks;

- the sector should not be regulated on a one-size-fits-all basis, rather a tiered regulatory approach that supports growth and development should be adopted;

- capable, larger credit unions should be allowed to offer a wider range of products and services through broader investments and lending; and

- collaboration and efficiency through shared services should be facilitated within legislation; and

calls for:

- the Minister for Finance not to commence the remaining sections of the Credit Union and Co-operation with Overseas Regulators Act 2012 pending a full consultation process with all the stakeholders in the sector;

- an immediate and urgent review of the Report of the Commission on Credit Unions recommendations and the extent to which they have been implemented, particularly in respect of growth and development opportunities for the sector;

- a revised Regulatory Impact Analysis, including financial impact, to be undertaken by the CBI of the regulations which are proposed to be introduced at the end of 2015;

- the immediate appointment of a member of the credit union movement to the Credit Union Advisory Committee; and

- engagement by the Department of Finance and the Department of the Environment, Community and Local Government with the credit union sector to support the provision of mortgage lending by credit unions.

On behalf of the Fianna Fáil Party, I am pleased to move this motion on the future of the credit union sector in Ireland. I wish to share time with Deputies Browne, Maloney and Callery.

I firmly believe this debate represents a last chance to ensure the credit union sector can operate on a level playing pitch as it competes with the interests of large financial institutions. This is the second time in a short number of months in which we have debated the major challenges facing the credit union movement. Since Fianna Fáil first proposed a motion on the subject back in June, I have sought to engage proactively with local credit unions and their representatives.

I know that Deputies in all parties have received extensive correspondence from credit union members and directors. The credit union movement has been mobilised. It is a recognition of the seriousness with which the movement views its current plight that it continues to urge the Minister to step back from implementing the outstanding sections of the 2012 Act and the regulations contained in Central Bank Consultation Paper 88.

I acknowledge the presence in the Public Gallery of members of the Irish League of Credit Unions, the Credit Union Development Association, the Credit Union Managers Association and many individual members of credit unions throughout the country. Communities owe a great debt of gratitude to the credit union movement in Ireland. Our credit unions should rightly be a source of pride, reflecting as they do the long tradition of community and voluntary service in this country. As banks close branches and restrict in-branch services, as we saw in a recent announcement by Bank of Ireland, credit unions provide important competition and choice to consumers. In fact, in many parts of the country they are now the only local provider of financial services.

The reason there are so many people here, as there were on two occasions in June of this year, is that members are desperately concerned about the future of the credit union sector. I do not believe it is an exaggeration to state that they now fear for the very future of a vibrant credit union sector and they want us, as public representatives, to acknowledge this reality and take appropriate action.

I have been consistently impressed by credit union members, as well as by the passion of their boards and staff members for serving their members. They also have a passion for providing essential financial services for members of the community, many of whom are unable to access services in local financial institutions. They are frustrated, however, and over the course of these two evenings we will outline the reasons that is so.

There have been huge changes in how credit unions are regulated. Credit unions are effectively reeling from the collective impact of a number of measures over recent years. The cumulative impact of those measures is the key issue. Members have told me that in many ways they regard CP88 as the last straw for the sector after being hit by the impact of personal insolvency legislation, section 35 restrictions on lending, and Basel III rules on the investments they can hold. Many are now questioning whether credit unions can earn sufficient income to be able to offer a decent return to their members. Credit unions are no different from any other organisations. They must earn a return which they can in turn pass on to their members.

In the UK, the sector is viewed as a valuable social amenity where the work of the sector is recognised at all levels for its contribution to the community. In North America and other developed countries, the credit union sector is an integral part of the financial services network. In those countries, credit unions offer services such as mortgages, payment and card services, and insurance. They are supported and encouraged by their governments. In Ireland, the Government has failed the credit union movement by neglecting to bring forward a strategy over the past four years to underpin the development and growth of the credit union sector.

It cannot be stated often enough that credit unions have survived the financial crisis well with just 1% of credit unions needing State funding. If there is a problem with the provision of financial services in this country, and there has been in recent years, it most certainly is not with the credit unions. The restructuring board, ReBo, has done commendable work and appears to be providing good support to those credit unions which need it. However, the facts are that the advice the Minister for Finance received some time ago about the health of the credit union sector was plainly wrong. His sources informed him, and he went on to inform Seanad Éireann, that up to €1 billion could possibly be required to stabilise the credit union sector. He set aside €500 million in two separate €250 million funds. As we now know, the amount used to date on the credit union sector has been a tiny fraction of that. In simple terms I believe the Minister was grossly misled in relation to the underlying health of the credit union movement

by whoever provided him with this advice. The question must now be asked whether these are the same sources that are now encouraging the imposition of even more restrictive rules on credit unions. They are sources that do not understand the underlying ethos of the credit union movement.

The first line of the Government's counter motion states that "the Government has a clear policy to support the strategic growth and development of credit unions in Ireland as set out in the Report of the Commission on Credit Unions and its recommendations". These are fine words but are not evidenced by the facts on the ground. The work of the Commission on Credit Unions is not in dispute. No stakeholder has sought an amendment to its findings. However, the substantive issue is the selective implementation of its recommendations and the interpretations being adopted by the registrar within the Central Bank. The primary example is a failure to implement an appropriate tiered regulatory framework as envisaged by the Commission on Credit Unions. That is an issue that comes up time and again. There is a need for a tiered regulatory framework but it is not happening.

The registrar proposed a tiered system in the previous Consultation Paper 76, which was not consistent with the spirit of the Commission on Credit Unions. The commission had strongly recommended a system that would be reflective of the nature, scale and complexity of credit unions. Such a system would enable smaller credit unions to continue successfully to offer basic services with a lower regulatory demand on them while also enabling other more expansive credit unions, perhaps serving a larger urban population, which wish to expand their range of services for members to put the necessary framework in place to get on with it. That simply has not happened.

While these are regulatory issues, the Minister has the power to postpone the commencement of the final sections of the 2012 Act until such time as the regulatory framework reflects the intentions of the recommendations by the Commission on Credit Unions as opposed to copperfastening the continuation and reinforcement of a one-size-fits-all approach. The latter approach, which is currently being adopted, is stifling the growth and potential of the movement. The Minister should take this course and allow time for an effective consultation with stakeholders.

I assume that the Minister had to leave the Chamber for a good reason. I hope he participates fully and listens to the arguments during this important debate today and tomorrow.

In his countermotion the Minister also notes that "the safety of members' savings and the security of the credit union sector as a whole are priorities for this Government". These are certainly soothing words but by allowing the registrar to cap savings at €100,000 the Minister appears to be suggesting that a person's savings are, in effect, safer in a bank. That is the message this proposal is sending out to the wider community. While less than 1% of members would be impacted by this change, there is huge reputational damage to credit unions which have carefully protected members' savings over the past 50 years. The Government amendment will refer to how the Central Bank has stated that credit unions can apply to keep funds greater than €100,000. This is not a solution because yet again it pushes the burden back on credit unions. No doubt the Central Bank will also look for credit unions to have their auditors validate the requirements at considerable expense. Following such close oversight by the Central Bank of credit unions in recent years it is reasonable to ask whether the Central Bank cannot determine in advance the credit unions to be exempted from the savings cap. The Minister of State knows as well as I do that the Central Bank has been crawling all over credit unions in this country in

recent years. Through that work, the Central Bank should be able to identify the credit unions in respect of which this cap should not be applied. In the case of other credit unions, the cap does not apply because it does not affect their members. For those affected, this sends out a negative signal and amounts to a statement of a complete lack of confidence by this Government and the regulator in the future of this movement.

I acknowledge the independence of the regulator. However, the scope of its powers in respect of the cap on credit union savings are being utilised in a manner that is neither fair nor equitable. It is a regular refrain of the Central Bank that credit unions need to get back to their traditional lending model. They are certainly keen to do that. However, the figures relating to lending are stark. Credit union members have in excess of €11 billion in savings but only €3.5 billion on loan from a total of more than €13 billion in assets. Approximately €8 billion is placed in investments by the credit union movement at the moment, much of which could be put to productive use in the economy through small, medium and large-scale lending. This should be facilitated in a prudent and responsible manner.

I understand the loan-to-deposit ratio has fallen by a sizable 11% since the Commission on Credit Unions carried out its report. This trend is simply unsustainable. Credit unions need to be given the freedom to earn enough income to survive. The alarm bells are ringing in terms of the longer-term sustainability of these trends. The Minister of State must sit up, take notice and respond accordingly.

