



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

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## DÁIL ÉIREANN

*Dé Céadaoin, 25 Samhain 2015*

*Wednesday, 25 November 2015*

Chuaigh an Leas-Cheann Comhairle i gceannas ar 9.30 a.m.

***Paidir.***

***Prayer.***

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### **Ceisteanna - Questions**

#### **Priority Questions**

**An Leas-Cheann Comhairle:** Before we begin, I must ask Members to observe the time limits for questions. Yesterday, many Members' questions were not reached because other Members went over the time limit. It is disappointing when that happens.

#### **GLAS Administration**

1. **Deputy Éamon Ó Cuív** asked the Minister for Agriculture, Food and the Marine the progress to date in the roll-out of the green low-carbon agri-environment scheme, GLAS; and if he will make a statement on the matter. [41413/15]

**Deputy Éamon Ó Cuív:** There is a general interest in GLAS. Will the Minister provide an update on the progress of the roll-out of the scheme? In particular, will he outline the average payment amount approved for farmers who have been accepted into the scheme?

**Minister for Agriculture, Food and the Marine (Deputy Simon Coveney):** The 27,000 applications submitted in the first tranche of GLAS were very much in line with the projections I made when launching the scheme. This substantial response provides us with an important signal of the ongoing importance farmers place on the sustainable management of their resources. In October, some 24,500 approval letters began issuing to farmers confirming their acceptance into the scheme. A further 2,000 cases have required some further investigation. As a result of this review, these applicants will be informed shortly whether they have been accepted into tranche 1 of the scheme. To date, 400 applicants have not met the minimum criteria for acceptance into tranche 1 of the scheme.

In terms of payments associated with tranche 1, my Department will be issuing before the end of this year 85% of the 2015 part-year payments for all those applications approved with a 1 October 2015 commencement date.

In addition, I launched a second tranche of GLAS in October 2015. The closing date for the submission of applications under this tranche is 7 December. The level of interest in tranche 2 has matched the experience of tranche 1. So far more than 10,000 applications have already been registered on the online GLAS tranche 2 application system. With a further two weeks to go before the closing date, it is clear the uptake in this tranche of the scheme will be significant and likely to match, or even possibly exceed, expectations.

This level of uptake in the scheme is a clear demonstration of the commitment of farmers to protecting, conserving and enhancing the environment while developing their farm businesses in a sustainable manner. The range and extent of actions and prescriptions that farmers have committed to under GLAS will deliver substantial environmental benefits in the years ahead. These actions will improve and maintain our water quality and will encourage biodiversity and the maintenance of valuable habitats while also promoting climate change mitigation. Several important targets set out for GLAS over the entire rural development programme period have already been achieved under tranche 1, such as the planting of hedgerows.

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

My vision for the development of agriculture is founded on the guiding principle that future development must be delivered and achieved in a sustainable manner, economically, socially and environmentally. GLAS is a practical demonstration of the Government's commitment to supporting and following through on this principle. The scheme is part of a comprehensive suite of measures that are targeted at enabling, encouraging and supporting farmers in further developing their farm enterprises and managing their resources in a sustainable manner, while at the same time delivering important public goods for the whole of society now and into the future.

**Deputy Éamon Ó Cuív:** I keep tabling parliamentary questions on this issue but I do not seem to get an answer. Of the 24,830 applications approved, what will be the average payment per farmer? Many people are anxious to find this out.

What progress has been made to date with the commonage plans that are an integral part of GLAS? Will the Minister once again confirm that farmers will be paid by Christmas for commonages, irrespective of whether there is a plan in place for them?

**Deputy Simon Coveney:** There has been much discussion and debate around the commonage issue to ensure that GLAS accommodates the complexity of putting a collective commonage plan in place. We gave more time for that to be finalised. As long as farmers have signed up to the finalisation and preparation of that plan, then they will be paid.

If the Deputy had asked about the average payment in the form of a question, I would probably have the exact answer.

**Deputy Éamon Ó Cuív:** I have tabled a few questions over the past several weeks.

**Deputy Simon Coveney:** We have not even finalised the exact number yet.

**Deputy Éamon Ó Cuív:** The Minister could give me a figure for the 24,830 applications.

**Deputy Simon Coveney:** With respect, that was not the question the Deputy asked. I have given the answer to the question he asked.

**Deputy Éamon Ó Cuív:** I put it as a supplementary question.

**Deputy Simon Coveney:** As I said before, the expectation, and what we are budgeting for, is that the average payment will be quite close to the maximum payment of €5,000. Obviously, it will be less than that, but it is not going to be significantly less. As soon as we have that average figure, which is only a matter of weeks, I will make it available. There is no hidden agenda. It depends on how many people apply for it.

**Deputy Éamon Ó Cuív:** We are able to read figures given authoritatively by the Department to the *Irish Farmers' Journal*. However, Deputies who table a parliamentary question - who one would think would get priority in the dissemination of information - do not seem to be able to get the same information. I find that quite extraordinary.

**Deputy Simon Coveney:** I do not have the figures because we have not yet finalised them.

**Deputy Éamon Ó Cuív:** How can indications of the figure be given to the *Irish Farmers' Journal*?

**Deputy Simon Coveney:** The *Irish Farmers' Journal* deduced its own figures. It cannot have an average figure because I have not signed off on every application.

**Deputy Éamon Ó Cuív:** Yes, but the Minister has signed off on 24,830 applications already, and he could give some indication as to the average payment. There seems to be some reason, however, why the Minister is reluctant to give information.

**Deputy Tom Hayes:** The scheme has not yet been finalised.

**Deputy Éamon Ó Cuív:** Will the Minister give an update as to the number of expressions of interest for tranche 2? Will he confirm whether advisers can submit applications on the computer system and, if so, how many applications have been received? If fewer than 13,000 applications have been received by 7 December, will the Minister leave the scheme open until 13,000 have been received? Alternatively, if more than 13,000 applications are received, will he let all of those applications, as long as they are valid, through the process and allow those applicants join GLAS?

**Deputy Simon Coveney:** I answered some of those questions in the reply I gave. First, I said that so far 10,000 applications have been registered.

**Deputy Éamon Ó Cuív:** They are expressions of interest-----

**Deputy Simon Coveney:** No. They have already been registered on the online application process for tranche 2.

**Deputy Éamon Ó Cuív:** But I am talking about applications. There is a difference.

**Deputy Simon Coveney:** No. The way in which the system works is that people register online, and then they put up further details on the system as they get them, which turns a registration into a formal application. That is how it works. We expect to get 10,000 or so applications; in fact, we will get more than that number under GLAS tranche 2, which is great. There were some concerns when GLAS was originally designed about the numbers who would apply, but now we certainly will not be short of applications. We will try to accommodate up to 40,000 applications between GLAS tranche 1 and tranche 2. I think we will be pretty close

to that figure. Obviously, if we exceed that number, we must be sure we can budget for the number of people applying, but I think we have got the numbers about right. We are way ahead of where we said we would be. We said we would probably take in between 25,000 and 30,000 applicants under tranche 1 and up to 35,000 applicants in tranche 2, and now we are saying that we will take up to 40,000 applicants. Therefore, we are way ahead of where we said we would be, which is good, because we want to get to the figure of 50,000 as soon as we can, although obviously that has to be staggered in terms of the budget that is available.

### **Milk Quota**

**2. Deputy Martin Ferris** asked the Minister for Agriculture, Food and the Marine the person who made the decision not to prosecute anyone in relation to the milk quota irregularities involving Glanbia, Clongowes Wood College and a person in County Tipperary, which were investigated by his Department; if An Garda Síochána was made aware of the details of this case; and if he will waive his legal privilege in order to disclose the opinion of the Office of the Chief State Solicitor on this case. [41417/15]

**Deputy Martin Ferris:** I am returning to the Minister with a question regarding milk quota irregularities involving Glanbia, Clongowes Wood school and a farmer in County Tipperary, which have been investigated by the Minister's Department. Was the Garda made aware of the details of this case, and will the Minister waive legal privilege in order to disclose the opinion of the Office of the Chief State Solicitor on the case?

**Deputy Simon Coveney:** The Deputy is aware of the background to this case, which I outlined in the House in my reply to a parliamentary question on 7 October. In short, my Department conducted an investigation into allegations that milk collections from one supplier were credited to the account of another, and that this was being facilitated by the milk purchaser concerned.

I have already indicated that following this investigation, I accepted the recommendation of my officials that a prosecution in this case should not be pursued. In making its recommendation my Department had regard to all of the facts, including the corrective action taken, the lack of financial gain for any of the parties concerned, the fact that the parties' obligations under the milk quota regulations had ultimately been met, that the superlevy was paid and that there was no financial loss to other farmers, the Exchequer or the EU. Furthermore, the ending of the milk quota regime meant that there was no deterrent factor for other quota holders in pursuing a prosecution. Against that backdrop, my Department did not refer the matter on to An Garda Síochána.

I have also indicated that I instructed that the relevant papers be sent to the Chief State Solicitor for advice, that that office appointed a prosecuting counsel to examine the facts of the case, and that my Department also had regard to that advice and to the likelihood of a successful prosecution, given the details of the case and the standard of proof required, in making its recommendation. As always, the opinion received from counsel is subject to legal privilege and it would not be appropriate for me to disclose its contents at this time.

As I said previously, this was a case that I was concerned about. I was the one who insisted on an immediate investigation and it was a very robust one. It resulted in the company concerned having a full investigation of its own. It also resulted in much correspondence between

my Department and the company concerned, and in the resignation of the individual involved from the board of Glanbia recently. We have acted in a fairly robust manner on this case, but I have to take the advice of my officials and the legal advice and make balanced decisions on that basis.

**Deputy Martin Ferris:** The person in question did not resign willingly. He resigned as a result of the issue being raised in this House and raised continuously with the Department. I find it difficult to comprehend how somebody in a very prominent position on the board of Glanbia, with a milk quota being allocated to Clongowes Wood, was able to use that milk quota without the knowledge of Glanbia, thereby committing these irregularities. When one compares that to the way other farmers have been treated around the country, it stinks to high heaven. Did the Minister say there was a Garda investigation into this matter?

**Deputy Simon Coveney:** No, there was no Garda investigation.

**Deputy Martin Ferris:** Why was the matter not referred to the Garda? This was blatant attempted fraud at the very least. A major milk processing company, Clongowes Wood College and the farmer were all involved, and this matter was not referred to the Garda. Why not? Most people would be of the opinion that if somebody else had been involved the matter would have been referred to the Garda.

**Deputy Simon Coveney:** I agree with the Deputy on this. It should not have happened and it was not allowed to happen-----

**Deputy Martin Ferris:** But it did.

**Deputy Simon Coveney:** -----because our systems picked it up and we responded to it very robustly. Anybody who has been involved with our special investigations unit, as it was at the time, knows that it is pretty robust in terms of how it gets to the bottom of things. It works with and takes advice from the Garda on a regular basis. People were interviewed under caution. We followed up on this as to the detail. There was a full investigation by both the Department and the company concerned, and there was an explanation as to why this happened - which I do not want to go into, although I can brief the Deputy on it if he wishes - and the circumstances that led to what was effectively the use of a quota that had been assigned somewhere else in a separate part of the country. We made it very clear at the time that this was totally unacceptable, regardless of the explanation as to why it was happening. There was an explanation, but it was not acceptable to me. That is why a full superlevy fine was applied. Also, we referred this file to the Office of the Chief State Solicitor because I felt it was appropriate to do that in order that we could have an independent assessment of this overall case. The advice I got-----

**An Leas-Cheann Comhairle:** I have to bring in Deputy Ferris now.

**Deputy Simon Coveney:** I will be able to reply one more time.

**An Leas-Cheann Comhairle:** Yes, as there is another question and another reply.

**Deputy Martin Ferris:** This was not initiated, to my knowledge, until an article appeared in a newspaper. That is what sparked this investigation, because the matter was in the public domain. This did not just come down through the system. That is my knowledge of it.

**Deputy Simon Coveney:** That is not true.



**Deputy Martin Ferris:** Also, I have reason to believe, from information I have been given - whether it is true or otherwise - that the Chief State Solicitor recommended that this matter be referred to the Garda. In the interest of members of the public, we need to know whether that is the case. Did the Chief State Solicitor make a recommendation that this matter be investigated by the Garda? If that recommendation was made and the matter was not investigated, it brings into question the situation regarding the Department and the Minister. The Minister needs to clear that up.

**Deputy Simon Coveney:** To be clear on this, I can talk about the advice that I got within my own Department, which states that the facts are not so clear as to provide a sufficient degree of probability that a prosecution would succeed, given the legal standard of proof beyond reasonable doubt. It further states that it is also relevant that the quota system is now abolished and therefore there is no merit in taking a case in order to encourage others to obey the law in this matter. It goes on to state that the full superlevy of €143,000 was ultimately paid in this case and therefore there was no loss to the national or EU purse, and that taking an uncertain prosecution would be more likely to expose the State to costs. Taking all of these factors into account, it recommends against prosecution. That is the advice I have.

**Deputy Martin Ferris:** Who gave the Minister that advice?

**Deputy Simon Coveney:** That was my Secretary General.

**Deputy Martin Ferris:** What was the advice of the Chief State Solicitor?

**Deputy Simon Coveney:** That is on the basis of the legal recommendations that came to him and me, based on the report we received from the Office of the Chief State Solicitor.

**Deputy Martin Ferris:** Did the Chief State Solicitor say that prosecution would not be successful?

**An Leas-Cheann Comhairle:** We must proceed to the next question.

### **Commonage Land Use**

3. **Deputy Michael Fitzmaurice** asked the Minister for Agriculture, Food and the Marine in relation to the basic payment scheme, why he is continuing to rely on maps and reports that were prepared on foot of an inspection by a district superintendent (details supplied) in County Galway in August 2012 when his appeals office has stated, in its decision of 26 August 2015, that the report from this inspection cannot be relied upon as it provides no quantification or description for the deductions made; his plans to rectify the maps in accordance with the expert evidence provided by the applicant, detailing the precise eligibility of the site in the application under the basic payment scheme 2015; his plans to expeditiously facilitate the payments concerned; and if he will make a statement on the matter. [41415/15]

**Deputy Simon Coveney:** In relation to what is referred to as the Keelderry commonage, a number of commonages, including the Keelderry commonage, were selected for ground inspection in 2010 as part of a review of commonage parcels declared by applicants under the 2010 single payment scheme, SPS, and less favoured areas, LFA, schemes. A number of inspections of this parcel of land were carried out in 2010 and 2011 resulting in a reduction of the determined area of this commonage. There was one inspection, which the claimants are seeking to

rely on, which resulted in a large area of the commonage being deemed eligible for the above schemes, but a number of subsequent inspections has resulted in a much reduced area being deemed the determined eligible area for the purposes of both schemes. The circumstances in which the first inspection was carried out are currently the subject of litigation and, therefore, I am precluded from commenting any further on that inspection. That will be a problem for some of the later questions as well.

The findings with regard to Keelderry have been the subject of a number of legal actions and appeals. The appeal referred to concerns the 2012 SPS, disadvantaged areas scheme, DAS, and other area based schemes of one of the claimants. The decision of the independent official was to partially allow the appeal. However, the findings of the appeals officer in that specific case are not a finding on the inspection criteria or that the inspectors' interpretation or methodology cannot be relied upon.

The relevant extract from the appeals office decision from August 2015 states: "Both sides provided evidence at the oral hearing as to the nature of the growth that exists on parcel G30106047, and while there are obviously roadways, active turbary and quarry areas, I must rely on the inspection reports provided by the Department and those reports provide no quantification or description on which to rely for the deductions made within parcels G30106047, G30106046 and G30106057." Most importantly the decision adds: "In any event the question at appeal is whether or not these parcels met the 2012 eligibility requirement for you [sic - use] of agricultural activity as defined." Therefore the areas of the parcels were not to be determined by the appeals office but rather whether the applicant carried out an agricultural activity.

Notwithstanding documentation submitted by the applicant as part of his 2015 basic payment scheme application, the Department maintains its position, as the competent authority on this matter, on the eligible area of this commonage.

**Deputy Michael Fitzmaurice:** I have three booklets with me which were produced by the same ecologist. Two of them have been accepted but for one reason or another one is the sticky wicket on this commonage. The three are side by side. The same ecologist did everything but for whatever reason there is a problem with one. At first, 95% of it was accepted, but then that was thrown out the window. What has happened in this case is that the people inspecting it are the people who are investigating it. That cannot be. The Minister must bring in a new team to examine this.

A delegation was in Europe during the week. I attended a committee meeting which examined the new booklet on determining eligibility. That is not yet recognised in Europe. One reference has been sent to Europe on our booklet, but farmers and inspectors are operating with it at present. I am not blaming the inspectors on the ground, because there are no criteria at present for an inspector, nor have there been through the years. There is no planning, and no courses are given to guide an inspector. In one place a person could do one thing while in another place a person could do the opposite. We must have certain criteria. Article 4.1 is used by the Welsh and we have copied them, but there is no legal basis for it.

**Deputy Simon Coveney:** The Deputy should be careful about what he seeks here in terms of clear definitions of what is in and what is out in commonage areas along the west of Ireland. We are trying to get more farming activity into commonage areas. We are trying to be as flexible and generous as possible within the rules to try to include as much land as possible to support farmers in those areas. The Deputy should be careful about what he is seeking here



in terms of Commission definitions, Commission inspections and so forth to do this. We have been working with the Commission to produce a set of guidelines. They are based on pictorial guidelines and we have published those to help farmers determine what is and is not eligible on land that is marginal. The land might contain a large amount of rock or there might be limited growth in certain areas and so forth. We are trying to ensure that we maximise the amount of land in disadvantaged and marginal areas that is fit for agricultural use, is kept accordingly and is agricultural land in its own right.