Certainly, credit unions are keen to be able to make available loans of smaller amounts. These can help to keep people out of the clutches of moneylenders. Money lending is the inevitable consequence of the continued implementation of the section 35 restrictions and the onerous constraints placed on credit unions as well as their capacity to serve their members. The Government is pushing people into the hands of moneylenders, some of whom are legal, many of whom are illegal, but all charging excessive and exorbitant interest rates. This work is central to the function of credit unions, but lenders in credit unions are being stymied.

Personal insolvency legislation is having a seriously detrimental impact. There is a strong argument to the effect that credit union loans should never have been categorised as unsecured loans. After all, members' money is at stake, as the Minister has pointed out repeatedly. An example was brought to my attention recently. It related to a credit union which had issued a loan of €6,800. It will now receive €163 as part of an insolvency settlement. This is a write-off of members' savings, not shareholder profit. Credit union loans should be categorised as a separate class of loan in insolvency legislation to reflect the unique nature of credit unions and their role in society.

The long-term lending capability of credit unions is an important consideration. The Central Bank CP88 regulations copperfasten the existing rules from section 35 of the Act around loan maturity limits such that no more than 10% of a credit union loan book should be for a period of greater than ten years. These limits are restricting the day-to-day operation of credit unions and denying them some vital lending opportunities currently available in the marketplace at a time when the economy is recovering. One of the central findings of the Commission on Credit Unions was that section 35 would be reviewed, but that simply has not materialised. Again, this is an example of the selective treatment of the recommendations of the commission.

Prudential returns indicate that lending over ten years in credit unions accounts for 2.18% of total loans in the sector, a pitifully low amount. There is nothing to suggest that this is going

to increase any time soon. Again, the signal from the Central Bank is negative and regressive in this regard. The Irish League of Credit Unions has delivered a cogent and well-thought-out policy platform in its Six Strategic Steps policy document. This has been backed up with a detailed policy statement on how credit unions could provide funding for social housing. The Minister for the Environment, Community and Local Government, Deputy Kelly, has that proposal on his desk. We urge him to consider it actively.

The Government amendment notes that the Central Bank has informed the Minister how since 2010 it has received less than ten applications for approval of additional services under sections 48 to 52 of the Act. This is disingenuous and my consultation with credit unions suggests it is misleading. Some services, such as debit card services, do not require approval under sections 48 to 52, yet they must receive the blessing or consent of the registrar. Some credit unions have been trying for over two years to introduce basic services such as debit cards.

In summary, the key issue in the view of Fianna Fáil is the lack of a national policy to develop the credit union sector in future. Unless this is urgently addressed, the sector is in danger of declining on an ongoing basis. No one in the House, including the Minister of State, is keen to see that happening, but the evidence is clear.

I have no doubt the Central Bank will implement rules from a macro prudential point of view. However, this does not address the need for a policy to support and underpin the growth of credit unions. In simple terms, credit unions have taken the pain in respect of the additional costs and burden of regulation. However, rather than be allowed to harvest the benefits of this work, they are about to be subjected to a further setback with more sweeping restrictions on their potential to grow and serve their members and the wider community. This is the reason we are calling on the Minister to call a halt to the implementation of the remaining sections of the 2012 Act. We call on the Minister not to sign the CP88 regulations. The Minister should immediately conduct an urgent review of the report of the commission and its recommendations, in particular in respect of the growth and development of the sector. The Minister should conduct a revised regulatory impact analysis of the regulations to date, including a financial impact analysis. The Minister should immediately appoint a member of the credit union movement to the credit union advisory committee, which seems to have an important role in shaping policy in this area. The Minister should ensure full and proper engagement with the Department of Finance, the Department of the Environment, Community and Local Government and the sector in respect of the provision of longer term lending to support the housing sector and lending to mortgages. I look forward to the debate this evening and tomorrow evening. I hope we are being listened to.

**Deputy John Browne:** I welcome the opportunity to comment on the motion relating to credit unions. I was a director of Enniscorthy Credit Union before I was elected to this House. Therefore, I am very much aware of the importance of credit unions in urban and rural areas. We must all accept that the credit union movement is critical to the economic and social well-being of communities throughout Ireland. There are almost 3 million members and nearly 400 offices nationally. Primarily, credit unions offer savings and loans services to their members. The importance of the credit union in every part of the country is highlighted by the fact that the sector employs 4,000 people and has almost 10,000 volunteers. That is an important mix. There are paid people as well as thousands of volunteers throughout the country who are prepared to give of their time freely and without cost to ensure that credit unions survive and continue to play a vital role in the economy.



The credit union is often referred to as the ordinary person's bank. It is for weddings, confirmations, communions and funerals. It is for people who need money in a hurry without having to go through the bureaucratic nonsense that exists in the banks at present. I can go to my credit union, make a case and apply for a loan. More than likely, within a week or three or four days I will get approved for the loan, particularly if I am a member of the credit union and I have built up a good credit rating throughout the years. What happens in a bank? To secure a loan I have to go in to the local bank and fill out forms on a computer. The girl working there may help me or she may not. I may have to do it myself. Then when I am leaving I will ask when there will be a decision. The reply of the staff is likely to be that they do not know because the decision has to go to Dublin. In other words, there are faceless people in Dublin making decisions on applicants for loans. They have no idea who the loan is for, what the applicant is like, what the credit rating is or whatever. More often than not, bank employees in Dublin will refuse loans, because that is how banks are currently operating.

As I said, credit unions are places where people can go in their hour of need. They can save with the credit union and can make a personal case for a loan or money in a hurry. It is very important that the credit union structure remains in place. There is too much interference from the Central Bank and the regulator, and I hope the Minister for Finance, Deputy Noonan, who is usually full of common sense, does not allow them to dictate how credit unions should operate in the future.

Credit unions are co-operating in a shared service arrangement and implementing new regulatory and risk management systems. Some credit unions got into difficulty during the Celtic tiger era, but the number is minuscule compared to the number that exist in the country. There has been a change in the credit union structure in regard to regulation. There are now professionally qualified people working in the area and the movement has employed people who have a knowledge of finance and how loans operate. The overall regulatory framework within credit unions throughout the country has improved.

We have seen in the past number of weeks how banks have closed branches and restricted in-branch services, whereby they will no longer deal with the public, particularly the elderly and those with disabilities. People can lodge money in banks, but they will not see anybody. That is not the case with credit unions. If one calls into a credit union, one can meet the manager, staff and those working behind the counter, who will help and support one with whatever application or information one requires. In many parts of the country, credit unions are now the only local providers of financial services. However, credit unions are about to be hit with a wave of new restrictions on their activities before the end of the year. As Deputy Michael McGrath said, it is time for the Minister to pause and hold back. He should not rush into making decisions that will impede and restrict the operation of credit unions in the future.

One of the most serious of the new restrictions is the impending €100,000 limit on savings. This is an unnecessary limitation on customer choice. It will send out a signal that credit unions are less safe than competitor financial institutions. In a parliamentary question and during a previous debate in the House I asked the Minister for Finance to clarify the question of savings clubs. I am the chairman of the Rapparees-Starlights GAA club in Enniscorthy. We have a savings club that collects between €500,000 and €600,000 a year. We deal with the credit union in Enniscorthy, which provides a very good service and takes care of the issuing of cheques to customers. How will the club operate in the future if the limit is €100,000? Will we and other savings clubs have to break the structure of the scheme into five or six amounts of €100,000 each? The Minister did not answer my question. The Minister of State is from Wicklow and

must know how credit unions operate. I am sure he will examine the issue and, in conjunction with the Minister, Deputy Noonan, examine how the problem can be resolved. If we or any other savings club have to leave the credit union system, we would have to go to the banks and would immediately be liable for charges. A savings club in Wexford has informed me that because of the charges imposed by banks it now has to charge savers €10 per person per year. Such charges do not exist in the credit union system and it is important that we get a satisfactory explanation of the issue.

People have built up savings over the years and have received lump sums from redundancy, retirement or whatever. Only a small number of people have more than €100,000 saved, but some people in credit unions have more than €100,000 saved, and they should not have to move from a credit union to a bank because of the restriction. It is one restriction that the Minister should reconsider before he makes any final decisions in this area. The recommendations of the commission on credit unions have been selectively and half-heartedly implemented to date, particularly those relating to the growth of the sector, which have been largely ignored. As I said, many credit union members have built up savings over the years and need more flexibility and latitude and a change to the €100,000 limit.

The proposed cap on savings, which has already caused reputational damage to credit unions, will drive funds from the credit union sector into the banking sector and will distort competition in the banking and credit union sectors, which is not a good thing. Credit unions should not be subject to bureaucracy, red tape and the same structures as banks. They operate in a different manner for different people, and it is very important that the role of credit unions, as a place where decisions are made quickly and decisively in the interests of members, should continue.

**Deputy Eamonn Maloney:** I welcome this debate on the credit union movement and the Central Bank regulations. I thank Deputy Ó Fearghaíl for making a few minutes available to me to make my contribution.

The credit union movement in Ireland is one of the great success stories of modern times. One of the reasons for this, apart from the fact that it has almost three million members and €8 billion in assets, is its history. From the bottom up, men and women in the movement have volunteered, which is one of its great qualities. One of its great strengths and, by that token, one of the reasons it has been so successful and widespread in terms of its presence in villages, towns and cities, is that it is a great movement. It is a movement on a par with others in that it has its roots very much within communities throughout the country. One cannot make many comparisons of the quality of service that the credit union movement has provided. In years gone by it was commonly referred to as “the working man’s bank,” although one now has to refer to “the working man’s or working woman’s bank,” with which I have no difficulty, as, I am sure, no man or woman has either.

The movement has evolved over time and is now much more sophisticated, and quite rightly so, because of the changes brought about by technology and so on. The movement has been true to its origins in that it is deeply rooted in society. There is a widespread difficulty with moneylenders in this country and the interest rates they charge. They cause misery for the families who fall victim to them. The first port of call for such families is the credit union movement, rather than banks. That is the experience in the constituency I represent, which is largely working-class.

*9 o'clock*

As Deputy McGrath said in his introduction, we must cherish the movement and not put it on a par with banks. The credit union movement has a completely different character from the banks. Some of its functions may be similar, such as lending money and taking in money and there is nothing wrong with this, but the credit union movement is not a banking movement in the traditional institutional sense that we understand banks, and nor should it be as it would take away from its character. Much of the regulation to which we are referring is coming from the Central Bank. No disrespect to the Central Bank, but I often say that if we had a choice in 2007 or 2008 between the Central Bank and some of the banks running the country's monetary system and having the credit union movement running the financial system, we would not have had the mess we have just come through.

There is a touch of irony when one looks at some of what is coming from the Central Bank. I refer in particular to CP88, which sets out a template for the credit union movement. The Central Bank has many questions to answer, as we discovered during the banking inquiry. We do not have an inquiry into the credit union movement because there is no similarity whatsoever, but we see the Central Bank coming in with regulations, as obviously it is saturated by having to control all institutions.

I come back to my original point. They are two separate entities and CP88 will restrict and handicap the credit union movement. The Minister was quite practical last June when replying to me in the House with regard to reviewing the situation. As Deputy McGrath stated, he should withdraw the section and not sign it. The Department of Finance can always come back to the credit union with regard to this regulation if it is needed, but at this moment it is not needed.

**Deputy Dara Calleary:** I thank Deputy McGrath for giving us this opportunity, almost five months to the day since we spoke about credit unions in the House when, ironically enough, the Acting Chairman was also in the Chair. As I look at the Government's countermotion, there is some progress but some of it is absolutely contradictory. Every Government Deputy who comes in here and inevitably pats the credit union movement on the head and tells it they are great guys and girls and are wonderful and they love them should know for what they will vote tomorrow evening. It is the Minister for Finance's intention to commence the remaining sections of the 2012 Act on 31 December. No matter how many concerns they express about CP88, they will vote to endorse its implementation.

They will also vote to endorse the contradiction in Government policy on credit unions. They support credit unions, and come to the House with fine soothing words about how good they are, but in the countermotion they contradict themselves. One line of the motion states that the Minister for Finance recognises the concerns of the credit union movement with regard to the savings limit of €100,000 but in another line commits to introducing the regulation which will copperfasten it. The Minister for Finance also notes the setting of the savings limit is a matter for the Registrar of Credit Unions, which means the buck is passed straight away. The Registrar of Credit Unions must be answerable to somebody, and presumably it is answerable to the Central Bank of Ireland.

Another line in the motion states that the Central Bank informed the Minister for Finance that it had invited a number of interested parties in the credit union sector to participate in focused dialogue in November 2015, with a view to gaining a better understanding of how credit unions want to develop their business model and identify changes that may be required to the

framework to facilitate prudent development. Hello to the Central Bank of Ireland and welcome to the party. In 2015, it finally gets around to having a discussion and a dialogue with the credit union movement on where it wants to go and where it sees itself going. The frustration is that we have a Central Bank and a regulator which do not get it, do not want to get it or, at the very worst, want to strangle the growth of a movement with so much to offer, so much potential and so much interest not the country, but in individual communities and for individual people by giving them a better chance and better opportunities.

Deputy Maloney is right. Figures published today show how much people will spend over Christmas. This is the time of year that people borrow to give their families the best Christmas possible. Those who have the ability and the opportunity will do so through their credit union, but many will not be able to because silly rules are strangling the ability of credit unions, particularly in large urban areas, to make these small loans. People will go to money lenders who have interest rates of 300% 400% and 500%, who do not adhere to any code of conduct and never engage in structured dialogue with the Central Bank of Ireland because they do not want to and do not have to because we have something that is strangling the very growth of credit unions.

In the context of the collapse of the banking sector and the collapse of trust, imagine if somebody had said 2.89 million people in this country have, between them, €11 billion in savings, with €3.5 billion of this out on loan, and €13 billion in assets spread between 342 branches affiliated with the league and a few others throughout the country, and they want to assist in the financial recovery of the country? In 2008 and 2009 we would have gone with arms open to them, but the Government, the Central Bank and the regulator seem to want to restrict them and push them back, and push back the potential and ambition of the movement. When the political system and the House struggled to come up with an idea and a solution to the housing crisis, the Irish League of Credit Unions came to the table with a proposal, money and a willingness to lend this money in the co-operative meitheal spirit on which it is founded. It put its money where its mouth is instead of just talking about it, and yet the Minister, Deputy Kelly, is engaging with it but there is very little sense of urgency. The urgency with which the credit union movement responded to homelessness and community development throughout the country is not replicated in either the regulatory or the political system.

This debate provides an opportunity for the political system to stand up and say we will not just give the credit union movement soft soothing words. Nobody does this better than the Minister, Deputy Noonan. When he comes to the House, he will sit all 3 million members of the credit union movement on his lap, tell them they are great and that he loves them, and Barney-like he will hug them, but he will send them out the door and introduce CP88 and further restrict growth.

It is true that 99% of members may not be affected by the €100,000 limit, but if one receives a redundancy payment, sells a house or wins the lotto one will have a requirement and one should be able to use the local credit union. We have the notion a credit union should go cap in hand to the Central Bank to apply for special permission. The Government is supposed to be reducing regulation and making it easier for SMEs to do business, but here it is putting another regulation in the way of the most local of SMEs, and the most well-founded and grounded of SMEs, namely, the local credit union.

There are many issues on which we should engage with the credit union movement but we are avoiding them. These include SME lending. In June, I spoke about Microfinance Ireland,

an organisation which has finally got its act together and doing good things, but this is only in the past 12 months. The credit union movement is ideally situated to partner Microfinance Ireland on loans for SMEs and companies which cannot get funding from Leader or from Microfinance Ireland because of displacement rules. If we gave the credit union movement a role in supporting small local companies which will never export and which are not into IT or technology, it would provide a crucial role and would protect and enhance jobs.

We have spoken about the alternative and the trust we put in our credit unions with regard to moneylenders. In June, we spoke about the investment credit unions have made in their staff, making them do the most up to date courses possible in financial management, prudential management and law. They are briefed and they know their stuff. They are more on top of their brief than many bank officials or, dare I suggest, many people who seek to regulate this evening.

We will not hear of credit unions replacing every counter in their branches on a Friday evening to open on Monday with one cash counter and a load of computers and ATMs, so that when the computer says “No” that one desk has a queue going out the door. We do not hear of credit unions shutting down branches with minimal or no notice or telling older citizens they can talk to the computer, ring a call centre or bank online, when there is no broadband, never mind the ability to do anything online. We do not hear of credit unions increasing banking fees by 240% in the manner in which all our established banks have done to small businesses in the past number of years. We do not hear of credit unions telling people what day they can lodge coin and what days they cannot, even if it requires somebody to keep cash on a premises, particularly at a time of security worries.

Credit unions are meitheal, rooted in 346 communities across the country. We want to leave them there and strengthen those roots. Instead of patting them on the back, the Government should stand back. Tonight, the difference between November and June is not a question of a month or the temperature; the Government has no time left. It can decide on the basis of this motion not to proceed. There is an election coming and maybe something as substantial as this should really be done by a Government with a new mandate. The Minister of State and the Government Deputies should stand up for the credit union movement as pats on the back will not work on this occasion.