In this particular case, which has been ongoing for some time, I have tried to find a compromise and to go through independent appeals processes. Multiple Deputies, from my party and other parties, have raised this case with me. They have approached various offices, Ministers and so forth. We have tried to come to a compromise on a way forward on this. It is now going the legal route which means I am limited in what I can do.

**Deputy Michael Fitzmaurice:** We all wish for one thing, that farmers will be looked after in this. However, it appears that many farmers are being cut, especially in the west of Ireland. That is to put it simply. In fairness to the inspectors, one guy will say that the heather must be up to one's knee, another could say it must be up to one's shin and another might say it must be up to one's ankle. We do not know where we are going.

**Deputy Simon Coveney:** Do not exaggerate for effect. That does not happen.

**Deputy Michael Fitzmaurice:** The farmers do not know where they stand. Look at the amount of penalties that have been incurred in these areas by families who need the money. Departmental inspectors are going around at present. In this case, the people who have investigated it for the second time were already on the case on the first occasion. That cannot be. There must be a clean sweep with new people, including an ecologist, to work with the different designations. One cannot have the same group of people looking at the same problem. We cannot have even one of the same people going back to examine it. In that case why not get new people to examine it and work with this ecologist? Most of his work was accepted in two of the applications. That guy is in Brussels at present. Why not work with him to solve this problem?

**Deputy Simon Coveney:** There are independent ecologists all over the country. We have inspectors and we have a job to do. Our inspectors are very experienced. They understand commonage and how it works and marginal land and how it works. In this case there was an inspection. There was another inspection to verify that, which happens all of the time. There was another inspection after that to verify the verification, as it were, because people were not happy and were raising concerns about it. The appeal process was gone through fully. I asked the previous Secretary General of the Department to look at it because the issue was raised. We are trying to get to the bottom of it and to be fair to the farmers.

*10 o'clock*

At the same time we have to ensure we are consistent with the rules and regulations. Otherwise we will be audited by the Commission and we will be exposed.

We have issued the guidelines document, which Deputy Fitzmaurice seems to be dismissing even though most farmers have welcomed it. All farming organisations have welcomed it. There are clearer guidelines than ever before available now in terms of what is eligible and what is not eligible, and they are in the form of pictures and clear language in order that farmers can understand them.

## **Grocery Industry Competition**

4. **Deputy Éamon Ó Cuív** asked the Minister for Agriculture, Food and the Marine the steps he has taken to ensure that horticulture farmers receive an equitable price for their produce during Christmas 2015 and that there will be no repeat of the events of Christmas 2013; and if he will make a statement on the matter. [41414/15]

**Deputy Éamon Ó Cuív:** The Minister might remember the debacle at Christmas time two years ago in respect of the virtual giving away of vegetables and the destruction it caused to our horticulture industry. I hope the Minister will tell us today that the Government is taking firm action to ensure there will not be a repeat this year of that type of behaviour by the supermarkets and a misuse of their excessive control of the market in a manner which operates against the interests of the agriculture and horticulture industries and the people.

**Minister of State at the Department of Agriculture, Food and the Marine (Deputy Tom Hayes):** The legislative power to tackle the matters mentioned are under the auspices of the Department of Jobs, Enterprise and Innovation, together with the Competition and Consumer Protection Commission. The commission, which was established on 31 October 2014, is the statutory body responsible for enforcing consumer protection and competition law.

During 2014, the Department of Jobs, Enterprise and Innovation introduced the Competition and Consumer Protection Act 2014. The Act provides for the making of provisions for regulating certain practices in the grocery goods sector. I understand the Department of Jobs, Enterprise and Innovation is finalising the implementation of grocery regulations under this legislation. This, I hope, will guide the supermarkets in how they deal with producers in a fair and reasonable manner.

The price levels struck by growers with retail outlets are entirely a commercial matter. While it is not my role to set supermarket prices for agricultural products or to be involved in price negotiations between growers and retailers, like the Deputy, I very much encourage greater co-operation and discussion between all parties to ensure the viability of the largest number of Irish growers possible.

**Deputy Éamon Ó Cuív:** Has the Minister for Jobs, Enterprise and Innovation consulted the Minister of State on the regulations he is drawing up? Has he given the Minister of State assurances that he will do more than guide the supermarkets on how to deal with producers in a fair and reasonable manner? Does the Minister of State not think we need a little more than guidance to ensure the supermarkets behave in such a manner? Does the Minister of State intend to set up a horticultural forum analogous to the one set up by his colleague, the Minister, where not only would the producers and An Bord Bia be involved but the supermarkets would be involved too? Everyone should be brought around the table and a few heads banged together.

**Deputy Tom Hayes:** I have ongoing discussions with all sections of the horticulture industry and am acutely aware of the difficulties encountered in producing and selling product. I am also acutely aware of the potential for import substitution. I continually meet them and discuss the issues with them. I am open to any dialogue that will improve the sector. It does not need a special forum because the sections have total access to me at all times.

**Deputy Éamon Ó Cuív:** What about the supermarkets?

**Deputy Tom Hayes:** I have had discussions with the supermarkets but I am precluded by

law from dictating to them. I cannot interfere with pricing. We have to be very careful about that because it is written in law. I have encouraged them and spoken to them but I have to be very careful about it.

**Deputy Simon Coveney:** The Deputy might remember it was his Government that got rid of below-cost selling.

**Deputy Éamon Ó Cuív:** Article 45.2.iii of the Constitution provides, “That, especially, the operation of free competition shall not be allowed so to develop as to result in the concentration of the ownership or control of essential commodities in a few individuals to the common detriment.” Whatever about the law, the Minister of State is constitutionally bound to ensure the common good prevails in this case. Surely the common good in this case would ensure the price of vegetables would be pitched in order that we could continue to have a horticulture industry in this country that can provide that essential commodity to our people. This would ensure the control of a few individuals, in this case, a small number of supermarkets, is not exercised in such a way that it effectively controls essential commodities.

**Deputy Tom Hayes:** I want at all times to ensure the producer is paid a fair price. I have already stated that I cannot interfere.

**Deputy Éamon Ó Cuív:** The Minister of State can. It says so in Article 45.2.iii of the Constitution.

**Deputy Tom Hayes:** The legislation does not allow me to interfere. The reality is that we will encourage the supermarkets and do everything that is possible. I remind the Deputy that because of our actions last year and the discussions - they were only discussions - we did not have a repeat of what happened the previous year. I hope coming into this Christmas the supermarkets will abide by the general thrust of what they have told me. I do not condone or want them to be doing it. It is bad for the product and for encouraging people to eat vegetables. It sets vegetables out as product that is being dumped. It does not do anything good for the promotion of vegetables.

### **Horse Racing Industry Funding**

5. **Deputy Martin Ferris** asked the Minister for Agriculture, Food and the Marine his views that the imposition of a foal levy based on the advertised value of the nomination fee of a stallion means that when the actual fee paid is less than the advertised price and breeders are unfairly penalised [41418/15]

**Deputy Martin Ferris:** I would like to hear the Minister’s views on the imposition of a foal levy based on the advertised value of the nomination fee of a stallion which means that when the actual fee is paid, it is less than the advertised price. Are breeders being unfairly penalised?

**Deputy Simon Coveney:** I thank Deputy Ferris for raising this issue. We had a brief discussion on it in the committee a number of days ago. Horse Racing Ireland is a commercial State body established under the Horse and Greyhound Racing Act 2001 and it is responsible for the overall administration, promotion and development of the horse racing industry. The current foal levy scheme, which was introduced in 2000 on a statutory basis, applies to all thoroughbred foals registered in Ireland. The proceeds of the levy are used by Horse Racing

Ireland to help fund the Irish Equine Centre, which is very important, the Irish Thoroughbred Breeders Association and Irish Thoroughbred Marketing. These organisations provide key support structures to the Irish thoroughbred breeding industry.

The foal levy is a relatively small element of the overall cost of keeping and covering a mare and, for reasons of practicality, is based on the advertised nomination fee rather than the actual fee paid. By way of example, the lowest foal levy band incurs a fee of €35 and the second band is €50. Most small breeders fall into one of these two bands. The highest band, for stallion fees in excess of €30,000, is €650. At coverings of up to €15,000, the differences between the foal levy bands are a maximum of €50. Breeders who pay an actual nomination fee that is less than the advertised nomination fee used to determine the foal levy band have already achieved a real saving. The associated levy should be considered in the context of the overall cost of breeding and keeping a foal. There is a very high compliance level with the foal levy scheme and it has been revised from time to time to ensure fairness in its application.

There is a foal levy committee which reviews annually the rates, bands and structure of the levy and there is quite a lot of consultation in this regard.

**Deputy Martin Ferris:** I understand that of the 7,000 or so registered breeders, 70% to 80% have only two or three mares. Many of them are small farmers. Would it not be far more equitable if breeders were to pay the foal levy based on the invoice price, that is, the actual cost of covering the mare, rather than the advertised price? The latter might be two or three times greater than what a small breeder is able to negotiate with a stallion owner. Moreover, such a change would be in line with other aspects of agricultural enterprise where levies are paid on invoice or sale price.

**Deputy Simon Coveney:** The Deputy's proposal is not unreasonable and it has been discussed. To be clear, small breeders in general operate at the lower end of the market in terms of the foal levy. In fact, last year, in the case of more than 30% of foals, or 2,346, the levy was paid at either €35 or €50, whereas 27% of the income for 2014 came from just 616 foals. The last time the levy was reviewed, the people who were paying at the higher end had their foal levy increased slightly and those at the lower end had it decreased slightly. In other words, we are trying to take into account the affordability issue. However, in the context of keeping a breeding mare and developing a foal for market, €35 or €50 is not a major factor one way or the other. The reason the levy is based on advertised value is that it is much easier to calculate and there is much less paperwork involved. Stallions are advertised at a certain value and it is on the basis of this advertised price that the foal levy is calculated. For administrative and accuracy reasons, it makes things much easier.

**Deputy Martin Ferris:** I thank the Minister for his reply. Is it not the case that other EU member states do not impose a foal levy? If so, are there implications for the regime in this country in the context of competition law and so forth? I have a list, which I presume came from the Department, which shows some breeders at the higher end paid a levy at 0.14% while some at the other end paid 3.3%. That is a significant discrepancy. I do not accept it would be far more difficult to charge based on the negotiated price of covering the mare rather than the advertised price. I cannot see how it would be any more difficult.

**Deputy Simon Coveney:** Whether or not foal levies are applied in other countries is not really the point. One might well ask whether other countries give €60 million per year towards the horse and greyhound racing industries. Ireland has its own structure in terms of supporting

the racing industry. Indeed, I am not sure any other country in the world prioritises horse racing as much as we do. There are countries, like Britain and France, that have more wealth linked to horse racing in terms of private input, sponsorship and so on because they have larger audiences and they have links to betting tax and all the rest of it. We have a very supportive financial model for horse and greyhound racing which has helped to ensure the Irish thoroughbred industry remains a dominant force globally. Some 40% of thoroughbreds exported within the EU come from Ireland and we continue to be a hugely successful breeder of top thoroughbred horses. All the figures show that in terms of sales this year and so on.

Foal breeding is a small part of that large industry and it is right we should ask breeders to contribute. The calculation of the levy in terms of the rates, bands and structure must be handled by Horse Racing Ireland through its foal levy committee, in consultation with both big and small owners, to ensure we get the balance right. I have no problem with a change if that is what the industry wants, but we must ensure the levy remains simple to administer and easy to collect.

## Other Questions

### Afforestation Programme

**6. Deputy Richard Boyd Barrett** asked the Minister for Agriculture, Food and the Marine the role he envisages forestry playing in helping Ireland meet European Union climate mitigation targets; and if he will make a statement on the matter. [41393/15]

**Deputy Richard Boyd Barrett:** We have discussed forestry many times in this House. I was glad and, more importantly, champions of forestry were very glad to hear the Minister's recent comments to the effect that he sees afforestation as a key measure to deal with our CO<sub>2</sub> emissions problems. In representing the view of those who champion forestry, I have emphasised the value of agroforestry as a key measure in mitigating climate change as well as all the other benefits that go with it. Does the Minister accept our afforestation targets are a little unambitious? He is talking about planting 43,000 ha by 2020 which only amounts to some 6,000 ha per year and is still well below what we would need to hit the 17% coverage target.

**(Deputy Simon Coveney):** I am glad the Deputy and I are in agreement on the importance of forestry. Ireland is well below the European average in terms of forest cover and we are responding to that in several ways. We have a very active State-owned company, Coillte, that is looking to expand and invest in its forestry interests and to that end is taking a new approach to its work. We are one of the very few countries in Europe that is actively promoting afforestation of agricultural land, and that is where almost all the afforestation has come from in recent years. Through all the financial pressures and reductions in expenditure across different areas, from which I have tried my best to insulate agriculture, there has been no cut at all in the forestry funds. We have been spending €119 million on afforestation right through the past five years in the context of very difficult budgetary choices. To clarify, that is all Exchequer money; none of it comes from the EU. We will continue to prioritise forestry and if we can afford to spend more, we will do so.

Our target is to get 6,000 or 7,000 ha planted annually. It is a realistic target which has



been very much championed by the Minister of State, Deputy Hayes. It makes sense from an afforestation point of view, from an environmental perspective and in terms of landowner income, because forestry suits certain types of agricultural land. In addition, and what is becoming increasingly relevant, afforestation has a major part to play in achieving Ireland's climate change targets in the context of an overall European target of a 40% reduction in emissions by 2030. Ireland was paddling a lone canoe on this issue for a long time but we now have agreement in the European Council that afforestation of agricultural land will count as a positive in the calculation of the overall emissions challenge of agriculture and land use. That is a major achievement which we must hold on to in the context of the setting of those targets. If we do not do that, we will have a very unbalanced picture of the contribution of agricultural land to the emissions challenge.

**Deputy Richard Boyd Barrett:** The Minister and I certainly are in agreement on the principle here, which I am very glad to hear. However, we need to be more ambitious and to push this as far and as effectively as we can. The Programme of Competitive Forestry Research for Development, COFORD, estimates that to achieve our 17% forestry target by 2014, we need to be planting 15,000 ha per annum. We are still well short of that. Will the Minister expand on Coillte's change of strategy? To date, that body has failed quite spectacularly in its remit in this regard. EU rules around grants and so on have something to do with that, but the fact is Coillte has not contributed significantly to afforestation. The Minister might explain how this will change, because it needs to change. Second, the Minister might consider a dedicated unit to explain to farmers the advantages of agroforestry and how it can contribute positively towards their farming.

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

**Deputy Richard Boyd Barrett:** They should not see it as being in competition with other farming activities, rather it should complement them as well as helping us to deal with the urgent climate change challenge.

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

**Deputy Simon Coveney:** I agree with all that. I reassure the Deputy that the Department has a forestry section based in Wexford. We prioritise forestry and the section is almost a stand-alone unit, promoting what it does. The Minister of State, Deputy Hayes, is in charge of it politically. It has done a very good job in ensuring it holds on to budgets. Agriculture has been progressing over the past five years and there is considerable competition for land. Land prices now are strong and remained so throughout the recessionary period, as evidenced through leasing prices. There is significant demand for land among dairy, beef and arable farmers.

Persuading farmers to plant agricultural land with trees has always been a challenge and it has been a particular challenge in recent years as farmers prepare for expansion and so on. We can see that in the demand for land. In this context, we have been maintaining between 6,000 ha and 7,000 ha a year, which has been a pretty good performance. We intend to maintain that even with the dairy and other agricultural growth we envisage in coming years. We predict we will be exporting €19 billion worth of food and drink by 2025.

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

**Deputy Simon Coveney:** We are currently at less than €12 billion. We are looking at sustainable intensification of agriculture, but we are also looking at a very strong sustainability



story in terms of how we use land, and forestry is a big part of that.

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

**Deputy Richard Boyd Barrett:** There are two aspects of this. One is trying to encourage farmers to see the benefits of forestry. I am learning as I go. We need to get the message across to farmers about how the different types of agroforestry can benefit them. They need to see it as a win-win situation rather than seeing it as a competition over land use for existing farming activities. We need to educate people and promote it in a proactive way to get farmers on board. If we do, it will be a win-win.

On Coillte, we need to think about moving beyond the industrialised single-species approach to afforestation because the most effective climate-mitigating species are the native broadleaf species. They have deeper roots and are much better at all levels - better for carbon sequestration, better for the land and so on. However, Coillte has not delivered significantly in this area. Mr. Colm McCarthy estimated that Coillte has about 500,000 acres of land that it did not deem commercially viable for forestry.

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

**Deputy Richard Boyd Barrett:** With a bit of imagination that land could be used for forestry if it were given to local communities, co-operatives and so on.

**Deputy Simon Coveney:** The Minister of State, Deputy Hayes, has just told me that producer groups and co-operatives are being set up to try to create economies of scale for forestry.

I will allow Coillte management to outline its new plans and business model as well as the public value delivery model that Coillte has in place and will have in place for the next five to ten years. Coillte needs to manage a number of things. First, it needs to be a successful commercial forestry company. However, it needs to do more than just pay for itself. It needs to deliver a dividend for the State from a financial, recreational, land management, environmental, carbon sink and emissions perspective. All those things need to be balanced in the design of that business model, but fundamentally Coillte needs to pay its own way. It certainly should not be forced to sell off forest harvesting rights, land or other assets to be able to balance the books.