**Acting Chairman (Deputy Liam Twomey):** The Minister of State is sharing time with Deputy Derek Nolan.

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

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

“notes that:

— the Government has a clear policy to support the strategic growth and development of credit unions in Ireland as set out in the Report of the Commission on Credit Unions and its recommendations;

— the safety of members’ savings and the security of the credit union sector as a whole are priorities for this Government; the Government recognises the important role of credit unions as a volunteer co-operative movement in this country and also the importance of getting lending going in the economy;



— this Government has put in place a number of measures to ensure that credit unions can continue to provide vital services to their members and to ensure the stability of the sector into the future;

— this Government established the Commission on Credit Unions; the commission reviewed the future of the credit union movement and made recommendations in relation to the most effective regulatory structure for credit unions, taking into account their not-for-profit mandate, their volunteer ethos and community focus, while paying due regard to the need to fully protect members' savings and financial stability;

— in particular, this Government has accepted fully the report of the Commission on Credit Unions and its recommendations; the report of the Commission on Credit Unions made a number of recommendations regarding the strengthening of the regulatory framework for credit unions; the Commission on Credit Unions also recommended that regulation making powers be delegated to the Central Bank of Ireland, CBI;

— the commission participants agreed to the recommendations; the membership of the commission included members of the credit union representative bodies and other stakeholders;

— over 60 recommendations from the report of the Commission on Credit Unions have been implemented in the Credit Union and Co-operation with Overseas Regulators Act 2012 - the 2012 Act;

— it was agreed at that time that it would be neither practical nor feasible to commence the 2012 Act in its entirety in one fell swoop; following on from that, an implementation timetable for the 2012 Act was devised in consultation with stakeholders, including credit union representative bodies;

— commencement of all sections of the 2012 Act has been aligned with the credit union financial year and the introduction of the underpinning CBI regulations, with a view to implementation of the 2012 Act in a coherent and cohesive manner; this has provided credit unions with the time necessary to ensure that the required processes and procedures are in place prior to implementation of each tranche;

— the Registrar of Credit Unions at the CBI is the independent regulator for credit unions and the setting of regulations in relation to the credit union sector, including those set out in the CBI consultation on regulations for credit unions on commencement of the remaining sections of the 2012 Act, CP88, are a matter for the registrar;

— the Registrar of Credit Unions has completed a full consultation process in relation to CP88;

— as part of the consultation process the Minister for Finance proposed that in the interests of clarity and fairness, credit unions are provided with details of the process of applying for a retention of savings above the limit amount;

— through the setting of regulations, ongoing supervision of the sector and consultation with stakeholders, the Registrar of Credit Unions acts to support the pru-

dential soundness of individual credit unions, to maintain sector stability and to protect the savings of credit union members;

— it is the Minister for Finance's intention to commence the remaining sections of the 2012 Act on 31 December, 2015 in line with the introduction of the regulations by the Registrar of Credit Unions; these sections of the 2012 Act, when commenced, will replace, amend or supplement existing sections of the Credit Union Act 1997;

— the Minister for Finance has been informed by the Registry of Credit Unions that all credit unions have been contacted giving further information on its application criteria for the retention of savings in excess of €100,000; the Registry of Credit Unions intends to engage with the representative bodies and to invite comments from them prior to finalisation of the application process; where a credit union has demonstrated that it meets the criteria, it will be in a position to retain members' savings in excess of €100,000 held at the commencement of the regulations;

— the CBI has also informed the Minister for Finance that it is committed to undertaking a review of the continued appropriateness of the savings limit, once the impact of the restructuring process can be assessed;

— over 99% of credit union members will not be impacted by the €100,000 cap on member savings;

— the Minister for Finance recognises the concerns of the credit union movement in relation to the savings limit of €100,000;

— the setting of the savings limit of €100,000 and other matters contained in CP88 are a matter for the Registrar of Credit Unions;

— the Minister for Finance has met with the credit union representative bodies in November 2015 and the perceived impact of the new regulations was discussed and further follow-up meetings between the Department of Finance and the representative bodies will take place this week;

— at the meeting with the movement, the Minister for Finance has asked the representative to revert with their specific concerns and has committed to communicate these concerns with the Registrar of Credit Unions;

— the need for credit unions to grow income has been recognised as a requirement for sector viability; while developing new products and services is a necessary element of this, the CBI has highlighted the importance of credit unions ensuring that they are in a position to grow their income from their traditional lending business; the CBI has informed the Minister for Finance that since 2010 it has received less than ten applications for approval of additional services under sections 48 to 52 of the Credit Union Act 1997; these applications have all been received in recent months and are currently at a various stages of the approval process;

— the CBI has informed the Minister for Finance that it has invited a number of interested parties in the credit union sector to participate in focused dialogue in November 2015 with a view to gaining a better understanding of how credit unions want to develop their business model and to identify changes that may be required to

the regulatory framework to facilitate prudent development;

— credit unions are not prohibited from providing mortgages to members; mortgages are subject to the maturity limits contained in section 35(2) of the Credit Union Act 1997; the CBI issued a feedback statement on CP88 and the regulations in July; the regulations which are due to commence on 31 December 2015 contain a specific section on lending, under these lending regulations credit unions can continue to provide mortgages;

— the Government established the Credit Union Restructuring Board, ReBo; to date, ReBo has assisted with 36 mergers involving a total of 74 credit unions; in total, 189 credit unions are engaged with ReBo at varying stages of the restructuring process;

— a review of ReBo was conducted this year; the Minister for Finance announced 31 March 2016 as the final date for acceptance of any further restructuring proposals; this will enable ReBo continue to engage with the sector and complete the performance of its functions within its time-bound mandate;

— the current Credit Union Advisory Committee, CUAC, was established in September 2014 for a period of three years to advise the Minister for Finance regarding the improvement of the management of credit unions, the protection of the interests of members and any other matters the Minister may seek the advice of the committee on;

— CUAC has met with all credit union representative bodies and other stakeholders since it was established; a recent meeting was held between the CUAC and the representative bodies and the perceived impact of the new regulations was discussed;

and

— Department of Finance officials have engaged with the Department of the Environment, Community and Local Government regarding credit unions involvement in social housing initiatives; a meeting is scheduled between the two Departments to discuss credit unions involvement in social housing initiatives.”

I welcome the debate. I have much to say to Deputy Calleary and I am sure he will not consider my words to be merely soothing. I and every Deputy in the House knows the importance of the credit union movement and my family has relied on the credit union movement on many occasions. My words are not meant to be soothing and this debate should not be reduced to any sort of partisanship. I hope this debate and the ongoing engagement that the Government and all parties are having with the credit union movement can be about the best outcome possible and ensuring that the credit union movement can continue to play its very vital role in providing access to credit and other important services in local communities throughout the country. Credit unions are an integral part of communities across the country and, as Deputies have correctly stated, they provide a unique range of services to their members. The Government is fully committed to supporting the credit union sector and has put in place a number of measures to ensure that credit unions can continue to provide these vital services to members and to ensure the stability of the sector into the future.

Some of these measures include the establishment of the Commission on Credit Unions,

the publication of the Credit Union and Co-operation with Overseas Regulators Act 2012, the establishment of the Credit Union Restructuring Board, ReBo, and the establishment of the current credit union advisory committee in September 2014. Only this week we have seen the sort of initiative that Deputy Calleary rightly seeks, a personal micro-credit initiative in collaborations with the credit unions, An Post and the Department of Social Protection. This is to help the very people we speak about, who need access to loans, so as to keep them out of the arms of moneylenders. It is a good scheme and I am sure it will be welcomed by all Members on this side of the House.

The safety of members' savings and the security of the credit union sector as a whole are priorities for this Government and the Minister for Finance. I know they are priorities for everybody in the Gallery, credit union directors, volunteers, staff and members. The Minister has on a number of occasions highlighted the Government's recognition of the important role of credit unions as a volunteer co-operative movement in this country and also the importance of its role in getting lending going in the economy. I reiterate that acknowledgement and recognition this evening.

Credit Unions provide a unique and trusted service to their members. The Government has a clear policy to support the strategic growth and development of credit unions in Ireland as set out in the Commission on Credit Unions report and recommendations. This Government established the Commission on Credit Unions in May 2011 to make recommendations on the most effective regulatory structure for credit unions, taking into account their not-for-profit mandate, their volunteer ethos and community focus, while paying due regard to the need to fully protect members' savings and financial stability. The commission report was agreed and co-authored by key stakeholders, including credit union representatives. The commission worked intensively over a nine-month period to address and deliver on ambitious terms of reference. The process was a participative one, with wide representation from the credit union movement. The agreed commission report sets out the blueprint for the future viability of credit unions in Ireland, and its constituent elements are interrelated and mutually reinforcing.

Deputies are aware that the commission published its final report in March 2012. The Government fully accepted all the recommendations in the Commission on Credit Unions report and over 60 of its recommendations have been implemented in the Credit Union and Co-operation with Overseas Regulators Act 2012. The legislation contains measures which will reform and strengthen credit unions and deals with four broad areas, namely, prudential regulation; governance; restructuring, including the establishment of the Credit Union Restructuring Board, ReBo; and stabilisation.

The Credit Union and Co-operation with Overseas Regulators Act 2012 provides the statutory basis for the restructuring of credit unions and placed the Credit Union Restructuring Board on a statutory footing from 1 January 2013. ReBo is currently in the process of overseeing and facilitating restructuring on a voluntary, incentivised and time-bound basis and is working towards the timetable set out in the Commission on Credit Unions report, with a view to completing the process in 2016. To date, 74 credit unions have been assisted in ReBo-approved mergers. In total, 189 credit unions are engaged with ReBo at varying stages of the restructuring process, or over half of all credit unions in the country. In October 2015, the Minister announced 31 March 2016 as the final date for acceptance of any further restructuring proposals by ReBo. This will enable ReBo to continue to engage with the sector and complete the performance of its functions within its time-bound mandate. ReBo is available to support any credit union requiring assistance with the application process and such credit unions are encouraged

to make contact with ReBo as soon as possible.

With regard to the new regulations for credit unions, let it be clear from the outset that the Registrar of Credit Unions at the Central Bank is the independent regulator for credit unions. Within her independent regulatory discretion, the registrar acts to support the prudential soundness of individual credit unions, maintain sector stability and protect the savings of credit union members. The report of the Commission on Credit Unions made a number of recommendations regarding the strengthening of the regulatory framework for credit unions. The Commission on Credit Unions also recommended that regulation-making powers be delegated to the Central Bank, and therefore it is a matter for the registrar to make regulations and set limits. The Government has no role in setting regulations relating to a strengthened regulatory framework for credit unions in Ireland.

The registrar has completed a full consultation process relating to CP88. A public consultation process was launched in November 2014. Separately, as part of the consultation with the Minister for Finance, he proposed that in the interests of clarity and fairness, credit unions are provided with details of the process of applying for a retention of savings above the limit amount. Before discussing some of the specific issues that have been raised relating to the new regulations, it is important to understand the context of the commencement of the legislation. The Credit Union and Co-operation with Overseas Regulators Act 2012 was signed into law by the President in December 2012. It was agreed at that time that it would be neither practical nor feasible to commence the 2012 Act in its entirety in one fell swoop. Commencement of all sections of the 2012 Act has been aligned with the credit union financial year and the introduction of the underpinning Central Bank regulations, with a view to implementation of the 2012 Act in a coherent and cohesive manner. This has provided credit unions with the time necessary to ensure that the required processes and procedures are in place prior to implementation of each tranche. Currently, it is the Minister for Finance's intention to commence the remaining sections of the 2012 Act on 31 December 2015 in line with the introduction of the regulations by the Registrar of Credit Unions. These sections of the 2012 Act, when commenced, will replace, amend or supplement existing sections of the 1997 Act.

As stated previously, the setting of savings limits is a matter for the Registrar of Credit Unions, the independent regulator. In her feedback following the public consultation on CP88, the registrar stated:

I am aware that during the consultation process the proposal for a maximum individual member's savings limit of €100,000 has drawn a large degree of comment. Having considered the feedback received, the Central Bank is of the view that the limit of €100,000 is appropriate at this time given the stage of development of the sector and the Central Bank's mandate to ensure the protection of members' funds.

As outlined in the Central Bank's feedback on CP88, as part of the consultation process the Minister for Finance proposed that in the interests of clarity and fairness, credit unions are provided with details of the process of applying for a retention of savings above the limit amount of €100,000. The Minister for Finance has been informed by the Registry of Credit Unions that all credit unions have been contacted, giving further information on its application criteria for the retention of savings in excess of €100,000.

The Registry of Credit Unions intends to engage with the representative bodies and to invite comments from them prior to finalisation of the application process. When the application pro-



cess is finalised, the registry will provide an application form and explanatory notes in order to assist credit unions. It is anticipated that application forms will be available during December 2015. It is envisaged that applications will be accepted in the first quarter of 2016 and that applicant credit unions will be informed by the end of the second quarter of 2016 on the outcome of the process, which is well within the 12-month transitional period. Where a credit union has demonstrated that it meets the criteria, it will be in a position to retain members' savings in excess of €100,000 held at the commencement of the regulations. The Minister for Finance has welcomed the steps that have been taken to provide clarity for credit unions on the criteria for the retention of savings over €100,000 and also welcomes the Central Bank's proposed engagement with the representative bodies to seek their comments on the application process.

The Central Bank has also informed the Minister for Finance that it is committed to undertaking a review of the continued appropriateness of the savings limit, once the impact of the restructuring process can be assessed. It is envisaged that this review will commence within three years of the introduction of the regulations. Department of Finance officials have asked the Central Bank to consider accelerating this review and this is under active consideration by the Central Bank. The Central Bank has agreed to provide regular updates to the Department of Finance on developments in this matter. The Central Bank has informed the Minister for Finance that over 99% of credit union members will not be impacted by the €100,000 cap on member savings. The Minister for Finance and the Government recognise the concerns of the credit union movement in relation to the savings limit of €100,000. However, it must be reiterated that the setting of the savings limit of €100,000 is a matter for the registrar.

The Minister for Finance has met with the credit union representative bodies in November 2015 and the perceived impact of the new regulations was discussed. Further follow-up meetings between the Department of Finance and the representative bodies will take place this week and our counter-motion recognises the fact that these further meetings are due to take place. I welcome this ongoing engagement between the credit union representative bodies and the Department of Finance. At the meeting with the representatives, the Minister for Finance asked the representatives to revert with their specific concerns and has committed to communicating these concerns to the registrar.

The need for credit unions to grow income has been recognised as a requirement for sector viability. At the meeting between the Minister for Finance and the representative bodies, the Minister invited the representative bodies to share any business model development ideas they may have in order to grow income and assist sector viability. I will get to some of them in a moment. The Central Bank has informed the Minister for Finance that it has now contacted all credit unions inviting them to attend information seminars that are currently being held around the country and will conclude at the end of this month. These seminars will provide credit unions with the opportunity to engage with the Central Bank on the new regulations and to discuss development of the credit union business model, including any changes to the regulatory framework that might be required to facilitate such developments.

Separately, the Central Bank has informed the Minister for Finance that following on from the areas identified in feedback received from CP88 and through other engagements with sector stakeholders it is proposed that meetings will be held to focus on the following areas: the services credit unions wish to develop in the areas of card services and payment accounts and credit unions' aims regarding longer term lending, including further developments on the provision of mortgages to members, which I know is an issue that has been raised by a number of the representative bodies. To commence this dialogue process, an initial meeting with a number of

credit union stakeholders, including the representative bodies and a number of credit unions, was held in mid-November by the Central Bank.

The Central Bank has informed the Minister for Finance that since 2010 it has received less than ten applications for approval of additional services under sections 48 to 52 of the Credit Union Act 1997, although I accept the point Deputy McGrath made on this earlier. These applications have all been received in recent months and are currently at various stages of the approval process. Following on from the meeting between the Minister for Finance and the representative bodies earlier this month, the Minister looks forward to receiving proposals that will support and grow income and maintain viability while protecting members' savings.

Currently credit unions are not prohibited from providing mortgages to members. Mortgages are subject to the maturity limits contained in section 35(2) of the 1997 Act which sets out the percentage of a credit union's loan book that can be outstanding for periods exceeding both five and ten years, as well as limits on the maximum outstanding liability to an individual member. The Central Bank issued a feedback statement on CP88 and the regulations in July. The regulations, which are due to commence on 31 December 2015, contain a specific section on lending. Under these lending regulations credit unions can continue to provide mortgages. Existing maturity limits that are currently contained in section 35 of the 1997 Act are included in the lending regulations. A maximum maturity limit of 25 years is also introduced in the regulations. The lending regulations also include a large exposure limit on the maximum exposure a credit union may have to a borrower or a group of borrowers who are connected.