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

**Deputy Simon Coveney:** That is not an acceptable approach and Coillte is ensuring that will not be the case in future.

I have had long discussions with Coillte representatives, as has the Minister of State, Deputy Hayes. They are under no illusions in terms of the broader public good value it has and the responsibilities it has towards recreation-----

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

**Deputy Simon Coveney:** -----and managing-----

**An Leas-Cheann Comhairle:** Sorry, Minister, I have to call Deputy Fitzmaurice.

**Deputy Simon Coveney:** -----native species as well as commercial timber.

## **Departmental Investigations**

7. **Deputy Michael Fitzmaurice** asked the Minister for Agriculture, Food and the Marine regarding Keelderry commonage lands, further to the Seanad motion of 14 February 2012 by a Senator (details supplied), if he will confirm that the formal investigation has concluded; if the findings of any such formal investigation have been provided to all the affected parties; and if he will issue a reply to the issues raised by the Senator and confirm that he will now proceed to conduct his own investigation into this matter to bring about a satisfactory conclusion. [41241/15]

**Deputy Michael Fitzmaurice:** Regarding the Keelderry commonage lands, further to the Seanad motion of 14 February 2012 by a Senator, whose details were supplied, will the Minister confirm that the formal investigation has concluded? Have the findings of any such formal investigation been provided to all the affected parties? Will the Minister issue a reply to the issues raised by the Senator? Will the Minister proceed to conduct his own investigation into this matter and bring about a satisfactory conclusion?

**Deputy Simon Coveney:** I have a problem here that I signalled earlier. My advice is that these inspections are the subject of legal proceedings and I cannot comment any further on the matter. I am not happy that this has gone down the legal route. We have repeatedly tried to find solutions in this case, but once an issue like this is the subject of legal proceedings, I am precluded from saying anything further. I do not like giving the Deputy such an answer, but that is the advice I have.

**Deputy Michael Fitzmaurice:** Will the Minister confirm that the formal investigation has been concluded? Will the findings be sent to anybody? I understand that if something has gone the legal route, the Minister cannot go into legal technicalities. Has the formal investigation been completed? Has the outcome been provided to anybody?

**Deputy Simon Coveney:** I will check that for the Deputy. My understanding is that our investigation and the appeal of that have concluded. I may need to verify that. Once something goes down the legal route, anything I say here may impact on that, so I need to be careful what I say.

**An Leas-Cheann Comhairle:** As Deputy Pringle is not present, Question No. 8 cannot be taken.

*Question No. 8 replied to with Written Answers.*

## **Beef Data Programme**

9. **Deputy Éamon Ó Cuív** asked the Minister for Agriculture, Food and the Marine if he is satisfied with the progress of the beef data and genomics scheme; and if he will make a statement on the matter. [41245/15]

**Deputy Éamon Ó Cuív:** We might get through a lot of today's questions yet. On the beef data and genomics scheme, how many samples have gone in and how many hectares does that represent? What is the likely payment by Christmas? I want to establish the level of active participants in the scheme. It would be said that there is considerable disquiet about the scheme

over the penalty regime and the uncertainties therein, as admitted by the Irish Cattle Breeding Federation, ICBF, particularly regarding bulls that are now rated as five star and might prove to be one-star or two-star bulls in future, with their progeny affected accordingly.

**Deputy Simon Coveney:** I think there was disquiet at the start, but it is wrong to say there is considerable disquiet now. The disquiet I have now is that more people want to get into the scheme. They want to know if it is fully subscribed and if we will reopen it. That is the pressure I have been getting. I accept there was considerable concern at the start, especially in understanding the star rating system and whether there were penalties for farmers who could not achieve their targets in a few years time. However, many farmers have been reassured by the public meetings we have held in recent weeks where most of the questions were answered.

If there are continuing problems with the scheme, we will fix them. We will have a mid-term review of the scheme. We will have a committee to which the farming organisations and officials will contribute to ensure we iron out any problems. I have no agenda to try to catch out farmers. This is about putting in place a scheme that uses the science of genomics to help farmers make much more informed decisions about how they breed their animals in order that we can improve the quality of the herd.

It is also a climate change measure because the better the breeding in the suckler beef herd, the faster animals will grow and the better confirmation, fertility rates, ease of calving and temperament they will have from a farm safety point of view, so this is a win-win for everybody. We will spend between €300 million and €350 million on this.

I will answer some of the Deputy's questions now. I may have to come back later. I want to reassure people.

**Deputy Éamon Ó Cuív:** The Minister has 34 seconds left.

**Deputy Simon Coveney:** There will be another round.

**Deputy Patrick O'Donovan:** We had 14 years of-----

**Deputy Éamon Ó Cuív:** Deputy O'Donovan is here.

**Deputy Patrick O'Donovan:** I have not gone away.

**Deputy Simon Coveney:** He certainly has not. The implementation of the scheme has progressed well. I will give Deputy Ó Cuív some figures to chew on. More than 252,500 samples have been sent back from genomic testing thus far, which covers more than 19,100 herds. This is a positive response rate for the scheme as it means that 71% of participants have sent back tissue samples. The scheme is working.

**Deputy Éamon Ó Cuív:** The figure I was given by the Minister was 252,672, which is more than 252,000.

**Deputy Simon Coveney:** Why did the Deputy ask for the figure if he already has it?

**Deputy Éamon Ó Cuív:** I was seeking the updated position. I note, however, that the figure has not increased since I tabled the question some time ago.

**Deputy Simon Coveney:** I am glad I am consistent at any rate.

**Deputy Éamon Ó Cuív:** I am also glad the Department is consistent.

The figure provided represents 71% of farmers. Funding of €52 million was provided for the beef data and genomics programme in the Estimate this year. I note in the small print of the Supplementary Estimate that it provides for savings of €17 million in this scheme. Will the Minister confirm that he expects an underspend of €17 million in the programme this year?

**Deputy Simon Coveney:** There is no confirmed underspend this year. I will have a Supplementary Estimate to provide for additional expenditure in the Department as opposed to an underspend in the Department. We will discuss the reasons for the Supplementary Estimate when it is presented to the House. I do not envisage €53 million will be spent on the beef data and genomics programme this year not because we do not want to spend this sum, but based on the number of applications submitted to the Department, the rate of approval and so forth. Expenditure on the programme will be considerable, however, and while I do not wish to provide a precise figure, it will be in the region of €45 million.

Following consultations with farming organisations and Members, my priority was to ensure a beef genomics scheme was up and running and a significant chunk of money was paid to suckler beef farmers before the end of the year. We are on track to achieve these objectives. I assure the Deputy that, over time, we will get as many farmers as possible into the scheme and spend the full budgetary allocation over the lifetime of the rural development programme.

**Deputy Éamon Ó Cuív:** The Minister published a Supplementary Estimate which provides for a significant overspend arising from the need to pay a fine to Europe. According to the small print, a saving of €17 million is anticipated in the beef genomics scheme. Unless the position has radically changed, Departments take a conservative approach to Supplementary Estimates. For example, if an Estimate provides for a saving of €17 million, this will be the minimum figure and the final savings could be higher. That is the way the system works. In my experience, a Department never provided for a saving if there was a possibility that it would not be achieved. That was the procedure to be followed. Will the Minister confirm that the Department is budgeting for an underspend of €17 million, which means expenditure on the scheme will be less than €40 million and not more than €40 million, as he indicated?

**Deputy Simon Coveney:** No, I cannot confirm that figure as that is not the plan. We will know what the figures are at the end of the year when we calculate the underspend versus overspend, taking account of the Supplementary Estimates. Until all moneys have been paid out and each section of the Department has finalised its figures for the year, we will not have a final figure. I do not accept the point the Deputy makes.

### **Special Protection Areas Designation**

10. **Deputy Patrick O'Donovan** asked the Minister for Agriculture, Food and the Marine the status of the agri-environment scheme for those farmers whose lands are designated for the protection of the habitat of the hen harrier; and if he will make a statement on the matter. [41235/15]

**Deputy Patrick O'Donovan:** This question relates to a scheme the Minister announced recently on lands protected for the conservation of the habitat of the hen harrier. I ask the Minister to give an update on the progress made regarding the scheme.

**Deputy Simon Coveney:** In the first instance, farmers with hen harrier land already have priority access to the green low carbon agri-environment scheme, GLAS. I also provided that such farmers would be automatically approved for GLAS plus should they be farming a sufficient area of habitat. I strongly encourage all farmers with hen harrier land to take up this measure under GLAS, which offers a payment rate of €370 per hectare. Farmers can earn up to €7,000 per annum through a combination of GLAS and GLAS plus payments and approximately 1,400 hen harrier farmers have already been approved for the new scheme.

In addition, I have recently announced that I intend to introduce a further scheme of assistance under the locally led agri-environment measure to cater for farmers who are farming large tracts of hen harrier land. One of the principles of the planned locally led measure is to explore new ways of managing farming effort for the benefit of the environment, in this case, the hen harrier. Once the new scheme has been designed, it must be negotiated with the European Commission and formally introduced by amendment to the rural development programme next year. I expect this process will be concluded early next year. Only one amendment of the rural development programme is allowed annually, which means a number of items will be bundled together and presented for approval at the same time. The proposed amendment is necessary to secure EU approval not alone for the new hen harrier scheme, but also for the various other locally led schemes I intend to introduce.

**Deputy Patrick O'Donovan:** I thank the Minister for showing an interest in this matter. It is unfortunate that Deputy Ó Cuív, having noted my presence in the Chamber, chose not to stay around for this question as it relates to a legacy of the previous Government when it abandoned farmers in hen harrier designated lands. I come from west County Limerick where practically all land, from Newcastle West to Abbeyfeale, has been designated hen harrier land. This a major issue in designated areas which include parts of north County Cork, north County Galway, east County Clare, east County Galway and counties Tipperary and Monaghan.

I thank the Minister for the efforts he has made in trying to resolve this issue, which has arisen because farmers in hen harrier designated areas were essentially abandoned by the previous Government when it announced a scheme only to pull the plug on it and walk away. In doing so, it left the designation in place without providing for compensation or even recognition, which is what many of the affected farmers were seeking.

I thank the Minister sincerely for the level of engagement he has had with the farming organisations on this issue. While only a small number of people are affected, a terrible wrong was committed against them. At least the Department, through the Minister, has now acknowledged this wrong and is trying to do something about it. What is the timeframe for rolling out the scheme?

**Deputy Simon Coveney:** A wrong was committed against the farmers concerned who were promised something which was not delivered. The previous Government had form in that regard in that it promised the sun, moon and stars in its efforts to achieve agreements but failed to deliver because it did not have the money to do so. One of the reasons it has taken some time to provide a response to help farmers who have hen harrier designation was that the decision on designation is made by a different Department. My Department is now trying to deal with the issue because we have the finance to do so. The guts of €23 million will be spent on farmers affected by hen harrier designation. This is a significant sum for the protection of one species of bird, including its habitat, nesting conditions for breeding birds and so forth.



We expect it will take until February or thereabouts to design the amendment to the rural development programme. If we can secure EU agreement to the amendment, we will have to draw up a scheme, which will take another couple of months. I was up front with farmers on this issue. We hope applicants will be accepted into the scheme by the final quarter of next year. That is the most realistic timeframe for the locally led scheme. In the meantime, however, farmers should apply to GLAS for payments under that scheme.

**Deputy Patrick O'Donovan:** I welcome the timeframe provided by the Minister. I note the presence of the Minister of State, Deputy Tom Hayes, who played a pivotal role in the scheme from a forestry point of view. Much of the land in question, particularly in my local area, is suitable for forestry. I am aware of a degree of anxiety in the Department to address the forestry element as well. As representatives of the affected areas, we are anxious to see the problem in relation to the designation looked at. While it is not responsible for the designation, the Department has stepped into the breach to provide leadership in resolving the problem. Can the designation problem be looked at with the Minister for Arts, Heritage and the Gaeltacht, Deputy Heather Humphreys, from a forestry point of view? The Minister knows the quality of the land I am talking about. In a lot of cases, it is only suitable for forestry. While the Minister of State, Deputy Tom Hayes, is trying to deal with it, if we could get the forestry issue on the table as well, it would make a major difference to farmers.

**Deputy Simon Coveney:** That is actively happening. As part of the threat response plan being led and managed by the Department of Arts, Heritage and the Gaeltacht through the National Parks and Wildlife Service, there is an assessment of whether the measures that have been put in place to protect the hen harrier have worked to date and to determine what lessons can be learned in terms of future protections. We are making the case strongly that we need to show more flexibility in relation to forestry and afforestation. There are ways to facilitate limited forestry in certain parts of those designated lands within reason if we can show that it will not interfere with or upset the habitat of the bird. That is what we are attempting to do. The threat response plan is taking some time and some people have grown frustrated with the process. As such, we have asked if we can look at the forestry elements of it as a priority, separate to the overall threat response plan, to fast-track decisions on afforestation. We are trying to have as complete a response as possible here. First, we want very strong financial supports in terms of the designation and the conditions around them. Second, we want farmers to get a commercial income where reasonable from their lands, whether through farming or afforestation. We will come back to the Deputy when we have a conclusion on that.

### **Departmental Investigations**

11. **Deputy Michael Fitzmaurice** asked the Minister for Agriculture, Food and the Marine if a formal investigation was conducted into the farm investment scheme and into the farm waste management scheme; the reason a landowner (details supplied) was not notified of such formal investigations, or of their outcomes; and if he will make a statement on the matter. [41239/15]

**Deputy Michael Fitzmaurice:** I ask the Minister for Agriculture, Food and the Marine if a formal investigation was conducted into the farm investment scheme and the farm waste management schemes and the reason a landowner, whose details are supplied, was not notified of a formal investigation or the outcomes. Will the Minister make a statement on the matter?

**Deputy Simon Coveney:** The Deputy seems to be making a habit of trying to raise legal



cases in the House. I could not answer his last question and I cannot answer this or the next question either. I have the same answer on all of them. The case is subject to legal proceedings involving the named person and the Department and therefore I cannot comment at this juncture. I have the exact same answer for the next question. The place to resolve legal proceedings is not the House. We have an appeals process that I would like to think is effective, independent and that works for people, but if someone decides to go to court to resolve a difference of opinion on a decision the Department has made, it is impossible for me to comment in any way that is helpful without impacting on those cases. I have been asked not to do that.

**Deputy Michael Fitzmaurice:** I am not asking the Minister to get into legal jargon. All I am asking is whether a formal investigation concluded, if the person was informed and, if not, why did that not happen at the beginning. I am not trying to back the Minister into a corner and telling him to be judge and jury. All I am looking for is a straight answer.

**Deputy Simon Coveney:** There would be no problem answering that question if legal proceedings had not begun. Once something goes into our legal office to prepare the defence of the position of the Department, I will not get into providing details that may be used at a later stage as part of evidence in court. That would be very foolish of me. I encourage Deputies and farmers who have issues and concerns about how the Department does its business and how the appeals process is working to let us know. If they feel it is unfair, we need to hear about it. Once a person decides to take on a solicitor and start legal proceedings, it is in a different category and it is hard for me to comment.

**Deputy Michael Fitzmaurice:** That is fair enough and I understand where the Minister is coming from. In fairness to a lot of these people to whom I have spoken in great detail, they have tried to look at every angle. Some of it was before the Minister's time and I do not lay the blame entirely at his door. There are always windows of opportunity to resolve problems, but if doors are locked and the hatches are battened down, it is very difficult for the ordinary punter. The last thing any farmer wants to do is go to court against a Department. If he or she feels an injustice, he or she is sometimes left with no choice.

**Deputy Simon Coveney:** I have said what I have to say on this. I am not trying to be unhelpful or to block anybody; I am following legal advice which I think is sensible.

*Written Answers follow Adjournment.*

### **Finance Bill 2015: Report Stage (Resumed)**

Debate resumed on 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.”.

- (Deputy Pearse Doherty)

**Deputy Liam Twomey:** As I pointed out last night, we are a small peripheral island nation at the edge of Europe for whom remaining competitive is important but can be difficult to

do. That is why foreign direct investment in this country is so important. It is responsible for 100,000 jobs and huge investment. As I stated last night, one company alone not only invested €1 billion last year, but has invested €25 billion in our economy over a number of years. It is a vibrant sector of our economy.

The knowledge box is about promoting research and development in Ireland. It is about staying competitive and remaining at the cutting edge. The important thing about our knowledge development box is that it has been approved by the OECD. The OECD is acting on behalf of a number of developed nations like ours to manage the BEPS project on base erosion and profit shifting. It has approved our proposal and concluded that it is not about tax avoidance but rather is something vital and useful to our economy.

The OECD has also pointed out that no country can move on its own to sort out the issues around international tax avoidance. As all countries must move together, there is no point in us turning Ireland into a wasteland for foreign direct investment, FDI. For this reason, some of the remarks that were made in the House last night by members of the Opposition showed a poor understanding of how investment by multinationals can quickly move to other countries if we are seen to be negative towards it. I am supportive of this measure and I hope that it is successful for us.

**Deputy Michael McGrath:** Fianna Fáil supports the introduction of the knowledge development box, KDB. We discussed it on Committee Stage when the Minister of State, Deputy Harris, was present. I made the point that the ultimate measure of success for the KDB was whether new investment, research and development and employment creation occurred. The Minister has factored in a full-year cost of €50 million for the KDB, but if it is successful, it will lead to additional revenue because multinational activity that is not currently happening in Ireland will be transferred to this country. That is what we want to happen. This should not be a question of reclassifying under which tax heading certain profits are taxed, namely, from the 12.5% rate to the 6.25% one. Rather, it should be concerned with positioning Ireland to enhance our attractiveness as a destination for inward investment. For many multinationals, research and development is a touchstone issue. It is how they decide where to locate their investments.