The Central Bank considers that credit unions must have appropriate systems, controls and expertise to undertake mortgage lending and is of the view that scale is an important factor in determining whether a credit union can put these in place and offer mortgages as a viable business line. The Government recognises the important role of credit unions as a volunteer co-operative movement in this country and welcomes any initiatives that might enhance the business model while simultaneously ensuring the protection of members' savings.

I am pleased that the financing of social housing is being seriously considered by the credit union sector and I thank the sector for that. Various options are being explored. This is an important issue, which has been highlighted by a number of representative bodies. The Department of Finance has received a number of such proposals. While the Department of the Environment, Community and Local Government is the Department primarily responsible for the formulation and implementation of policy and for the preparation of legislation in relation to housing, Department of Finance officials are working closely with them. A meeting is currently scheduled for officials in both Departments to examine how credit unions can assist in the area of social housing. I look forward to the outcome of these meetings and welcome the proposals that have been put forward.

Section 44 of the Credit Union Act 1997 provides that a credit union may establish a special fund to be used by the credit union for social, cultural or charitable purposes by a resolution passed by a majority of its members present and voting at a general meeting. Where individual credit unions intend to establish such a fund, the Central Bank would expect the credit union to take account of the need to ensure the protection of the funds of its members.

Commencement of the remaining sections of the Credit Union and Co-operation with Overseas Regulators Act 2012 (2012 Act) will replace, amend or supplement existing sections of the 1997 Act. It will, in effect, remove some of the requirements, including limits, that currently

exist in certain sections and will provide regulation-making powers to the Central Bank. The power to make regulations in relation to investments in projects of a public nature is specifically referenced in legislation and, therefore, such investments could be facilitated by future regulations, where appropriate, when there are specific proposals put forward by the credit union sector.

The Credit Union Advisory Committee, CUAC, was established on 22 September 2014 for a period of three years to advise the Minister for Finance regarding the improvement of the management of credit unions, the protection of the interests of members and any other matters that the Minister may seek the advice of the committee on. The committee is chaired by Professor Donal McKillop, the former chairman of the Commission on Credit Unions. The CUAC has met with a number of credit union stakeholders including the ILCU, CUDA, CUMA, NSF, Central Bank, ReBo and individual credit unions. On 19 October 2015, the CUAC met with a number of the representative bodies and the perceived impact of CP88 was discussed. The CUAC will continue to be available to meet with credit union stakeholders and advise the Minister for Finance on any other matters the Minister may seek the advice of the committee on.

The Government recognises the important role of credit unions. We want to work with the sector and with all Members in this House in respect of the important role they have, the unique part they play in communities and the role they can play in getting lending going in the economy. The Minister for Finance is always open to considering new proposals in respect of credit unions, particularly those that would see the development of the credit union business model and an increase in income for the sector. All proposals to date have been at an early stage and we await further details as the projects progress and based on the discussions the Minister very recently had with the representative bodies. Credit unions have gone through a period of considerable change since the commission report and the movement has risen to the challenges that has posed. This Government has worked closely with key stakeholders in the credit union movement to reach agreement on the report and recommendations of the Commission on Credit Unions. This Government will continue its ongoing engagement with the movement to ensure the safety of members' savings, to support credit unions to broaden the range of services to members and to safeguard the credit union sector as a whole into the future.

We want strong, vibrant credit unions offering a safe and secure place for members' savings but also being positioned to offer their members a wide range of services including loans and debit card facilities. The credit union movement has emerged stronger than ever before. Many credit unions are now in a position once again to offer dividend payments and interest rebates to their members this year and this is to be welcomed. The regulatory framework has been much enhanced. While I am fully aware of the obligations that the enhanced regulations have on the day-to-day operation of every credit union in the country, I also know that every Member in this House, and every member or director of a credit union recognises their importance not only in protecting members' savings, but also in strengthening the movement, which is at the heart of the new regulatory regime. I look forward to continued engagement this week with the representative bodies and the Department of Finance and I look forward to supporting the continued growth of the sector.

**Deputy Derek Nolan:** I thank the Fianna Fáil Party for bringing forward this timely Private Members' motion. It is appropriate we debate this in the House because it is the subject that is occupying the minds of credit union members, credit union boards and those connected with credit unions across the country. It is something that has raised fears perhaps not so much about the short-term view but certainly about the long-term view of the regulatory framework of the

Department of Finance and those involved in policy-making as to what is, and should be, the credit unions' future role in society. Part of that is probably linked back to the early days of the credit union and just how much that ethos has changed. It has changed from being such a noble cause which has facilitated a group of people who have goodwill and who are motivated not by profit but by the idea of looking after those members who might need a handout or a few bob in a tough time, rewarding those members who lodge their money and being there in a time of crisis. It was almost a trade union-type response to combatting the moneylenders and those who would try to exploit people. The point credit unions have, through their success, reached is incomparable from their early days. Those involved in the credit unions at the very beginning will remember the suspicion and the raised eyebrows as if they were some kind of subversive movement trying to undo the banks or those in greater authority.

This is not a plug but one need only look at the credit unions in Galway, such as St. Anthony's & Claddagh and Naomh Pádraig. However, St. Columba's Credit Union has set up St. Columba's Credit Union Limited, SCCUL, a private limited company financed by members' funds. That company has been involved in so many area unrelated to the credit union. It has Ballybane Enterprise Centre, which has an incubation hub for small business, which is thriving and in which one cannot get a desk. It runs fund-raising for those who are in need of respite care and for counselling services. It is involved with the Brothers of Charity in Kilcornan, where it runs programmes to help people realise their potential and get back on their feet through therapeutic work. It is involved in business mentoring programmes. The SCCUL Ballybane Enterprise Centre awards, credit union awards, is one of the biggest business events in Galway every year, with hundreds of companies attending. The awards have the biggest business names in Galway, all acting as competitors but also as judges. It goes to show what the power and innovative mind of a voluntary system, without a profit motive, can achieve with volunteers' money invested properly in social enterprise.

When regulating the credit unions or attempting to confine them, sometimes I think we are still talking about the model that existed back in the early days and are not recognising that what has evolved is something much bigger, much more complex and much more professional and yet, importantly, still maintaining that crucial volunteer ethos. Let us not, with regulation and legislation, hamper or crucify that because it is something important and is succeeding rather well.

When I met credit union representatives in Galway, the issues raised with me were put forward in a straightforward, calm and rational way. There was no fear-mongering or no attempt to sensationalise. There was a list of issues that credit unions had serious concerns about.

The Government's amendment to the motion is probably one of the more conciliatory amendments I have seen in Private Members' time in a long time in that it certainly attempts to address the issues raised with me in the meeting I had and it tries to give some kind of a steer as to how the Government can deal with credit unions and engage with the independent regulatory framework. That is a question credit union members across the country are entitled to ask. They are entitled to ask why the Parliament, the Minister for Finance and those who they have elected to represent them are so prohibited from acting because there is an independent regulator. Perhaps the amendment to the motion is saying, "Look what happened when there was political interference, cronyism and a shoddy regulatory system crashed the economy". However, one is also entitled to ask, "What if we have gone so far that we are actually causing damage?". When this particular regulation is addressed, maybe we need to look at how much the people have a role in the regulatory framework. If the regulatory system does not look after

people, then perhaps we have gone a bit too far.

On the issue of the €100,000, I accept the arguments put forward by Deputy Calleary. There are many bona fide reasons someone may have €100,000 in a credit union. It is not because he or she is getting paid big money or he or she is making a fortune. He or she may have sold a house, got an inheritance or has money received from somewhere else. The wording I am seeing today about the ability of credit unions to apply for the facility to do that sounds good but how will it work in practice? One of the points put forward to me by the credit unions in Galway and, I think, was put forward nationally was the idea of a tiered approach. Those credit unions which are bigger and which have better frameworks and better governance should be able to apply and those which are smaller and not as sturdy should be treated differently. Hopefully, this proposal being put forward will not be to say that two credit unions or one credit union would be able to do this but rather that a much more generous number and a broader sweep of credit unions, which meet defined, practical and pragmatic steps, will be able to exceed that threshold.

I want to lament a little. It is quite upsetting when one reads the Government amendment to the motion on credit unions, dealing with an issue that has been on the table for quite some time, that two of the engagements referenced happened in the same month we are debating in the Dáil a motion about a regulation that is imminent within the next five to six weeks. That is a wrong sign and it shows that political pressure from all sides of the House - it has been coming from myself and my party, and certainly from parties in the Opposition - had to get to such a stage that we would get that kind of engagement and such discussions going. That is lamentable. I am not sure what caused it. Whether it came from officialdom or the political side, it is wrong. Seeing it in the amendment to the motion disappoints me, as a supporter of the Government and as someone who has a strong interest and deep belief in the credit union movement.

The credit union movement must be clear about where it is going but from some of my engagements, I am not sure that distinct clarity is there as to where the credit union movement wants to go. It cannot become a bank, a voluntary bank or a building society. There is a difference between a credit union and a bank. That is something the members, the voluntary directors and voluntary participants all believe. A bit more work needs to be done on the credit union side in engaging with the members, public stakeholders and those who want to see it thrive as to exactly where it wants to go and perhaps that is not possible. Perhaps there needs to be flexibility, or direction needs to be sought. Certainly, the idea of debit cards and better banking facilities needs to be looked at but it needs to maintain something that is unique. The unique selling point, USP, of the credit union movement is that it is not a bank. It skirts that differentiation. If it offers the same services as a bank, then it is mimicking the model but how does one maintain that differentiation?

How credit union funds could be used to invest in social housing was discussed earlier. One aspect that can be pushed forward and used as a community development and social enterprise tool is the ability of credit unions to act like those in Galway and in other parts of the country. The credit union in Galway built a library, a Garda station and a community health office. It funded them in partnership with the Government and delivered fantastic facilities in one of the most challenged areas of Galway, in Ballybane. That centre is still standing and is still working. The library is also still there and is providing significant facilities. We should take that model and do everything we can with it. As for investing in social housing, what better use of members' funds could there be than to invest, in partnership with the State, in much-needed, community-needed good quality affordable housing? It is something their members need and their members' children need. The credit unions would get some return but it is likely to be far



cheaper than what the commercial banks are willing to offer. Why not go down that route and develop it further?

Regardless of whether the motion is carried or lost, this debate will have very little effect. We have these debates every evening and they only involve our making statements. However, regardless of how the vote turns out tomorrow, I call for the promised consultation, engagement and bona fide interaction with the credit union movement and its stakeholders - via the Minister, the Registrar of Credit Unions or the consultative committee of credit unions - to be followed through on. While it is fine to speak the words and have the late engagement, if we are truly to live up to the words we will all say in the House tonight about our support of, belief in and strong hope for the future of the credit union movement, it will need buy-in from officialdom, the political process and those in the Registry of Credit Unions and the Central Bank. These are the independent people whose job is not to corral the movement but rather to help, develop, engage and produce a part of our financial sector that was, through all the bad times - and still is - the place people go for the few bob if their car is broken down and they cannot get to work or their children need something. It must be protected. The fact that the model has changed must also be recognised and worked with in order to develop.

**Deputy Pearse Doherty:** Cuirim fáilte roimh an rún atá curtha síos ag an Teachta McGrath agus roimh na daoine atá inár gcuideachta anocht fá choinne an díospóireacht seo. Níl dabht ar bith ann gur ceist fíor-thábhachtach í an cheist seo. Aontaím le cuid mhór den méid a dúirt an Teachta Nolan fá dtaobh den dul chun cinn atá de dhíth fá choinne réiteach a fháil don fhadhb seo. Tá an fhadhb seo ag dul ar aghaidh ró-fhada agus aontaíonn go leor daoine sa Teach seo liom maidir leis sin. Tá daoine anseo atá ag tabhairt tacaíochta do na comhair creidmheasa le roinnt blianta anuas. Ach nuair a amharctar ar na fadhbanna móra a bhí ann le déileáil leo le cúpla bliain anuas, tá comhartha ceiste ann fá dtaobh den tacaíocht atá an Rialtas ag tabhairt don gluaiseacht seo.

Sinn Féin supports the motion. Representatives from the credit union movement are due to come before the Joint Committee on Finance, Public Expenditure and Reform this week. As elected representatives of our communities, we are aware of the incredible benefits the credit union movement brings to our society and economy. Deputy Nolan referred to a good example in his area, the Ballybane Enterprise Centre, which I have visited. I agree with him 100% on that matter. The centre is a template for what can happen in other areas regarding the investment in the social needs of the communities where credit unions are present.

In the programme for Government, the Labour Party and Fine Gael said they respected the ethos of the credit union movement and recognised that it is different from the banks. While that is a fine statement, it must be backed up by actions. The actions of the Government have not matched its words. In recent years, credit union offices have come under more regulatory pressure with more demands every year. Members of the finance committee know that Members across the political divide have had to battle very hard to take the rough and bad edges off previous legislation proposed by the Minister with the support of the Central Bank.

I support sensible and realistic regulation and would go much further than most in the House in the context of regulating certain financial services. Despite everything that has happened, a wealth management trust can advertise itself on its website as operating in a “lightly regulated environment”. When I asked the Minister to comment on this, he said the company in question was not in breach of any regulations and he was satisfied. However, the pledge in the programme for Government to respect the ethos of the credit union movement and treat it dif-

ferently from the banks has been discarded. It seems to be just another broken promise.

Across the State, there are 2.9 million members of the credit union movement and 352 credit unions. These members have more than €11 billion in savings, €3.5 billion in loans and more than €13 billion in total assets. My party firmly believes it is time the State worked with the credit union movement rather than against it to ensure these resources can be utilised more to help our economy to recover in a fair way. I commend the Irish League of Credit Unions on its Six Strategic Steps campaign.

The demands of the credit union movement are very sensible and responsible and are designed to benefit all. The €8 billion surplus funds held by the movement is stuck gathering very little interest in banks due to the limits in place. We must examine new ways to release some of the money so it can help build social housing for the 130,000 families in need of permanent roofs over their heads. The credit union's proposal for a fund to channel this money to approved housing bodies must be seriously examined and could form part of the solution in a way that is consistent with public needs and the ethos of the movement. The Minister said he welcomed it and we have heard from the Opposition that it is a good idea. The Minister has pointed out that it has been possible to establish such a fund under the Act since 1997. It requires a more serious response. This is a major proposal coming from an entity that has a proven track record of helping communities. There is a social housing crisis. When we dealt with these issues at the finance committee when legislation was going through a number of years ago, we were telling the Minister the movement wanted to use its funds to invest in Ireland's economy and benefit its members who owned the credit unions. Those avenues were not supported, and we are back here again seeking more than just a line in a Minister's statement saying that, under the Act, if the majority of members at its AGM agree to set up a fund, it can be done. The Government must do more than just say the credit union movement can do this itself.

The recent section 43 report from the Department of Finance on the work of the Credit Union Restructuring Board, ReBo, showed much good work has been done. It also showed a great deal of the €250 million set aside to help credit unions merge is likely to be left in the pot when it is wound up. Given the efficiency and general good health of the credit union movement, this money, which has been saved, should be found to work with credit unions to see it reinvested in our communities. It was sent there for a certain purpose and it is not being used for that purpose. We should find a way to work with the credit unions to have it reinvested in our communities.

The Central Bank's Consultation Paper 88, CP88, on the implementation of the remaining elements of the Credit Union and Co-operation with Overseas Regulators Act 2012 gave rise to a uniform reaction across the board from credit unions throughout the State and a similar reaction from political parties. People knew it was wrong. They had seen a number of problems with the Central Bank's original proposals which were identified as being inappropriate. Chief among them was the proposal to cap credit union savings at €100,000. Much has been said about that particular proposal here tonight. I welcome the fact that, in reply to me previously, the Minister indicated that some leeway might be granted here by allowing existing savers to continue, while placing a cap on the newer customers gradually saving up to €100,000. It has been clarified again regarding the Minister's motion. I argued for it in my party's submission to the CP88 consultation process. We went further however, saying a review of the figure and an examination of whether a more flexible system can be accommodated is urgently needed.

Likewise, we raised a flag on the issue of reserves. It is in the interest of all that the credit

union movement have the reserves to ensure confidence and growth. However, the CP88 proposal of a 10% reserve is way out of synch with the demands placed on other financial institutions, as everybody in the House knows. The Basel III capital requirements for banks are set at lower rates, while the EU is discussing legislation which would set a reserve of only 3% for some hedge funds operating in the State. The Government has signalled its opposition to the European Commission's proposal for a 3% reserve for hedge funds in the State as being harmful and unnecessary and is fighting the Commission on it. This seems to sum up the Government's approach to the credit unions. The Government says it recognises that credit unions are not like banks. I agree with that. The difference is, however, that the banks are more likely to break the rules and do serious damage to our economy and society.

Given the list of measures I have just outlined, it seems that the Government thinks credit unions are the real threat. Since I came into this Chamber, we have been dealing with a fundamental lack of understanding of the credit unions. I am not sure whether that can be attributed to the previous regulator, the registrar, the Central Bank, the officials in the Department of Finance or the Minister himself. We know there is support for the credit unions across the political divide. We are the credit unions. We are members of credit unions. We represent the people, and the people constitute that great movement which is the credit union movement.