Much has been stated in the House about Apple and its corporation tax arrangements, but I wish to put a fact on the record. In the past two weeks, Apple announced a further 1,000 jobs in Cork city, which will bring to 6,000 the number of people employed in Cork by Apple. This is not a brass plate operation based in the Cayman Islands or Bermuda. It is a real company that employs ordinary people and helps them to sustain their livelihoods and pay mortgages. That reality is often forgotten in this debate.

Along with other Deputies, I served on the global corporation tax sub-committee, which was chaired by Deputy Twomey. We examined in detail the legitimate issues that have been raised about profit shifting. It became obvious to me that the key issues were transfer pricing and the shifting of profits from one jurisdiction to another through royalty payments on intellectual property, with the aim of those profits ending up in places where there was no corporation tax, namely, Bermuda, the Virgin Islands, the Cayman Islands and so forth. Ireland cannot address that issue on its own. Ireland will co-operate with the base erosion and profit shifting, BEPS, process and undertake steps alongside our international partners to deal with this type of aggressive tax planning. We all want to see multinationals paying as much corporation tax as possible, but Ireland is not in a position to solve the problem in isolation. Instead, we can have

an attractive offering for multinationals that are seeking to invest in Ireland or copper-fasten the existing investments and employment that many of them provide.

**Minister for Finance (Deputy Michael Noonan):** This section introduces the new corporation tax relief that is known as the KDB. The amendments in the names of Deputies Pearse Doherty and Tóibín were discussed reasonably extensively yesterday. The legislation provides that profits from certain qualifying assets that were earned by a company chargeable to corporation tax in this State, to the extent that the assets relate to research and development undertaken by that company, can be effectively taxed at a rate of 6.25%. The purpose of the KDB is to encourage companies to develop intellectual property and thereby engage in substantive research and development operations that have a positive impact on the Irish economy.

The KDB is based on the OECD modified nexus rules, which were agreed as part of its BEPS project and subsequently approved by the EU code of conduct group. These rules seek to align taxing rights on substantive operations. This is consistent with Ireland's overall approach to corporation tax.

The KDB is a general measure and is targeted at firms of all sizes and origins that undertake substantive research and development. However, as was discussed on Second and Committee Stages, it is likely that, because of the operation of the OECD modified nexus formula, the KDB will be of most immediate benefit to single companies that carry out their research and development activities in Ireland. From an FDI perspective, the KDB should also operate in such a way as to encourage larger multinationals to locate more of their high-quality research and development activities in Ireland.

The essence of the OECD modified nexus formula is that, if a company performs 50% of the research and development that develops an asset in Ireland, 50% of the income arising from that asset can qualify for the 6.25%. As a result, the more research and development that is carried out by the Irish taxpayer, the greater the profits that can be availed of under the KDB.

Regarding the amendment, reports of this nature have already been prepared and published. In line with the Department of Finance's 2014 tax expenditure guidelines, an *ex ante* evaluation of KDB was carried out this year and published on budget day. It included an analysis of the expected economic impact of the tax incentive and the estimated Exchequer cost in terms of tax forgone. The report included consideration of the economic literature on the impact of patent boxes that have existed for some years in other jurisdictions. The conclusion was that, as the KDB had a substance requirement in line with the modified nexus approach, it would have an additional benefit for the Irish economy. It is estimated that, in the early years of the KDB, there will be an annual cost of €50 million in terms of tax forgone. The ultimate Exchequer cost will depend on the level of uptake by firms, but it is expected that, because of the design of the KDB, it should incentivise additional activity in terms of employment and investment.

To ensure that the KDB will be assessed to confirm that it delivers value for money for the Irish taxpayer, the report also includes a term of reference for an *ex post* evaluation. This is scheduled to take place in 2020, by which time it is expected that at least three years worth of data will have been collected by the Revenue Commissioners from the tax returns of claimant companies. This means that there will be sufficient information to carry out an effective evaluation. In the meantime, and as is usual for all corporation tax incentives, the impact and uptake of the KDB will be monitored on an ongoing basis. Given the fact that the report has already been prepared and published, I am not accepting the Deputies' amendment.

Deputy Pearse Doherty raised a question about the level of analysis that had been carried out of the dependence of the economy on corporation tax policy and the need for an analysis of corporation tax receipts. Over the course of 2014, officials from my Department engaged in a substantial project that sought to quantify the effects of Ireland's policy, including the question of how important FDI was to our economy. The eight reports that set out the results of this research were published in last year's budget and included a paper on the context and concentration of corporation tax benefits.

Deputy Boyd Barrett raised the issue of the effective rate of tax that was paid by companies. A substantial report was prepared on this topic last year. As it was discussed on Committee Stage, I will not repeat the analysis. On the issue of the payment of royalties, subsidiaries of multinationals, be they located in Ireland or elsewhere, will necessarily incur certain bona fide expenditures, including royalty payments to group companies in foreign jurisdictions. The profits charged on in Ireland reflect the functions, assets and risks located in this country by the multinational group.

*11 o'clock*

The payments to the non-resident company represent the required remuneration of extremely valuable intellectual property assets funded and owned outside the State. Ireland cannot expect to receive or retain the remuneration of these assets. Nevertheless, Irish resident companies are chargeable to corporation tax at the standard 12.5% rate on the full trading profits that are generated from their economic activities here.

Deputy Murphy raised a number of questions. I have addressed the costs of the knowledge development box. They are published on the Department's website. I have not precluded a company from being able to join the research and development tax credit in the knowledge development box. They complement each other as part of the overall corporation tax offering.

As required by the OECD modified nexus rule, the definition used for qualifying expenditure in the knowledge development box is related to the knowledge development box tax credit. They are targeted at different stages of the business cycle. The research and development tax credit is intended to support firms when they are actively engaged in research and development while the knowledge development box credit is aimed at the future income generated from the results of research and development activity, which come at a later stage. Not everybody who claims the research and development tax credit will be able to use the knowledge development box because they may not have developed qualifying assets and because they may not have been able to generate profits from them. The cohort of taxpayers that will be able to avail of both is, therefore, expected to be quite limited.

On how the Government will be able to confine the knowledge development box to activity in Ireland, I remind the Deputies that this is the very essence of the OECD modified nexus approach as Ireland can give a tax benefit only to the extent that the profits are the result of substantive activity in the State. There are a number of safeguards in the legislation to ensure this is the case, such as the restriction on the use of acquired assets and the specific anti-avoidance clause in section 769M.

**Deputy Richard Boyd Barrett:** What really worries me in the Minister's response and the responses of others on the Government side is that there seems to be no sense that there is a problem that needs to be addressed. Deputy Twomey tries to trivialise the matter by saying we

hate the multinationals. We do not hate them and are glad of any job but we do not want to blind ourselves to the problems. The problems are internationally acknowledged.

**Deputy Liam Twomey:** International solutions.

**Deputy Richard Boyd Barrett:** The problem is that the multinationals are engaging in aggressive tax avoidance to the point that they pay tax at pitifully low levels. In some individual cases, the tax rate is estimated to be 0%. The US congressional committee and bureau of statistics are saying the American multinationals, the big IT multinationals, operating in this country are paying at a rate of 2%. Do we consider that acceptable? Do we consider it acceptable that some of the wealthiest companies in the world, some of whose directors are multibillionaires whose personal wealth is greater than that of entire countries, pay virtually no tax when ordinary workers pay 30% or 40% of their income in tax? I do not believe it is acceptable. Our society and economy will pay a terrible price domestically and internationally if we do not address this. Arguably, the problem is now at the root of global economic and financial instability because there is such a concentration of money in the hands of these firms that they can literally destabilise entire economies.

Let us consider the responses I have received from the Government on the tax loopholes associated with trade charges and intellectual property, the figure for which has jumped from €6 billion to €21 billion in Ireland in five years. This jump is a clear example how the companies are operating here and of the aggressiveness of their approach. What we are not getting from the Government are clear, detailed assurances that the knowledge box will not simply facilitate the same aggressive tax avoidance. One has every reason to believe on examining it that it is designed precisely to facilitate tax avoidance by replacing the double Irish arrangement that is being phased out. It is still going on under our noses. The substantial and detailed questions are not being addressed by the Government. This leads me to believe the Government does not want to address them and that it is just so frightened of the multinationals that it will not say boo to them, although they are essentially engaged in robbing the taxpayers of this country and the world of tax revenue we need to fund our health service, infrastructure, housing and so on. I do not agree with the knowledge box and, at the very least, we need more detailed analysis. If anything, the technical paper to which the Minister referred generates more suspicion and adds to concern rather than allaying it.

**Deputy Pearse Doherty:** Beyond the substance of the debate on whether the knowledge development box is positive or negative, beyond the accusation that some multinational companies based here are paying corporation tax at a very low rate, beyond the fact that the European Commission is taking this issue more seriously than many Deputies on both sides of this House, and while still acknowledging the positive role many multinational companies play in this State, the amendment is about trying to ensure good analysis of what happens when the arrangement goes live. The amendment does not advocate the scrapping of the knowledge development box nor does it ask that the rate be changed. It acknowledges that work has been done on the impact. For example, we know the figure of €50 million. The amendment refers to the period of nine months after the passage of this legislation. It speaks to the impact the arrangement will have when it goes live. All this is based on a guesstimate. In spite of our having the best will in the world, we are still guessing about the position in the next year. However, we cannot be sure. The Minister informed me yesterday in responses to parliamentary questions that the top 20% of corporation taxpayers recorded a 57% increase in their corporation tax bill this year so far. Nobody in the Department or anybody else expected that. Therefore, we do not know what will happen when the knowledge development box kicks in. Will it be positive or negative or



will considerable funds just be parked in it to avail of a lower rate of corporation tax? It will not result in new research and development, new initiatives and new types of products, as Deputy Michael McGrath outlined.

The amendment speaks to the need to carry out further assessment, which we should be doing as a matter of course. The reason for stipulating a period of nine months is that it allows us time, just before the next finance Bill, to determine whether there is a need to amend, tweak, scrap, or refine the knowledge development box. It would empower both sides of the House with the knowledge available at the time in order that they may carry out the necessary work on next year's finance Bill. While I acknowledge that, even at that stage, information may be patchy or sketchy owing to the possibility of our not having details covering a three-year period, we will have more information than we have at present. This needs to be kept under review. The sector is highly mobile and is worth billions of euro. When we create avenues like this, we could also be creating something we or the Minister did not set out to create, even with my reservations on the knowledge development box itself as an entity.

**Deputy Liam Twomey:** There are two issues being discussed here. Deputy Boyd Barrett's point covers tax avoidance. We participate fully in the BEPS project. The project and the OECD make it crystal clear that all countries must move together on this issue. There is no point in turning Ireland into a wasteland for foreign direct investment because we move unilaterally. It is just ridiculous talk. If the Deputy gets into power some time, he can do it on his own.

The other issue concerns how we use our tax code to keep our economy competitive. We are very much doing this. We have a corporation tax rate of 12.5% and it is crystal clear that it is fixed. I fully support the introduction in Northern Ireland of a 12.5% corporation tax rate. The two economies are very much interlinked. It is a good move in the longer term. Deputy Doherty got a bit tetchy when I accused him recently of abandoning social welfare recipients. The 12.5% corporation tax rate is a good move for Northern Ireland and for Ireland. I utterly support that, but I think the Deputy has misunderstood. The knowledge development box is about bringing the type of jobs into our economy that will keep it competitive while moving forward. It is the type of work we need to get into this country in order that we will have jobs for graduates and young people.

As I said previously in the debate, 100,000 people are directly employed here by foreign multinational companies, not to mention thousands of others who are indirectly employed by them. It is a very important and vibrant sector of our economy, so we should be fully supporting it.

I am not saying that the Deputy has something against multinationals, but much of his argument is ideological and narrowly focused. I do not think he has taken into account the wider economic impact of his concept or how we should deal with this issue.

**Deputy Michael Noonan:** Deputy Boyd Barrett's main charge is, effectively, that putting a knowledge development box into Irish tax law is motivated by a desire to facilitate large corporations to avoid tax. It is essentially the charge the Deputy has laid here. The origins of the patent boxes and the knowledge development box in this form come from the OECD and the European Commission. In recent years, both those bodies have carried out a full frontal onslaught on the corporate sector for avoiding taxes. The design of the knowledge development box, which is to replace various patent boxes around Europe, is in accordance with the



guidelines set down by the OECD and agreed by the Commission. Therefore it is contrary to Deputy Boyd Barrett's supposition that it is some kind of a device to magnify avoidance. It is the opposite and it is fully in line with the guidelines set down by the OECD.

Deputy Doherty's point concerned evaluating various things we do. In budget 2014, eight different reports were published on corporation tax in Ireland. Those very full reports are still available and I would refer Deputies to them. The Deputy will recall that we made fairly significant initiatives in that particular budget and we backed it up with data. Before we introduced the knowledge development box in the budget of October this year, we had a consultative process. We sent a consultation paper around to interested parties and that is publicly available, as are the submissions that came in. Beyond that it would not really be fruitful to do something in nine months time. I do not believe we would have sufficient data to do anything valid, but we are committed to doing it in 2020 when we would have about three years of data from the Revenue Commissioners which we could evaluate.

**Acting Chairman (Deputy Olivia Mitchell):** Is the Deputy pressing the amendment?

**Deputy Pearse Doherty:** I am going to speak again.

**Acting Chairman (Deputy Olivia Mitchell):** Okay.

**Deputy Pearse Doherty:** I acknowledge the Minister's point about having full data in three years time. I want to re-emphasise the point, however, that these are very large companies with huge profits. Some 140 of them have individually paid corporation tax in excess of €5 million in the last year. More than 400 of them pay corporation tax of at least €1 million per annum. There may be new companies that will come in to avail of this knowledge development box. Given the amount of tax that could potentially be forgone, let us be clear that we do not have the luxury of waiting for three years. We need to have an assessment with whatever information is available prior to next year's finance Bill. It may be, as was intended by the Government when introducing the section in this year's Finance Bill, that it will cost €50 million, but what if it does not? What if we find out that the tax forgone is ten times that amount or we are getting indications that is where it is going?

For example, we know that a couple of the multinational companies in this State pay the majority of corporation tax. Therefore, if certain activities were moved into this year without the resulting expected benefits from that to the Irish economy, then we need to tweak it. We need to do that all the time. It is not something new. The Government is introducing rushed legislation on the court case it lost concerning HGV licences and the way the tax was levied unlawfully over the recent period. That is because people are able to find loopholes in legislation and are able to take cases.

In dealing with the Irish Road Haulage Association or an individual haulier, the Government is up against a formidable foe and a very professional organisation. However, when the Government is dealing with companies that are paying taxable bills in excess of €5 million per annum, which means that their taxable profits must be in excess of €50 million per annum, they have the resources to find whatever loophole there is that might not be teased out in this Finance Bill, given the details and how this complies with other laws on the Statute Book, and that may be unexpected.

We are seeking a very modest thing. We are not saying to scrap the three-year report in which we will have the full data, because that report is expected. However, we should do what

I expect the Minister's officials will be doing anyway, which is to get a sense of and a feel for how the knowledge development box is operating before next year's finance Bill. If his officials were not doing that, the Minister would be neglecting his duty. I am fully confident that the Revenue and departmental officials will be getting a feel for this to see how it is working and if it is working to the expectations the Government had at the time. The only thing this amendment does is ask the Minister to get that information, be it hard or soft data, and put it into a report in a way that can be furnished to the Opposition parties as well. In that way we can have a proper, considered view on this new development which is expected to cost a lot of money even if it works out to the Government's expectation in terms of €50 million. If we can see how it is working, then not just the Government but also the Opposition will be fully equipped and informed as to whether this needs to be tweaked, altered, amended, scrapped or strengthened in next year's finance Bill.

I will be pressing this amendment because it goes to the heart of genuine, serious debate on the Finance Bill before us. We must take our responsibilities seriously in examining the Bill and its measures. I have repeatedly told the Minister that while I have reservations about this area, one does take risks in the taxation code. The Minister must take those calculated risks and acknowledge the fact from his viewpoint - there is obviously an ideological point of view as well - that those risks have been taken on the basis of a report that has been carried out. When the Minister takes the risk he has to keep an eye on it because he is acknowledging that it is a risk. He has to see if it has worked out in the way he expected. Given the potential size of this and the way these companies are so mobile and are able to move profits, we need to have a feel for it by this time next year. I will therefore press the amendment. With hand on heart, I cannot see how the Opposition has a problem with this. The wording in the amendment is about ensuring the full House and the public are informed about how this transpires, with the information that is available at the time and recognising that information may not be the complete picture. We need, however, to get a sense of where it is going.