Somebody needs to figure out where this is going wrong. In my view, there has been a concerted campaign against credit unions for a number of years. We need to stop it now. Efforts have been made to structure them into something they are not, to destroy their voluntary ethos and to shape them into something they will not and should not be. We need to get real about all of this. We need to open our eyes. We need to listen to our communities. We need to respect the work that is being done by the credit unions. We need to respect their professionalism and work with them on a way forward. The credit union movement has stood with the people through years of hardship. The Irish people have stood with the credit union movement. Now is the time to allow the movement to do even more in our communities and for our communities and to show ambition for the credit union movement.

I support this motion as a symbolic message of support for the credit union movement. More importantly, I support it as a statement of intent. This Government needs to put a stop to whatever is going on to drive the concerted campaign against the credit union movement. It might not be very visible, but it is happening nonetheless. The credit union movement is currently offering solutions to problems, as it has always done. The Minister should use the opportunity he has been given tonight to re-engage with the movement on the CP88 issues. This is where I differ from Deputy Nolan. There is something we can do in this House. The Minister should give a strong commitment that he will not commence the remaining elements of the Act until the full picture can be established.

**Deputy Michael Colreavy:** I am delighted to speak on this issue, even if it is only for five minutes. I was a founding member of Manorhamilton and District Credit Union many years ago. I believe it is one of the biggest contributions I have made, along with other people, to the development of the community of north Leitrim. As Deputies can imagine, many people have been telling me their concerns about what is happening to an institution that we love so much. When I looked at the counter-motion proposed by the Government - I would not call it an amendment - I could not avoid the feeling that there is a measure of protecting the big commercial banks here. The Government might say that it likes the credit unions and the Minister might use nice words when he speaks about them, but their aim is to protect the big commercial banks.

I agree completely with various speakers on all sides of the House who have said they do not want the credit unions to look like banks or to operate as banks. It seems to me from the way we are shaping the regulations in this area that the next thing we will see is regional managers for credit unions. After that, we will be looking at a requirement to have the same sets of accounts as the commercial banks. At that stage, they will become mini commercial banks without the credit limits and many of the other services that the commercial banks have. It was not the credit unions that crashed and burned, almost destroying the State in the process, and left householders - fathers, mothers and families - wondering what happened their assets. It was the big banks that were responsible. They were being regulated by the same people who now say they know best about how the credit unions should operate. They do not know best. Those who know best about how the credit unions should operate are the communities that place their trust and their money with people they know.

I will set out the key difference between the credit unions and the commercial banks. The members of the credit union movement meet and talk to people they know. Those working in the credit unions know the people they are dealing with. Many families that would have been regarded as risks by the commercial banks and sent away on that basis have been supported by the credit unions over the years. Those families made good on that trust and repaid their loans. They have prospered as a result of being listened to by the credit unions. That is the difference between the credit unions and the commercial banks. We do not have shareholders who are getting a slice of the action. We do not have bank officials who are keen to oversell products because they are getting a slice of the action. We do not have officials encouraging people to take out loans for higher amounts than they actually need, or can afford to repay, so that they will get bonuses. Although we have none of those ills, the Government is insisting on pursuing a policy of putting tighter controls on credit unions and shaping them more and more like commercial banks.

I fear that everybody in this House will vote against the good motion that has been put before the House tonight. It is not perfect and some improvements could be made to it, but it is a good motion. It should get the Minister to pause and think of how to build on the strengths of the credit union movement, rather than looking at the similarities with the banks. He should imagine the strong role that the credit unions could play as this society develops over the years and decades ahead. The process of thinking and imagining should take precedence over looking at the model offered by the regulation of the commercial banks. If the Minister talks to the customers of the credit unions and those who run the credit unions, that discussion will result in a sound and secure continuing solution that is suitable for the Irish people. Such a solution has operated for decades and will continue to operate if it is not nobbled.

**Deputy Maureen O'Sullivan:** I would like to share time with Deputy Pringle.

**Acting Chairman (Deputy Liam Twomey):** Is that agreed? Agreed.

**Deputy Maureen O'Sullivan:** Ar dtús, ba mhaith liom aitheantas a thabhairt do na comhair creidmheasa ar fud na tíre a thugann deiseanna furasta do dhaoine airgead a shábháil agus a thacaíonn leo iasachtaí a fháil. I know from my own community, where East Wall Credit Union is based, and from my own membership of the ASTI credit union that credit unions have made it easy for people, especially young people, to save and borrow over the years. I refer, for example, to their user-friendly hours of opening. I would like to acknowledge the role of the volunteers in the hundreds of credit unions throughout the country.

I would also like to acknowledge that a reply I received from the Minister, Deputy Noonan, earlier this month was encouraging for credit unions as a funding source for the provision of social housing. In the reply, the Minister mentioned that “section 44 of the Credit Union Act 1997 provides that a credit union may establish a special fund to be used by the credit union for such social, cultural or charitable purposes ... where it is approved by a resolution passed by a majority of its members present and voting at a general meeting”. I would like to know whether the credit unions are allowed to augment that with dormant account funds. It would require an amendment to the Dormant Accounts Acts, but I understand such a provision was recommended by the dormant accounts board in 2012.

The credit union movement was founded in the north inner city of Dublin. The early credit union movement had a strong ethos of social action. I suggest it now has a real possibility of being a main player when it comes to housing. For example, credit unions have an opportunity to get involved in microfinancing. I suggest that the representative organisations - the Irish League of Credit Unions and the Credit Union Development Association - should embrace the role of credit unions as social actors. I believe the credit unions want such a role. When one looks at their savings and assets, it is clear that massive potential exists in this regard.

I would like to speak about the €100,000 cap. I do not understand why someone getting a redundancy payment of just over €100,000 should not be allowed to put it into a credit union account. I suggest that preventing them from doing so undermines the credit unions.

I agree with those who have suggested to me that the Central Bank is crucifying the credit unions and that the restrictions imposed by the Central Bank come from a lack of understanding of the work of the credit unions, particularly in relation to their social ethos. There is no doubt that credit unions are seen by the public as fair, transparent and helpful institutions. They are customer-centred and have a personal touch, whereas the banks seem to be on a rampage of replacing everybody with a machine.

*10 o'clock*

They also help people in much poorer circumstances in the way they are able to provide an alternative to loan sharks and illegal moneylending.

**Deputy Thomas Pringle:** Born from a sense of community service, the credit union movement grew from its original three pioneers in the 1960s to the almost 2.9 million members it has today. When one considers that the UK credit union movement celebrated 1.6 million adult members yesterday, it shows the success of our credit unions. Through such growth in numbers the movement has maintained its sense of community service and it is still a vital social movement in Ireland many decades after its inception. Credit unions are vital financial networks but they can and want to do more for their members by expanding their remit to include a range of financial services and social needs such as micro credit lending, financing social housing and lending to small and micro businesses. With €13 billion in total assets, the movement's potential is huge and one would think the Government's approach to the sector would reflect this importance, but the Government is alarmingly complacent about the credit union sector's ambitions. The Government has barraged credit unions with a one-size-fits-all regulatory approach, hampering any efforts the movement is making to service its communities and members further. This fits in with Fine Gael's big finance policies which have prioritised a profit-driven financial sector over the not-for-profit community banking model credit unions provide. That is its policy and that is its ideology.



The CP88 consultation paper issued by the Central Bank sets out proposals for restrictive provisions to include a cap on savings, a 10% limit on credit unions' total loan book and a regulatory reserve ratio of not less than 10% of total assets. These are all very restrictive regulatory provisions that were not even the subject of consultation with the credit unions themselves before they were put out to public consultation. This is what the Minister and Fine Gael want - to limit credit unions' competitiveness with private sector financial providers. These regulations will keep credit unions in their place, under the Minister's thumb, and will keep them small and manageable. I urge the Minister to stop the implementation of CP88 and to meet credit unions to discuss their proposals to address the housing crisis. I also urge him to begin actively to encourage the sector to branch out into social needs while extending its remit to provide a range of financial services for its members.

The founders of the credit union movement recognised the root problem in society as lying in the scarce availability and poor management of money and resolved to identify a system that would allow people to gain more control over their finances. It is uncanny that, today, the Government's own poor management of money has led to a housing, health and jobs crisis, yet it is quick to restrict a movement that has proven time and again its own healthy management of money. The fact that there were fewer individual credit unions bailed out during the crisis than private banks should say enough about their value to society.

Debate adjourned.

The Dáil adjourned at 10.05 p.m. until 9.30 a.m. on Wednesday, 25 November 2015.