Amendment put:

| <i>The Dáil divided: Tá, 34; Níl, 67.</i> |                                    |
|---|------------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                         |
| <i>Aylward, Bobby.</i>                    | <i>Barry, Tom.</i>                 |
| <i>Boyd Barrett, Richard.</i>             | <i>Breen, Pat.</i>                 |
| <i>Calleary, Dara.</i>                    | <i>Buttimer, Jerry.</i>            |
| <i>Colreavy, Michael.</i>                 | <i>Byrne, Eric.</i>                |
| <i>Cowen, Barry.</i>                      | <i>Cannon, Ciarán.</i>             |
| <i>Crowe, Seán.</i>                       | <i>Carey, Joe.</i>                 |
| <i>Daly, Clare.</i>                       | <i>Conaghan, Michael.</i>          |
| <i>Doherty, Pearse.</i>                   | <i>Connaughton, Paul J.</i>        |
| <i>Dooley, Timmy.</i>                     | <i>Conway, Ciara.</i>              |
| <i>Ellis, Dessie.</i>                     | <i>Coonan, Noel.</i>               |
| <i>Ferris, Martin.</i>                    | <i>Corcoran Kennedy, Marcella.</i> |
| <i>Fitzmaurice, Michael.</i>              | <i>Costello, Joe.</i>              |
| <i>Halligan, John.</i>                    | <i>Creed, Michael.</i>             |
| <i>Healy, Seamus.</i>                     | <i>Deasy, John.</i>                |
| <i>Healy-Rae, Michael.</i>                | <i>Deenihan, Jimmy.</i>            |

|                                |                             |
|--------------------------------|-----------------------------|
| <i>Keaveney, Colm.</i>         | <i>Donohoe, Paschal.</i>    |
| <i>Kelleher, Billy.</i>        | <i>Dowds, Robert.</i>       |
| <i>Mac Lochlainn, Pádraig.</i> | <i>Doyle, Andrew.</i>       |
| <i>McConalogue, Charlie.</i>   | <i>Durkan, Bernard J.</i>   |
| <i>McGrath, Finian.</i>        | <i>Farrell, Alan.</i>       |
| <i>McGrath, Michael.</i>       | <i>Feighan, Frank.</i>      |
| <i>McLellan, Sandra.</i>       | <i>Fitzpatrick, Peter.</i>  |
| <i>Moynihan, Michael.</i>      | <i>Flanagan, Charles.</i>   |
| <i>Naughten, Denis.</i>        | <i>Harrington, Noel.</i>    |
| <i>Ó Cuív, Éamon.</i>          | <i>Harris, Simon.</i>       |
| <i>Ó Fearghaíl, Seán.</i>      | <i>Hayes, Tom.</i>          |
| <i>O'Dea, Willie.</i>          | <i>Heydon, Martin.</i>      |
| <i>O'Sullivan, Maureen.</i>    | <i>Howlin, Brendan.</i>     |
| <i>Pringle, Thomas.</i>        | <i>Humphreys, Kevin.</i>    |
| <i>Ross, Shane.</i>            | <i>Keating, Derek.</i>      |
| <i>Smith, Brendan.</i>         | <i>Kehoe, Paul.</i>         |
| <i>Tóibín, Peadar.</i>         | <i>Kenny, Enda.</i>         |
| <i>Troy, Robert.</i>           | <i>Kenny, Seán.</i>         |
| <i>Wallace, Mick.</i>          | <i>Kyne, Seán.</i>          |
|                                | <i>Lawlor, Anthony.</i>     |
|                                | <i>Lynch, Ciarán.</i>       |
|                                | <i>Lynch, Kathleen.</i>     |
|                                | <i>Lyons, John.</i>         |
|                                | <i>McCarthy, Michael.</i>   |
|                                | <i>McFadden, Gabrielle.</i> |
|                                | <i>McGinley, Dinny.</i>     |
|                                | <i>McHugh, Joe.</i>         |
|                                | <i>McLoughlin, Tony.</i>    |
|                                | <i>Mitchell, Olivia.</i>    |
|                                | <i>Mulherin, Michelle.</i>  |
|                                | <i>Neville, Dan.</i>        |
|                                | <i>O'Donnell, Kieran.</i>   |
|                                | <i>O'Donovan, Patrick.</i>  |
|                                | <i>O'Dowd, Fergus.</i>      |
|                                | <i>O'Mahony, John.</i>      |
|                                | <i>O'Reilly, Joe.</i>       |
|                                | <i>Penrose, Willie.</i>     |
|                                | <i>Phelan, Ann.</i>         |
|                                | <i>Phelan, John Paul.</i>   |
|                                | <i>Quinn, Ruairí.</i>       |
|                                | <i>Rabbitte, Pat.</i>       |
|                                | <i>Reilly, James.</i>       |
|                                | <i>Ring, Michael.</i>       |

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|--|------------------------|
|  | <i>Shatter, Alan.</i>  |
|  | <i>Sherlock, Sean.</i> |
|  | <i>Spring, Arthur.</i> |
|  | <i>Stagg, Emmet.</i>   |
|  | <i>Stanton, David.</i> |
|  | <i>Tuffy, Joanna.</i>  |
|  | <i>Twomey, Liam.</i>   |
|  | <i>Wall, Jack.</i>     |
|  | <i>White, Alex.</i>    |

Tellers: Tá, Deputies Pádraig Mac Lochlainn and Pearse Doherty; Níl, Deputies Emmet Stagg and Paul Kehoe.

Amendment declared lost.

**Acting Chairman (Deputy Olivia Mitchell):** Amendments Nos. 7 to 16, inclusive, arise out of committee proceedings. They are related and may be discussed together.

**Deputy Michael Noonan:** I move amendment No. 7:

In page 65, line 24, to delete “one or more” and substitute “all”.

Amendments Nos. 7 to 9, inclusive, and amendments Nos. 11 to 16, inclusive, are technical changes to improve the wording of the provision in section 34 of the Bill, as amended on Committee Stage, to ensure they operate as intended. One of the amendments I introduced on Committee Stage was to change the requirement for an individual entrepreneur to own for the purposes of the capital gains tax entrepreneur relief a specified minimum of ordinary share capital in the company or companies to which he or she is conducting qualifying business so as to reduce the shareholding requirement from 15% to 5%. I did this because the founders of many companies, in particular those in the high-tech area, must attract outside equity investment in order to grow a business. This means their original shareholding stake can often be significantly diluted. Indeed, in some instances the shareholding of the company founder can fall below 5% in the circumstances. For that reason, I propose in amendment No. 10 to further modify the minimum shareholding requirement so as to provide that the 5% shareholding requirement can be satisfied if met for a consecutive period of three years within the five year period, ending with the disposal of the shareholding effort. I commend the amendments to the House.

**Deputy Michael McGrath:** I support the amendments and this important new initiative which was overdue, although I would like it to go further. The reality is that much of the investment we are seeking to attract for high potential start-ups, which are operating in highly competitive international environments, is, by its nature, very mobile. This is a modest step in the right direction and does not put us on a level playing field with some other jurisdictions which are quite aggressively seeking to target entrepreneurs who have strong business ideas and a track record of growing and developing businesses and selling them on. This is a welcome

step in the right direction.

**Deputy Michael Noonan:** I agree with the Deputy.

Amendment put and agreed to.

**Deputy Michael Noonan:** I move amendment No. 8:

In page 65, line 27, to delete “one or more” and substitute “all”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 9:

In page 66, between lines 9 and 10, to insert the following:

“ ‘relevant company’ means a company (including a company in a qualifying group) the disposal of shares in which forms the whole or part of the disposal of chargeable business assets;”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 10:

In page 66, lines 11 and 12, to delete “for a minimum period of 3 years” and substitute “for a continuous period of not less than 3 years in the 5 years”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 11:

In page 66, to delete lines 13 to 15.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 12:

In page 66, line 25, to delete “target company” and substitute “relevant company”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 13:

In page 66, line 27, to delete “target company” and substitute “relevant company”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 14:

In page 66, line 34, to delete “target company” and substitute “relevant company”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 15:

In page 66, line 36, to delete “target company” and substitute “relevant company”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 16:

In page 67, lines 16 and 17, to delete “or an interest in a business consisting of the development or letting of land”.

Amendment agreed to.

**Deputy Michael Noonan:** I move amendment No. 17:

In page 68, after line 35, to insert the following:

**“Amendment of section 542 of Principal Act (time of disposal and acquisition)**

**37.** Section 542 of the Principal Act is amended by inserting the following subsections after subsection (1):

“(1A) Notwithstanding subsection (1)(c), the time of the disposal of land which has been compulsorily acquired shall be the time at which the compensation amount in respect of that compulsory acquisition is received, where that amount is received on or after 1 January 2016.

(1B) Notwithstanding subsection (1)(d), the time of the deemed accrual of a chargeable gain in respect of a disposal of land which has been compulsorily acquired shall be the time at which the compensation amount in respect of that compulsory acquisition is received, where that amount is received on or after 1 January 2016.”.

The revised capital gains tax, CGT, relief for entrepreneurs will come into effect in respect of gains made from disposals of chargeable business assets or of a qualifying business on or after 1 January 2016. Business people will qualify for the reduced 20% rate of CGT on such disposals from that date, subject to meeting the various conditions of the relief. Business people, including farmers, are also liable to CGT on any gains made from the disposal of land under compulsory purchase orders where they may be required to sell such business assets used in their qualifying business. It is reasonable to ensure that individuals in this situation, who will have made such compulsory disposals before 1 January 2016 but who will receive compensation payments in respect of the disposal in 2016, are placed in the same position for tax purposes, in so far as qualifying for the reduced 20% rate is concerned, as individuals who make the disposal in 2016. For this reason I propose the amendment to provide that in respect of the compensation payments received on or after 1 January 2016, the date of receipt of the payment will be treated as the date on which the disposal of the land occurred. I commend the amendment to the House.

Amendment agreed to.

**Deputy Michael McGrath:** I move amendment No. 18:

In page 78, between lines 18 and 19, to insert the following:

**“50.** The Minister shall, within 6 months of the passing of this Act, prepare and lay before Dáil Éireann a report on the potential introduction of a capped Value-Added Tax compensation scheme for charities.”.



The amendment requests that within six months of the passing of the Act the Minister will prepare and lay before the House a report on the potential introduction of a capped value added tax compensation scheme for charities. This is an issue we discussed on Committee Stage. In particular, we discussed the special working group report commissioned by the Minister, which was published on budget day last month. This is a very important issue for the charitable sector. It is not widely known that Irish charities are estimated to pay in excess of €40 million VAT on independently fundraised income annually. We all know the legal basis for this, which is that because they do not operate in the course of business they are not in a position to register for VAT and claim back the VAT they pay as an input credit. This means a significant proportion of the amount of fundraising they carry out ends up going back to the State by way of VAT.

One of the main concerns expressed by the Minister on Committee Stage, in terms of not looking at this further, is the possible creep effect whereby other sectors, such as sporting bodies, could equally highlight they raise money in a voluntary capacity through weekly lotto payments and much of this ends up going on VAT when equipment is bought or other services are paid for.

The model used in Denmark has in place a compensation system for charities with regard to the VAT they pay which is capped at €20 million. The Minister took a very important first step in commissioning the special working group report, and the Irish Charities Tax Reform Group and others contributed significantly to this work. The report makes for very interesting reading. I understand the Minister's reason for not going further at this stage, but it is worthy of further examination. I do not believe the Minister should close the door on the issue, given the real impact it has on the charitable sector and its capacity to deliver services to the people relying on its work. This is the essential point. It should not be the case that money collected by volunteers for charitable purposes ends up going back to the taxman by way of VAT when the charity buys goods and pays for services for the end user who requires those services for whatever reason. The issue needs to be looked at further, which is why what we have brought forward is quite a modest amendment calling for a report within six months to examine the potential introduction of a VAT compensation scheme for charities which would be capped. I know it is a legitimate concern that if this is demand-led it could become a runaway train with regard to the overall cost to the Exchequer, but this can be dealt with by way of capping the compensation scheme. I look forward to the Minister's response.

**Deputy Pearse Doherty:** I add my party's support to Deputy McGrath's amendment. It addresses the anomaly which exists, whereby charities are not afforded the same treatment as the many businesses that are able to reclaim VAT incurred. As Deputy McGrath said, this issue has been raised by charities for many years. I remember raising the issue when I was a Member of the Seanad approximately seven years ago. There is an injustice at its heart as has been pointed out. People dig deep into their pockets to provide for charities but, probably unbeknownst to them, out of every €5 they give approximately €1 goes to the State's coffers, and this is not the intention. This is not why people collect and raise money for charities. It is not the spirit of how it should operate.

The Danish model of VAT compensation has been noted. This has been in operation since 2007, and it is a model that would be fit for purpose for this country. It is reviewed on an on-going basis by the Danish charity organisations and its department of finance and taxation. It needs to be brought to fruition in this country. I support the Deputy's amendment. It makes sense. It is capped, as he mentioned. We have spoken about the knowledge development box and €50 million, of which very high worth companies may avail. That section of the Finance

Bill has been passed. These are charities and, in many respects, sometimes they fill a void which the State cannot or will not fill. The fact the State benefits not only from their charity work but also from their fundraising efforts is not acceptable.

**Deputy Michael Noonan:** As discussed on Committee Stage, a working group was established earlier this year, comprising representatives from the Department, the Revenue Commissioners and the Irish Charities Tax Reform Group, to examine options available to reduce the VAT burden on charities. The report from the group was provided ahead of budget 2016 and is available on the budget 2016 website. The charities sector already benefits from a range of ministerial refund orders and special tax treatment across a number of tax heads. Requests for new ministerial refund orders have been constantly refused since the 1980s, primarily to maintain the integrity of the VAT system. Following consultation with other member states, the report of the working group found relatively limited favourable VAT treatment for charities across Europe. As I stated on Committee Stage, I believe tax expenditures can be blunt instruments and I am not convinced this is the best way to address the issue. In addition, introducing a VAT refund scheme for charities would most likely lead to similar claims from other VAT exempt organisations, most notably sporting organisations. Accordingly, I regret I cannot accept the amendment.

**Deputy Michael McGrath:** That is a very similar response to what we received on Committee Stage when we discussed the issue. The Minister's key concern seems to be that it would lead to other calls by other organisations which are not in a position to claim back VAT, and the area he has specified is sporting organisations. This is a legitimate point, but the response is that there is an opportunity to cap any rebate at a certain amount. I take some comfort from the fact that the Minister is not saying it is not possible to do this. What he is saying is that it could lead to other demands and he is anxious to protect the integrity of the VAT system which is, of course, a crucial source of revenue for the State. Charities such as the Society of St. Vincent de Paul and Concern collect money from ordinary people and use the money wisely. We are talking about all the charities that we support and respect, acknowledging the tremendous work they do. There is an issue of equity, justice and fair play at the heart of this. The ordinary punter is putting a few euro into the bucket at a church gate or in a shopping centre but these people do not realise a slice of the money is going straight back to the Revenue Commissioners and the Exchequer by way of VAT when the money is spent by the charity to buy goods or services.

Will this or a future Government be prepared to introduce this scheme, which is capped and limited in scope but which has the ability to really improve the capacity of the charitable sector to deliver what it wants to for the end user, the people relying on those services? I can understand why the Minister is not prepared to move on it at this stage but I ask him to keep an open mind. We had the debate on Committee Stage and the measure will not be included in this Finance Bill, which is regrettable. The report of the special working group is a very important first step and it must be studied very carefully for potential. With this amendment, I advocate that the Minister take a further step to consider the potential introduction of such a scheme. I know the Minister is not willing to do so now but I will press the amendment.

Amendment put and declared lost.

**Acting Chairman (Deputy Olivia Mitchell):** Amendment No. 19 is out of order and cannot be moved.

Amendment No. 19 not moved.

**Deputy Michael McGrath:** I move amendment No. 20:

In page 88, after line 31, to insert the following:

“**66.** The Minister shall, within three months of the passing of this Act, prepare and lay before Dáil Éireann a report on options available for reducing the burden of Inheritance Tax on persons inheriting an average size family home.”.

We have examined the transcripts of our Committee Stage debate and the Minister’s views on this issue are quite clear so I will not press the amendment. It was adequately dealt with on Committee Stage.

**Deputy Michael Noonan:** I thank the Deputy.

Amendment, by leave, withdrawn.

**Deputy Pearse Doherty:** I move amendment No. 21:

In page 89, between lines 4 and 5, to insert the following:

“**67.** The Minister shall, within 3 months of the passing of this Act, prepare and lay before Dáil Éireann an analysis of the tax changes in this Act, and the total of tax changes and spending adjustments of Budget 2016, setting out the continuing impact on people based on their gender, income, age, marital and disability status.”.

This is about equality budgeting, and we have made this proposal every year that the Government has been in office. We have also produced legislation on equality-proofing and this amendment seeks to provide for equality-proofing of Government budgets and public bodies through impact assessments. More broadly, I hope this would ensure that both the Government and public bodies, in exercising their functions, do so in a way that would reduce inequalities of outcomes resulting from social economic disadvantage. The process would involve additional sectors of society being recognised that require enhanced protection from the State with respect to policy and spending decisions, with the effects of the budget being demonstrated for each of those sections.

The Minister spoke about making tough decisions yesterday and we know times have been hard in Ireland. What some of us have failed to recognise is just how difficult times have been for some of the poorest and most vulnerable sections of our society. Not everybody felt the pain in equal measure. For the fifth year in a row we have been presented with a regressive budget and Finance Bill after the budget. As I have stated, the Bill rewards the top 14% of taxpayers, 27,996 of whom earn above €200,000. They were all rewarded with at least €902 each, at a cost of almost €190 million to the State. That is a choice made by the Minister, his Cabinet and the parties in the Government with regard to the priorities of the budget. They have favoured the wealthy five times in a row over those who are least well off. The Minister has said he made the hard choices.

Social Justice Ireland claims that budget 2016 widened the gap between the rich and poor by €506 per year. The process measured the gap between the disposable income of a single unemployed and a single person on €50,000 per annum. If we compared the circumstances of the single unemployed person with individuals on higher salaries, the rich-poor gap would widen even more.

Equality budgeting has been accepted internationally as a means to deal effectively with inequality and poverty or to point out where budgets go in such directions. We can consider worldwide examples, with over 60 countries which have adopted or are working towards equality budgeting. These include Britain, Canada and many others. Often, in order to create true equality we must put the mechanisms in place to ensure this happens. This is one of those times. By using equality budgeting, we would ensure that equality is placed well and truly at the centre of any decisions concerning public expenditure and income. This amendment is about asking the Fine Gael and Labour parties if they support equality. That is the proposal I am putting to the floor today, and I will push it to a vote if the Minister does not accept the amendment. It would follow the 60 other countries that have accepted or are working towards equality budgeting.

**Deputy Richard Boyd Barrett:** This amendment simply asks that any budgetary measures that this or any other Government adopts would be assessed for the impact or effect on the most vulnerable sectors of our society. It would ensure that no budgetary measure would contribute to greater levels of inequality. I do not really see how anybody could say “No” to that. Surely any Government, regardless of colour or stripe, should recognise that inequality is something that must be addressed and overcome. That is not just true because inequality is unfair on those who suffer inequality, although that is self-evident and has been particularly the case in recent years. It is almost a cliché now but, sadly, that is because it is true. The most vulnerable people have been hurt most by the austerity regimes. I saw one of those memes on social media yesterday, which gave the definition of austerity as being where the poor pay for the crimes of the rich. That is what happened.

There are 137,000 additional children living in poverty since this Government came to office, which is a shameful indictment of its term. The children bear no responsibility at all for the crash or the policies dealing with the crash, and they should not pay the bitter price for it. Women comprise another big victim group, particularly lone parents. The number of lone parents living in positions of deprivation and consistent poverty has doubled as a result of the austerity measures introduced by this Government. Pensioners have also been hit by cuts to the telephone and fuel allowances, for example. All of these groups have been hit disproportionately by regressive measures like water charges and property tax. The list goes on. Those suffering a disability have been particularly hard-hit. In many cases, these groups overlap significantly, so it is not just one or another of the categories that is hit by austerity, as people are hit on the double and treble by the combination of various cuts and regressive measures introduced.

This is a very fair and reasonable measure if the Government is concerned about inequality. A point has been made before but is worth underlining that there is a very serious strand of economic thought - it is quite mainstream - that argues that inequality is not just wrong but it is dangerous from an economic perspective.

*12 o'clock*

It leads to greater economic instability and arguably it is at the heart of much of the economic instability we face across the world now, such as the stunning gap between rich and poor and the concentration of wealth in the hands of a few at the top. That group can, by dint of its control of vast amounts of wealth, destabilise whole economies. Inequality is bad for everybody, but most particularly for those who are at the sharp end of that inequality. The other big area where-----

Debate adjourned.

### Topical Issue Matters

**Acting Chairman (Deputy Olivia Mitchell):** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 27A and the name of the Member in each case: (1) Deputy Robert Dowds - the need to raise the level of excise on diesel to discourage its use and combat its negative effects on both the environment and human health; (2) Deputy Billy Kelleher - concerns regarding the apology issued by the Coombe Hospital in Dublin 8 to a couple (details supplied), whose daughter died while in the care of the hospital in 1992; (3) Deputy Denis Naughten - the need to protect public health in light of the increasing level of antibiotic resistance; (4) Deputy Maureen O'Sullivan - the plans to progress medically supervised injecting rooms; (5) Deputy Joe Costello - the plans to progress medically supervised injecting rooms; (6) Deputy Regina Doherty - the redundancies at the C&C Group; (7) Deputy Noel Coonan - the need to promote the rural practice allowance to encourage general practitioners to fill available posts in rural areas in County Tipperary and nationwide; (8) Deputy Andrew Doyle - traffic congestion and pedestrian safety at parts of the N11 where the M50 and N11 merge; (9) Deputy Thomas P. Broughan - the need for capital funding for the dredging of Howth Harbour in early 2016; (10) Deputy Bernard J. Durkan - the need to address the stalled works at the town centre development in Naas, County Kildare; (11) Deputy Eamonn Maloney - concerns regarding the pending industrial action by the Irish Nurses and Midwives Organisation in hospital emergency departments; (12) Deputy Joan Collins - the outcome of the recent meeting with Respond regarding the threatened closure of Cuan Álainn women's refuge centre in Tallaght, Dublin 24; (13) Deputy Dara Calleary - the need for the Health Service Executive to extend funding to continue the ongoing work of the Community Action on Dementia project in County Mayo, whose pilot funding will cease on 18 December 2015; (14) Deputy Clare Daly - the need for urgent action following the publication of a report by the Environmental Protection Agency stating that untreated sewage is being pumped into watercourses countrywide; (15) Deputy Michael Lowry - concerns regarding the availability of therapy services at Scoil Aonghusa, Cashel, County Tipperary, as a result of the refusal by the Health Service Executive to approve the service due to funding issues, which is causing unwarranted hardship and inconvenience for this school; (16) Deputy Mattie McGrath - the need to postpone the introduction of the producer responsibility initiative for the tyre wholesaler and retail sector; (17) Deputy Dessie Ellis - the need to address the disparity in income thresholds for social housing across all local authorities; and (18) Deputy Mick Wallace - the EPA report on waste water treatment.

The matters raised by Deputies Robert Dowds, Regina Doherty, Dara Calleary and Michael Lowry have been selected for discussion.

### Leaders' Questions

**Deputy Micheál Martin:** Slowly but surely, the Department of Education and Skills and the National Council for Special Education are retreating from special education in mainstream schools, and they are consistently undermining it by developing wrong models. Special education is under-resourced at the moment and it is not prioritised by the Government. I have met with the parents of children with special needs, with the principals of special schools and with principals of mainstream schools that cater comprehensively in their own ways for children



with special needs. The National Educational Psychological Service is grossly under-resourced and needs more psychologists. Every school is limited in the number of psychological assessments it can get per year. For example, a school whose representatives I met yesterday is limited to three assessments a year. It needs 20 on average per year and it is told it can only have three. That is the case across the system. The wait for occupational therapists for children in special education is about two years. For speech and language therapy, it is over a year. There is no ongoing intervention for children on the autistic spectrum in special classes providing for autism in mainstream schools.

The new general allocation model that is being proposed is causing enormous concern to principals and teachers and will shock many parents. Essentially, the whole concept of a resource teacher for children with special needs will disappear. They want a general allocation model now in the interest of administrative simplicity, and that is what will happen. They are saying there will be no more need for professional diagnosis and they think this is a good thing.

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

**Deputy Micheál Martin:** At the moment parents are waiting because adequate resources are not being put into the assessment and diagnosis of children with special needs from an early age. The new proposal is for schools to take in the children and avail of a general allocation, whereby they can intervene even without a professional diagnosis. It is also shoving everything back to the parent, because the parent will be able to appeal to the board of management of the school and so on. What research has gone into this? What research underpins this new general allocation model? I ask the Taoiseach to ensure that the Government does not proceed with this model and that it instead starts resourcing the existing system far better than it has. Will he agree to increase the number of psychologists available to the National Educational Psychological Service so that they can get involved much more readily and effectively with schools in assessing children from the get-go?

**The Taoiseach:** We are spending €1.4 billion in this area in general. We have more resource teachers and SNAs than ever before. This is a priority for parents and for the Minister for Education and Skills. I do not accept that children should not have access to a professional assessment. Clearly, if there is a problem with a child, it is critical that he or she has access to professional assessment to see what the nature of that challenge might be. Perhaps the general allocation model of which Deputy Martin speaks is an issue that is worthy of a discussion, in so far as the increased availability of professional assessment and increased funding are concerned.

**Deputy Finian McGrath:** That is another discussion.

**The Taoiseach:** I accept that there are delays in respect of speech and language therapy and in psychological assessment, but I would not accept at all any model under which children do not have access to professional assessments. Surely nobody knows a child better than his or her parent, and if there is a difficulty it is very important to determine what that is. There is a €1.4 billion spend, and I would be happy to facilitate a discussion about the general allocation model that Deputy Martin referred to.

**Deputy Micheál Martin:** I find the Taoiseach's response extraordinary because nobody seems to know what is going on in the Government. The Taoiseach is saying he cannot understand the idea of a child not needing a professional diagnosis.

**The Taoiseach:** I do not accept it.

**Deputy Micheál Martin:** It is what the Minister is proposing. This is the document. There was a meeting of 500 people recently in UCC being briefed by the National Council for Special Education, and it is saying that one of the benefits of the new system is that parents will not have to wait for a professional diagnosis any more. The idea is that there is an educational intervention without any professional diagnosis of the child. That is what the Minister is proposing, and the best the Taoiseach can say is that we will have a discussion.

**The Taoiseach:** Read it out until I hear it.

**Deputy Micheál Martin:** Sorry?

**The Taoiseach:** Read it out until I hear it.

**Deputy Seán Ó Fearghail:** Have you not read it yourself?

**Deputy Micheál Martin:** I will not have time in a minute to read it all out. It is a presentation entitled “Delivery for Students with Special Educational Needs: A Better and More Equitable Way,” from the Irish Learning Support Association annual conference.

**The Taoiseach:** Read out the section where it says-----

**Deputy Micheál Martin:** This is the Minister’s document. Here it says-----

**An Ceann Comhairle:** We cannot have documents being displayed in the Chamber.

**Deputy Micheál Martin:** “No waiting for diagnosis; No unnecessary labelling”.

**An Ceann Comhairle:** Deputy Martin knows the rules as well as I do. This is Leaders’ Questions. We are over time. Please put the question.

**Deputy Bobby Aylward:** The Taoiseach asked him to read it out.

**Deputy Robert Troy:** The Taoiseach asked him to read it out because he does not know his own document.

*(Interruptions).*

**Deputy Paudie Coffey:** Go easy, Mattie.

**An Ceann Comhairle:** I happen to be in the Chair.

*(Interruptions).*

**An Ceann Comhairle:** Please put your question.

*(Interruptions).*

**An Ceann Comhairle:** Will you stay quiet?

**Deputy Micheál Martin:** If one looks at last year’s circular on special needs assistants and at this, one can see a fundamental retreat from special education in mainstream schools. That is what it amounts to. It is talking about standardised tests, social context and the whole idea of a special ring-fenced-----

**An Ceann Comhairle:** Will you put your question? We are over time.

**Deputy Micheál Martin:** -----and child-centred approach to special education is going out the window. The phrase “unnecessary labelling” is insulting to parents. One does actually need a definition-----

**An Ceann Comhairle:** Put your question.

**Deputy Micheál Martin:** -----if one is on the autistic spectrum. That is not an unnecessary label. One does need to know that. A parent needs to know where the child is on a particular spectrum. If one has Down’s syndrome, it is not an unnecessary label. It has implications in terms of education requirements and provision. The whole thing is stealthily endeavouring to undermine the edifice that has been built up over the last 15 years and certainly needs ongoing review and change, but not this kind of stuff. That is totally removed from people working at the coalface. There is a lot more I could say about it, but what really frightens me is the Taoiseach’s detachment and disconnection-----

**An Ceann Comhairle:** This is Question Time.

**Deputy Micheál Martin:** -----from what his own Government is proposing in relation to these issues. I ask him to change it and to stop it.

**Deputy Mattie McGrath:** Paddy needs to know. The Taoiseach needs to know.

**An Ceann Comhairle:** Would Deputy McGrath ever stay quiet and keep his mouth shut?

**The Taoiseach:** This is Deputy Martin’s usual spiel every week. For the Deputy’s information, in case he did not realise it, this Government was the first to appoint a senior Minister for children. This Government was the first to set up a Department of children. This Government was the only Government to hold a referendum of the people giving children their rights as citizens.

**Deputy Robert Troy:** The Government’s actions jeopardised the outcome. The legislation to give that effect is still going through the Dáil.

**The Taoiseach:** This Government has children as a central priority of its focus.

**Deputy Robert Troy:** The Taoiseach is misleading the House.

**An Ceann Comhairle:** Will the Deputy stay quiet?

**The Taoiseach:** I do not accept it, from Deputy Martin or from anybody else. I do not accept it - I do not care what model the Deputy is reading from - that professional assessment of children is not necessary to determine what their particular challenge is.

**Deputy Robert Troy:** It is the Government’s model.

**An Ceann Comhairle:** Will the Deputy stay quite, please?

**The Taoiseach:** The focus has to be on meeting the needs of the child.

**Deputy Micheál Martin:** But this is not doing that. This is going in the opposite direction. It is a general allocation model. The child’s needs are becoming irrelevant.

**The Taoiseach:** Deputy Martin can twist the words any way he likes. I do not accept Deputy Martin's weekly rant about detachment.

**Deputy Paudie Coffey:** Deputy Martin was there for 15 years and he did nothing only prevent divorce.

**Deputy Micheál Martin:** I did, actually. I did an awful lot.

**The Taoiseach:** This Government made children the focus of political responsibility, with their own Department, their own senior Minister and their own funding, and what is involved here is to determine what are the needs of each individual child.

**Deputy Micheál Martin:** No, it is the opposite.

**The Taoiseach:** I do not accept from Deputy Martin, or from anybody else, that a child who has a problem should not have a professional assessment of what that challenge is.

**Deputy Micheál Martin:** That is what this document says.

**An Ceann Comhairle:** I do not know about the document. I call Deputy Adams.

**Deputy Robert Troy:** Neither does the Taoiseach.

**Deputy Gerry Adams:** Making a mess of the big issues of Government has become the Taoiseach's speciality.

**Deputy Noel Harrington:** The economy.

**Deputy Dessie Ellis:** They made a mess of that.

**An Ceann Comhairle:** Would the Deputy please keep his mouth closed for five minutes?

**Deputy Gerry Adams:** I often wonder to myself and cogitate why this is so. The First Interim Report of the Commission of Investigation into Irish Bank Resolution Corporation, IBRC, from Mr. Justice Brian Cregan makes it clear that the commission's terms of reference, prepared on the Taoiseach's watch and signed off by him, are an absolute and utter shambles. This has been a hallmark of his Government. Look at the calamity in the accident and emergency departments which has become so severe that the INMO and nurses in emergency departments have been forced into industrial action. Look at the utter chaos of 5,000 women, men and children living in emergency accommodation. These scandals are not only because of the incompetence of the Government, although undoubtedly that is a fact. It is not only because of the Taoiseach's reliance on half-actions and spin. Let us be straight about this. It is because the Government is against a universal health service, it is because it is against the State making provision of social and affordable housing and it is because it is against holding the golden circles to account. That is why the Taoiseach made a mess of the commission of investigation's terms of reference and dismissed Sinn Féin's amendments and suggestions. That is why the Taoiseach blocked and stonewalled any effort to bring transparency to the actions and transactions undertaken by the IBRC-----

**Deputy Tom Hayes:** Deputy Adams can block anything he likes.

**Deputy Gerry Adams:** -----and billions of taxpayers' money was written off or found its way into the deep pockets of the elite. This is money that could have been invested in social

housing. This is money that could have been invested in the health services.

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

**Deputy Gerry Adams:** However, as I said, the Taoiseach and the Government have no real interest in shining a light on the IBRC transactions. We got a letter-----

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

**Deputy Gerry Adams:** -----from the Taoiseach, in which he asked the Opposition parties for their views on new terms of reference and which I responded to last evening. Will the Taoiseach now accept responsibility for this mess, will he publish the terms of reference that were brought forward by the Attorney General and approved by the Taoiseach, and will he at least belatedly try and unravel a mess which is entirely of his own making?

**Deputy Finian McGrath:** Another cock-up.

**Deputy Bernard J. Durkan:** Deputy Finian McGrath should know.

**An Ceann Comhairle:** Deputies should not be smart.

**The Taoiseach:** Deputy Adams has circled all the issues today. It is not his usual specific attack.

He mentioned that the Government has failed to deal with the big issues-----

**Deputy Patrick O'Donovan:** Like the economy.

**The Taoiseach:** -----such as fixing the economic mess that we inherited, putting our people back to work, and the situation where the rate of unemployment has gone from 15.2% to 8.9% and is heading downwards.

*(Interruptions).*

**The Taoiseach:** We had a situation where this crowd locked us out from all the markets and the interest rates where 15%, and now they are less than 2%.

*(Interruptions).*

**A Deputy:** Take the rod out of teaching-----

**An Ceann Comhairle:** I will not ask Deputy Mattie McGrath again. He will be out that door as fast as he can go, I promise him.

**The Taoiseach:** The Minister for Finance, Deputy Noonan's, intention, on behalf of the Government, is to have the deficit wiped out by 2018. The national debt is falling rapidly towards European norms and by the way, for the information of Deputy Adams, 130,000 jobs have been created in the private sector. These are the big issues that Deputy Adams says the Government has failed on.

**Deputy Gerry Adams:** Will the Taoiseach answer the question?

**The Taoiseach:** However, we are not happy.



**A Deputy:** Will Deputy Adams ask it?

**An Ceann Comhairle:** The Taoiseach is well able to answer for himself.

**The Taoiseach:** We are not happy because what we want to do is to secure that recovery for all the people and have a strong economy for the benefit of the people.

**Deputy Tom Hayes:** We did not follow Greece.

**Deputy Finian McGrath:** More big tax cuts for the fat cats.

**The Taoiseach:** Deputy Adams mentions golden circles and-----

**A Deputy:** Corporate tax policy.

**The Taoiseach:** First, Deputy Adams has responded to the letter that I sent him and I thank him for responding to me.

**Deputy Gerry Adams:** Will the Taoiseach act on it?

**The Taoiseach:** The common objective of everybody in this House of all parties and none is to have a situation where the intention of what the Government did when it set up the commission of investigation under Mr. Justice Cregan, to have a transparent, comprehensive and fully-accountable report in respect of all of the transactions in regard to which a write-off of over €10 million was involved, is achieved. That is the intention of Government, Deputy Adams and everybody else.

I thank Deputy Adams for his letter but I make this point to him. When we put through a decision here to have a commission of investigation, neither Deputy Adams nor anybody else raised the questions that the judge has pointed out in his interim report.

**Deputy Micheál Martin:** We did not see the Attorney General's advice. That is why.

**Deputy Finian McGrath:** The Attorney General cock-up on the Taoiseach's watch.

**The Taoiseach:** That is why I sent it to Deputy Adams at an early date.

**Deputy Micheál Martin:** These are legal issues, not terms of reference.

**An Ceann Comhairle:** Would Deputy Martin hold on?

**The Taoiseach:** That is why I sent it to the Deputy as soon as I could. That is why I sent it to the other leaders of the different groupings.

**Deputy Micheál Martin:** We were only consulted on the terms of reference.

**The Taoiseach:** I asked them for their written response because it is in everybody's interest.

**An Ceann Comhairle:** This is Deputy Adams's question.

**The Taoiseach:** I have got Deputy Adams's. I have not got Fianna Fáil's. Whether it has a view or not, I do not know. Deputy Catherine Murphy's is on the way and I thank her.

*(Interruptions).*

**The Taoiseach:** The Government will receive those responses in writing from the Deputies. We will consider those responses and we will have a report at Government next week as to how best we should proceed to deal with the issues that Mr. Justice Cregan has raised in his interim report.

**Deputy Micheál Martin:** They are 15 months at it now.

**The Taoiseach:** Let me repeat that it is the intention of Government to have a fully transparent, accountable and comprehensive report-----

**Deputy Micheál Martin:** The Taoiseach has to bury this as long as he can.

**The Taoiseach:** -----in everybody's interests on the Siteserv issue. The judge has pointed out what he considers are difficulties and problems. We want to deal with those in the most transparent and most accountable way possible.

I thank Deputy Adams for his letter. Deputy Catherine Murphy's is on the way. I will await Deputy Martin's response.

**Deputy Gerry Adams:** The reason the Taoiseach makes a mess of matters is characterised by his response. He refused to answer the questions. We tabled amendments to his terms of reference and the Taoiseach voted them down. We ended up voting against the Taoiseach's terms of reference because they were inadequate. Since 2012, Deputies Catherine Murphy, Pearse Doherty and I have raised questions about Siteserv. It has been three years. The Minister, Deputy Noonan, and the Taoiseach blocked it, prevaricated, sent obtuse opaque answers and refused to deal with the issues involved.

I repeat the questions. Will the Taoiseach publish the Attorney General's advice? Will he commit to dealing with this issue before Christmas?

One of the big omissions in the commission's terms of reference relates to the lack of clarity surrounding the definition of a capital loss. We have this ridiculous situation where the capital loss is defined by the liquidators of the IBRC. They define what Mr. Justice Cregan could look at and the judge acknowledges that there are upwards of 156 transactions where losses on loans in excess of €10 million were recorded by IBRC during the relevant period but are not included in the schedule of transactions because the special liquidators defined it otherwise. This equates to at least €1.5 billion of taxpayers' money which could have been used to build homes or to fix the health services, and these are not even going to be investigated by the commission. The Taoiseach thanked me for my letter. Will he act on the recommendations?

**An Ceann Comhairle:** I will thank Deputy Adams, if he adheres to the Chair. He is over time.

**Deputy Gerry Adams:** Okay, fair enough.

Will the Taoiseach correct these glaring omissions? Will he commit to giving an assurance that all the necessary changes to legislation and to the commission of investigation into the IBRC's terms of reference will be put in place by Christmas, and will he commit to facilitating extended or additional sitting days of the Dáil and Seanad to do that as opposed to kicking it beyond the election?

**The Taoiseach:** A commission of investigation, once approved by the Oireachtas, becomes

the responsibility of the sole member appointed to conduct it.

**Deputy Peter Mathews:** They are approved by the Chief Whip. That is all.

**The Taoiseach:** They do so in an entirely independent manner. In this case, Mr. Justice Cregan has done considerable work, identified what he considers to be obstacles, difficulties and challenges and written his interim report, which I have forwarded to Members. My letter to Deputy Adams and the other party leaders was to ask their views of the action that should be taken to deal with the issues pointed out by the sole member.

**Deputy Gerry Adams:** It is the same as it was in 2012.

**The Taoiseach:** I do so in the interests of everybody, in that the Government wants a situation in which Siteserv and the others are part of the commission of investigation in a fully accountable, transparent and comprehensive fashion. Mr. Justice Cregan has taken a line individually, objectively and independently in respect of confidentiality, privacy and other issues he has pointed out. We need to respond to it in a way that makes it work effectively.

**Deputy Gerry Adams:** Will the Taoiseach respond to my questions?

**The Taoiseach:** I am responding. Mr. Justice Cregan pointed out that if he is left to deal with it alone, it could take eight years. Does the Deputy want this or can we have a much more effective and swifter response? The Government will respond next week, taking into account the views of the Deputy and the other party leaders. I would like whatever structure is established to deal with it to be put in place as soon as possible, and if it is necessary to have the support of the House for extra time, it can be considered. I thank the Deputy for his letter and I will consider the points he made. I have a duty to do so. The Government will respond collectively when we receive the written responses of the other leaders.

**Deputy Gerry Adams:** Will the Taoiseach publish the Attorney General's advice?

**The Taoiseach:** No, I will not.

**Deputy Gerry Adams:** Why not?

**Deputy Dara Calleary:** He is protecting her again.

**The Taoiseach:** Mr. Justice Cregan, in his complete independence, has sent his interim report and has pointed out what he considers are the challenges.

**Deputy Micheál Martin:** Did the Attorney General point them out to the Taoiseach?

**The Taoiseach:** We need to find a way of dealing with it as a response from the Oireachtas.

**Deputy Tom Fleming:** There is a major disparity between the pace of development and job growth in Dublin, other centres along the east coast and other large urban areas *vis-à-vis* that in rural Ireland. This was illustrated in a parliamentary question reply I received from the Minister for Jobs, Enterprise and Innovation, Deputy Bruton, yesterday, in which he said, of the total foreign direct investment, FDI, companies located in Ireland, 50%, totalling 596 companies, are located in the greater Dublin region. The east coast has seen a significant recovery and growth, with annual employment growth of approximately 5%. In the other urban areas around the country, there is employment growth of approximately 2%. Unfortunately, in the rest of rural Ireland, employment growth is practically nil.

The Minister stated that Cork has 146 IDA Ireland client companies, Galway has 63, and Limerick has 48. In my county, Kerry, there is an industrial wasteland and we are down to a meagre 12 IDA Ireland companies, while Deputy Michael Fitzmaurice's county, Roscommon, has eight companies, Tipperary has 11 and Monaghan has six. In a plethora of counties one can count the FDI companies on one hand. I refer to IDA Ireland investment being carried into the rest of rural Ireland. Some 1,090 IDA Ireland visits took place between 2013 and 2015, of which 561 were directly to Dublin. In contrast to my county, Kerry, our neighbouring county, Cork, had 83 visits. My peripheral county, Kerry, is an industrial wasteland and this reflects what is happening in the rest of rural Ireland. It is very late in the time of the Government to ensure there is an economic balance. Will the Taoiseach correct the imbalance, set out to do so immediately, and put the plan in place in the lifetime of the Government? Will he take the focus off the major urban areas and give an equal opportunity to rural Ireland, which has been decimated?

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

**The Taoiseach:** I thank the Deputy for his comments and question, which is well thought out. Deputy Griffin raised the same matter in a Topical Issue a couple of weeks ago. As a representative of a very large tract of rural Ireland, the Deputy knows that when one ploughs a field, seeds it and rolls it, one has to let it grow.

**Deputy Mattie McGrath:** One has to till it first.

**Deputy Paul Kehoe:** It is a one-pass system.

**The Taoiseach:** It is the same with trying to get an economy moving, coming from the depths of where we were to a point where we can see real improvement. I agree that many places in provincial Ireland have not seen the return to growth we would like. In Kerry, there has been a drop in the live register of 34% since the regional action plan was introduced. The Minister, Deputy Bruton, introduced a national Action Plan for Jobs focused on FDI, developing small and medium enterprises with Enterprise Ireland and changing the structure of the local enterprise offices, LEOs, in every county council.

**Deputy Michael Healy-Rae:** It did not focus on Kerry.

**The Taoiseach:** We followed this with introducing regional action plans which are focused on both the strengths and weaknesses of each area, including the Deputy's. Hospitality, the Wild Atlantic Way, broadband development, road infrastructure, water infrastructure and wastewater treatment are all opportunities to make areas more attractive for investment.

**Deputy Michael Healy-Rae:** We do not have broadband either.

**The Taoiseach:** Although not every crossroads will have FDI, there is no reason that small and medium enterprises cannot follow through with the LEOs on establishing businesses, recruiting people more easily and having access to credit that was never there before. Two indigenous Kerry companies have gone global, namely, the Kerry Group, which has established another investment in Kildare which is an international magnet for the best companies in the world, and Dairymaster, which has gone beyond the county bounds. They have become international global companies, and this is where we need to grow.

Regional development is a specific priority of the Minister, Deputy Bruton. The regional

action plans which have been launched and developed for each region are focused on it. In the Deputy's area in the south west, infrastructural developments need to be put in place, and this is part of the capital programme with the new Garda stations, 300 schools and other improvements.

**Deputy Michael Healy-Rae:** The Government closed down the Garda stations.

**An Ceann Comhairle:** Deputies Healy-Rae and Mattie McGrath are like Tom and Jerry. When one goes quiet, the other starts.

**The Taoiseach:** The improvements of all these facilities are very important. While the Deputy's question is well meant, employment is growing in his area and the live register numbers have fallen because of new jobs being created.

**Deputy Noel Grealish:** It is because of emigration.

**The Taoiseach:** We want it to continue into the future.

**Deputy Tom Fleming:** We are all very optimistic that economic growth will continue. However, we are still faced with the reality that, as of the beginning of November, 203,000 people are jobless. The Taoiseach mentioned my county, Kerry, where we are fortunate to have a buoyant tourism industry. However, it is seasonal. We are very hopeful that the Wild Atlantic Way will contribute and will add very much to the tourism product, which I am sure it will. We need to stretch out the shoulder ends of the year to gain the major benefits we can reap from it.

**An Ceann Comhairle:** Can we have your question now?

**Deputy Tom Fleming:** We still have to face the whole matter here. It is very much mirrored in the Kerry situation as well. Some 55% of those who are unemployed are long-term unemployed. That is a very frightening figure, to be honest about it.

**An Ceann Comhairle:** Come on, Deputy, put your supplementary question.

**Deputy Tom Fleming:** The rate of long-term unemployment increased from 1.5% in 2005 to 6.7% in 2014. The current rate is the highest in Europe. It is 1.6% above the EU average.

**An Ceann Comhairle:** Sorry, Deputy, you are not listening to me. Would you put your supplementary question? You are over time.

**Deputy Tom Fleming:** I will conclude by making the point that the longer people stay on the unemployed register, the harder it is for them to get back into the workforce. We need to address the matter of rural renewal to get a bit of life back into our villages and towns. We should incentivise small-time employers by giving every possible support to them. We need to take a serious look at the rates situation.

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

**Deputy Tom Fleming:** The exorbitant rates in this country are putting people out of business. We certainly have to implement the budget measures.

**An Ceann Comhairle:** I think you have done a good tour of the whole economy.

**Deputy Mattie McGrath:** The Wild Atlantic Way.



**Deputy Finian McGrath:** He has done a tour of south Kerry.

**The Taoiseach:** I remind Deputy Fleming that the level of unemployment has fallen from 15.2% to 8.9%. People said a few years ago that this was impossible. The number of people who are long-term unemployed has decreased by 46%, from over 204,000 when the action plan was launched in 2012 to 109,800 today. One sixth of the 136,000 new jobs that have been created throughout the country, or 22,000 jobs, have been created by IDA Ireland. The remaining five sixths of new jobs have been created in small and medium-sized indigenous enterprises. That is what we need to focus on in the future.

**Deputy Dara Calleary:** Some 56% of them are in Dublin.

**The Taoiseach:** The Minister has changed the structure so that anybody with an idea can walk into his or her local enterprise office and get all the advice and information he or she needs to set up a company.

**Deputy Dara Calleary:** The local enterprise offices have no money.

**The Taoiseach:** People get advice on how to employ people and access credit so that they can promote their ideas for manufacture or for export. We need to ensure companies throughout the country have no fear. They should not be afraid to go beyond the bounds of their own localities. Many companies are proving that they are well able to sell competitively on the international market the software or manufactured goods they produce. Deputy Fleming's county has invested serious money in quality hospitality enterprises over the last 40 years. I think the development of the new Wild Atlantic Way concept is paying dividends throughout counties Kerry and Cork and will continue to do so for many years to come. The action plan, which focused on Deputy Fleming's own area and on other individual areas throughout the country, was based on their strengths and weaknesses. It looked at what could be done in counties Louth, Wexford, Donegal, Monaghan and Laois and the other relevant areas. Plans were drawn up in consultation with the agencies in each region so that the individual matters could be worked through. As I have said, the live register figures speak for themselves.

### **Order of Business**

**The Taoiseach:** It is proposed to take No. 14, Health Insurance (Amendment) Bill 2015 – Financial Resolution; No. 46, statements on Northern Ireland; No. 43, Finance Bill 2015 - Report Stage (resumed) and Final Stage; 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 Dáil shall sit later than 9 p.m. tonight and shall adjourn not later than 10 p.m.; No. 14 shall be decided without debate; No. 46 shall be taken immediately following the Order of Business and the proceedings thereon shall, if not previously concluded, be brought to a conclusion after an hour and 40 minutes and the following arrangements shall apply: the statements of the Taoiseach, Tánaiste and the leaders of Fianna Fáil, Sinn Féin and the Technical Group, or Deputies nominated in their stead, who shall be called upon in that order, shall not exceed ten minutes in each case, and such Members may share their time; the statement of a Minister or Minister of State and of the main

spokespersons for Fianna Fáil, Sinn Féin and the Technical Group, who shall be called upon in that order, shall not exceed ten minutes in each case, and such members may share their time; and a Minister or Minister of State shall be called upon to make a statement in reply which shall not exceed ten minutes, following which the Dáil will suspend for an hour under Standing Order 23(1); the resumed Report and Final Stages of No. 43 shall be taken today and the proceedings thereon shall, if not previously concluded, be brought to a conclusion at 5.30 p.m. 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 Finance; and Private Members' business, which shall be No. 217, motion re credit unions (resumed), shall be taken at 8.30 p.m. tonight and shall, if not previously concluded, be brought to a conclusion after 90 minutes.

Tomorrow's business after oral questions shall be No. 48, Equality (Miscellaneous Provisions) Bill 2013 - Second Stage (resumed); No. 44, Criminal Justice (Burglary of Dwellings) Bill 2015 - Second Stage (resumed); No. 45, Credit Guarantee (Amendment) Bill 2015 - Second Stage (resumed); and No. 8, Child Care (Amendment) Bill 2015 - Second Stage.

**An Ceann Comhairle:** There are five 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. 14, Health Insurance (Amendment) Bill 2015 – Financial Resolution, without debate, agreed to? Agreed. Is the proposal for dealing with No. 46, statements on Northern Ireland, agreed to? Agreed. Is the proposal for dealing with No. 43, Finance Bill 2015 - Report and Final Stages (resumed), agreed to?

**Deputy Gerry Adams:** It is not agreed.

**Deputy Micheál Martin:** It is not agreed. I do not want to call a vote on this proposal. There is probably a sensible way out of this. If the guillotine were removed, the thing might work out in terms of the time framework that is available.

**The Taoiseach:** To which proposal is the Deputy referring?

**An Ceann Comhairle:** He is referring to the proposal for dealing with the Finance Bill 2015.

**Deputy Micheál Martin:** If the Taoiseach removes the guillotine, I think he will find that all sides of the House will be co-operative. I do not think the imposition of a guillotine will be necessary. As a principle, it causes offence on this side of the House. A more sensible way to approach the matter would be to allow the Bill to take its normal course. I think the Taoiseach will find that all sides of the House will co-operate in that regard within the time slot that has been proposed. Therefore, I propose that all words after "today" in proposal No. 4 on the Order of Business be deleted.

**Deputy Gerry Adams:** That is my position as well. The Sinn Féin position is to oppose the use of guillotines. This is an important Bill. There should be leave for Teachtaí who want to speak on it. I presume it will be dealt with in the time allowed. There should be no imposition of a guillotine.

**The Taoiseach:** Can I take it from what both Deputies have said that the debate on the Bill will conclude by 5.30 p.m.?

**Deputy Micheál Martin:** Yes.

**The Taoiseach:** If both Deputies are in agreement on that, I am sure the Minister will agree to Deputy Martin's proposal and we will accept it.

**Deputy Dara Calleary:** It is the season of goodwill.

**An Ceann Comhairle:** Is the proposal for dealing with No. 4, as amended, agreed to? Agreed. Is the proposal for dealing with Private Members' business agreed to? Agreed.

**Deputy Michael Healy-Rae:** We are all very agreeable today.

**Deputy Mattie McGrath:** Christmas is a month from today.

**Deputy Michael Healy-Rae:** That must be it.

**Deputy Micheál Martin:** There is a commitment in the programme for Government to change the general practitioners' contract. I would appreciate it if the Taoiseach could indicate to me the up-to-date position on that. There is major concern in rural Ireland about the real actual shortage of GPs. There are towns without GPs. Posts are not being advertised, or have been advertised but to no avail because no one is filling them. Many families are travelling 40 miles to get to GPs. This is causing real problems in rural Ireland. People are also concerned about longer response times from ambulances and so on. I think we are looking at a patient safety issue as a result of the under-provision in terms of primary care in rural Ireland. The contract, which is a central commitment in the programme for Government, is obviously a key part of that. The Taoiseach might indicate to me when the Government expects the contract to be concluded.

The Taoiseach might be aware that since 1996, some 209 women have been murdered in the Republic of Ireland. Some 131 of them were killed in their own homes. In the cases that have been resolved, some 86 women were murdered by a partner or ex-partner and a further 53 women were killed by someone they knew. Therefore, a total of 139 women were killed by someone known to them. In all resolved cases, 99% of perpetrators were male and 1% of them were female. I am asking about the Bill that will consolidate and reform the existing domestic violence legislation. It is designed to add provisions to the present legislation to help victims of domestic violence. Can the Taoiseach outline when we will have that legislation and say whether it is receiving Government priority?

My third question is on the Seanad Electoral (University Members) (Amendment) Bill. Another report was published this year on Seanad reform following, to use the Taoiseach's own phrase, the "wallop" he took in the referendum, but no work has been progressed on it. The Taoiseach indicated to party leaders that he would implement a very minor amendment in the context of the wider issues detailed in the report. Are we to take it that the Bill will not be published before the election? It is reported in *The Irish Times* today that the goose is cooked on the 31st Dáil without any delivery on the promise to deliver a reformed Seanad.

The fourth Bill I wish to ask about is the disability or equality (miscellaneous provisions) Bill to allow for ratification of the UN Convention on the Rights of Persons with Disabilities. There has been a consistent undermining of people with disabilities by the Government over the past four and a half years and we need greater affirmation in our approach to people with disabilities.

**The Taoiseach:** The disability/equality (miscellaneous provisions) Bill will be published

next year. I do not expect the Seanad Bill to be published before the close of the session but I hope to have a debate before the close of business here on the report produced by the group looking at the opportunities that might exist with respect to the Seanad.

On primary care, free GP care has been extended to children under six and those over 70. The next intention is to have all children of working families covered by this, and that will require an adjustment to the GP contract. The Minister for Health will engage with GPs on that matter and discussions are to take place or are already under way in this regard.

The Deputy asked about domestic violence. This is the international day opposing violence against women. The words “domestic” and “violence” do not go together. On 5 November, Ireland signed the Istanbul Convention, a European Council convention on combating violence against women. The general scheme of the reformed and consolidated domestic violence Bill was published before the summer recess. The Bill, which will enhance the legislative measures available within the civil law system to support victims, is currently being drafted. It will also introduce reforms aimed at assisting in the process of what is contained in the Istanbul Convention. Separately, the landmark new criminal justice (victims of crime) Bill, which will be published shortly, seeks to put victims at the heart of the justice system. It will introduce, for the first time, statutory rights for victims of crime, and the development of a second national strategy to address domestic and sexual violence is taking place.

**Deputy Micheál Martin:** When does the Taoiseach expect the domestic violence Bill?

**The Taoiseach:** I cannot give the Deputy a date but I will come back to him on it. The implementation of the Garda Inspectorate’s recommendation will improve the experience of people reporting offences to An Garda Síochána. Issues being addressed include the establishment of the new national child protection, domestic violence and human exploitation unit, led by a chief superintendent, and the establishment of a victim services office in every Garda district.

**Deputy Gerry Adams:** Tá dhá cheist agam. Baineann an chéad ceann leis an Climate Action and Low Carbon Development Bill. Tá mé ag lorg díospóireachta ar ábhar eile chomh maith. The Taoiseach said we had signed the Istanbul Convention, but we have not brought in the necessary legislation, so we are in breach of a convention we have signed. The Taoiseach said the other day, in response to my question, that the normal course of events would be to bring in legislation first, so I am curious about the sequencing in this matter.

The Climate Action and Low Carbon Development Bill is before the Seanad at the moment. In a response to me during questions two weeks ago, the Taoiseach acknowledged that the potential financial penalties facing this State if we failed to meet climate change targets could be as much as €5 billion or €6 billion. He said this was astronomical. The Paris climate change conference will take place next Monday. Will the Taoiseach commit to a debate on the conference, which concludes on 11 December? When does he expect the Climate Action and Low Carbon Development Bill to be brought to the Dáil?

My presumption is that there is a requirement for a Dáil debate before Irish troops can be sent overseas if their number exceeds 12. The French Government has invoked Article 42.7 of the Lisbon treaty following the dreadful attacks in Paris, which 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”. The Taoiseach has already publicly indicated a willingness

to use Irish troops to replace French troops in Mali. Our party is opposed to the deployment of Irish troops on an EU training mission, as opposed to a UN-designated peacekeeping mission. Will the Taoiseach hold a debate in the Dáil on any decision the Government may take on this issue?

**The Taoiseach:** Legislation on domestic violence is being updated now. The Istanbul Convention sets out the roadmap and the Minister for Justice and Equality is dealing diligently with the consolidated and reformed domestic violence Bill. The Climate Action and Low Carbon Development Bill is in the Seanad today and amendments will be taken. I expect it will come back to the Dáil in the second week in December. It will be a challenging technical position for Ireland, particularly for 2020-2030, and we want to play our part but we also want achievable and realistic targets, given the fact that our profile in the non-traded sector is very different from that of every other European country. It is a real challenge to make everybody understand exactly what that means.

On the question of assistance towards another European country, clearly, any requests that are received will be considered, but there are constraints on Ireland in terms of what we can do as a neutral country. We participate in the EU official training programme as one of 22 countries in Mali and we assist the United Nations as part of peacekeeping missions in the Lebanon, etc. Any decision made by Government on this will, of course, be brought before the House.

**Deputy Jonathan O'Brien:** Will proposed legislation providing for safe injecting centres for drug users be published before the Christmas recess? The heads of the Bill have gone to the Cabinet sub-committee for approval, but can we have a commitment from the Taoiseach that it will be passed by both Houses before the dissolution of the Dáil? It is an important piece of legislation in view of the fact that we have almost two drug-related deaths every day in the State. It is a public health issue and it could actually save lives.

**The Taoiseach:** I cannot give Deputy O'Brien a commitment in that regard but I will come back to him on the progress that is being made in respect of the legislation being presented.

**Deputy Shane Ross:** Deputy Martin asked about the Seanad Electoral (University Members) (Amendment) Bill and the Taoiseach said it would not be debated before close of business. Does that mean close of business tonight or close of business before the election? There is another Seanad electoral reform Bill before the House, which is identical to the one proposed by Senator Quinn and passed in the Seanad. Will the Taoiseach give time for that Bill, or are we simply going to get time for a debate on a report? That will mean Seanad reform is buried. The Taoiseach will be well aware that many of us were trotted around to his office twice in the past year for talks on Seanad reform. Is he going to confirm now that those talks have led to absolutely nothing and we will have to go into the next electoral cycle before reform is considered?

**The Taoiseach:** A number of reports and Bills have been presented. We had a decision in 1979 in respect of the university panels and we have had reports in the meantime. What I committed to was to provide an opportunity to debate the report presented by a group of individuals who served in the Seanad and have no personal interest in it other than their views as to how it might be improved. I gave a commitment that the House would have an opportunity to debate the report. I do not foresee the introduction of new legislation in respect of the Seanad during the current Dáil.

**Deputy Michael McNamara:** It is interesting to learn today that Deputy Conlan is to be



charged with a criminal offence.

**An Ceann Comhairle:** Hold on a second, Deputy. In the 13 minutes remaining, 12 other Deputies wish to speak. We cannot have debates about Deputy Conlan.

**Deputy Michael McNamara:** This comes on top of learning in the media that other Deputies are being charged with criminal offences. Fine Gael prides itself on being the party of law and order. It is very important that an impression is not created whereby those who are perceived to oppose the Government or members of it, advertently or otherwise, learn of criminal charges against them in the media.

**An Ceann Comhairle:** The Order of Business is about promised legislation.

**Deputy Michael McNamara:** When will the independent policing authority be established to sever the direct links between the Government and policing because this is discrediting An Garda Síochána at this stage?

**The Taoiseach:** I do not get the Deputy's drift.

**Deputy Michael McNamara:** There is a perception of political policing.

**Deputy Frances Fitzgerald:** That is nonsense.

**The Taoiseach:** In respect of the independent policing authority, I expect to have that legislation concluded and passed before the Dáil rises for the Christmas recess.

**Deputy Micheál Martin:** Is Deputy McNamara implying there were deliberate leaks?

**Deputy Michael McNamara:** I read the newspapers.

**Deputy Peter Mathews:** On Wednesday, 11 November, the Taoiseach gave an unequivocal undertaking to enact and have operational one-year bankruptcy law before the Christmas break. There are 11 working days left and this legislation must be enacted and operational to prevent the banks from continuing to financially waterboard families, destroy them and cause suicides.

**An Ceann Comhairle:** Thank you.

**Deputy Peter Mathews:** I wish to raise a second issue, which is also very important. There is a deadline of 15 December for Ibrahim Halawa who is incarcerated in Egypt. This morning-----

**An Ceann Comhairle:** The Deputy may not raise this issue on the Order of Business.

**Deputy Peter Mathews:** I want to give the Taoiseach information.

**An Ceann Comhairle:** I ask the Taoiseach to respond on the bankruptcy Bill.

**Deputy Peter Mathews:** This morning, on the Luas line at Leopardstown, I met a classmate of Ibrahim's-----

**An Ceann Comhairle:** That is fine and very interesting but not a matter for the Order of Business.

**Deputy Peter Mathews:** -----who is a constituent of mine in Dublin South at the Islamic

Cultural Centre.

**An Ceann Comhairle:** Please resume your seat, Deputy, and do not ignore the Chair again. This is not a matter for the Order of Business.

**Deputy Peter Mathews:** This man might be condemned to death but a presidential decree sent by the Taoiseach-----

**An Ceann Comhairle:** I had to ask you to leave the House last week or the week before and you will have to leave again.

**Deputy Peter Mathews:** Yes, a Cheann Comhairle, you are making a habit of asking me to leave the House.

**An Ceann Comhairle:** I will continue to do so for as long as the Deputy ignores the Chair. I ask him to resume his seat.

**Deputy Peter Mathews:** I am not ignoring the Chair. I am respecting the Ceann Comhairle and giving him an opportunity to allow me to finish two sentences on the life or death of a 19 year old man.

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

**Deputy Peter Mathews:** If the Taoiseach sends a presidential request by presidential decree to the President of Egypt-----

**An Ceann Comhairle:** Resume your seat, Deputy, or you will leave the Chamber.

**Deputy Peter Mathews:** -----the man can be tried in his home country.

**An Ceann Comhairle:** Are you listening to me?

**Deputy Peter Mathews:** Of course I am listening.

**An Ceann Comhairle:** You will leave the Chamber otherwise.

**Deputy Peter Mathews:** A Cheann Comhairle, this is-----

**An Ceann Comhairle:** You are out of order.

**Deputy Peter Mathews:** I am not out of order.

**An Ceann Comhairle:** There are other ways to raise the issue besides the Order of Business.

**Deputy Peter Mathews:** There are no other ways for those who are “others” in this House. I effectively do not have any speaking rights.

**An Ceann Comhairle:** You have speaking rights, like any other Deputy.

**Deputy Peter Mathews:** Effectively, I do not have any speaking rights.

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

**Deputy Peter Mathews:** I do not have a right to speak on statements, etc.

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**An Ceann Comhairle:** As a member of the Technical Group, you have every right to speak.

**Deputy Peter Mathews:** I hope the Taoiseach understands the good faith with which I am raising-----

**An Ceann Comhairle:** Hold on a second. You better understand or you will go out the door. Listen to me and sit down, please.

**Deputy Peter Mathews:** This is in good faith.

**An Ceann Comhairle:** Will you sit down? You are really stretching it.

**Deputy Peter Mathews:** I am not.

**An Ceann Comhairle:** Sit down, please. After nearly five years in the House, it is time you learned Standing Orders.

**Deputy Peter Mathews:** I am most respectful of courtesy and graciousness in this House.

**An Ceann Comhairle:** You are ignoring the Chair.

**The Taoiseach:** In respect of the Bill on one-year bankruptcy, the Minister for Justice and Equality will bring the memorandum to Government next Tuesday.

**Deputy Peter Mathews:** The Taoiseach and Tánaiste gave an undertaking to introduce the legislation before Christmas. It is on record.

**An Ceann Comhairle:** Be quiet, please.

**The Taoiseach:** The Minister will bring the Bill-----

**Deputy Peter Mathews:** The Taoiseach will have a lot of explaining to do to the people of Ireland.

**An Ceann Comhairle:** Deputy Mathews, would you mind staying quiet?

**Deputy Frances Fitzgerald:** He should listen to the answer.

**The Taoiseach:** The Minister will bring the Bill to Cabinet next Tuesday.

**Deputy Peter Mathews:** This House does not understand simple words such as “undertaking”.

**An Ceann Comhairle:** Deputy Mathews, will you leave the House?

**Deputy Peter Mathews:** Certainly.

**The Taoiseach:** Before he leaves, he should know that the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, will address the other matter he raises at the Joint Committee on Foreign Affairs and Trade this evening. He is welcome to attend that meeting.

**An Ceann Comhairle:** Leave the House please, Deputy Mathews.

**Deputy Peter Mathews:** The matter is in the Taoiseach’s hands.

**An Ceann Comhairle:** Did you hear me?

**Deputy Peter Mathews:** Yes.

*Deputy Peter Mathews withdrew from the Chamber.*

**Deputy Paul Kehoe:** That was all he wanted.

**Deputy John Deasy:** The issue I raise relates to proposed or possible legislation to deal with transactions related to IBRC. If it is the case that the current commission of investigation into the dealings of IBRC may take several years to complete - as the Taoiseach indicated, some estimates suggest it could take eight years to complete - a revised financial appraisal and assessment needs to be done and made public before any decision is made about proceeding with legislation.

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

**Deputy John Deasy:** I believe this matter falls within Standing Orders.

**An Ceann Comhairle:** Yes, but nine other Deputies wish to contribute.

**Deputy John Deasy:** When the High Court judge heading the commission of investigation refers to a potential waste of taxpayers' money, the first step should be to conduct such an analysis and circulate the outcome to everyone involved. The Committee of Public Accounts discussed this issue last week and took the view that the commission of investigation should not be open-ended. That is the first step in respect of the IBRC investigation and any changes that are agreed.

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

**The Taoiseach:** I take Deputy Deasy's point, which is valid. As I stated, we will take the written responses from the parties and the Government will consider the matter and try to respond in the best and most effective way possible on Tuesday, taking all these things into account given the remit of and problems identified by Mr. Justice Cregan.

**An Ceann Comhairle:** As nine Deputies wish to speak in the remaining seven minutes, I ask speakers to be brief, please.

**Deputy Bernard J. Durkan:** The office of Government procurement is viewed as an integral and important part of the-----

**An Ceann Comhairle:** I ask the Deputy to cut out the preliminary remarks and get to the substance of the matter.

**Deputy Bernard J. Durkan:** -----control of expenditure and obtaining value for money. When is the Office of Public Procurement Bill likely to come before the House? Have the heads of the Bill been cleared? Is it likely to be introduced in this session or a subsequent session?

A consumer rights Bill is also promised to consolidate consumer rights in legislation. Is the Bill due to come before the House in the current or next session?

On an issue that has come to prominence in the past 24 years, the purpose of the water environment Bill is to implement the water framework directive. This is extremely important leg-

isolation which will benefit everyone. Is the Bill likely to be passed before the House adjourns indefinitely?

**The Taoiseach:** Unfortunately, on this occasion, I must point out that the control of expenditure Bill, consumer rights Bill and water environment Bill giving effect to the EU directive are all due next year.

**Deputy Catherine Murphy:** On the interim report into IBRC, Mr. Justice Cregan identifies confidentiality, privilege and the Stock Exchange as areas where there is a legal impediment to proceeding and estimates that the 18 months it would take to do even a scaled down review would only kick in after these legal difficulties have been addressed. Does the Government plan to introduce legislation or is the Attorney General working on legislation in these three areas? If so, is it likely to be emergency legislation that will be enacted before Christmas?

**The Taoiseach:** I would like to think that the Government, on behalf of the Oireachtas, can respond to the difficulties outlined by Mr. Justice Cregan, taking into account the written observations on the interim report from different Members. The Attorney General and her office are working on the interim report received from Mr. Justice Cregan and I expect the Government will discuss this matter at its meeting next Tuesday.

**Deputy Mattie McGrath:** A serious matter has arisen regarding the National Association of General Practitioners, which has stated that 32 general practitioner positions in rural practices have been left unfilled. The most recent manifestation of this has been in Bansha, County Tipperary, a place the Tánaiste knows very well. The Health Service Executive has refused to advertise a general practitioner position for a GP in the town who is sick. I wish her well in her illness. The position in the health service is serious.

**An Ceann Comhairle:** To which Bill is the Deputy referring?

**Deputy Mattie McGrath:** I am referring to the general practitioners Bill. A wide area surrounding Bansha, County Tipperary, will be left without a general practitioner if the Government does not listen.

**An Ceann Comhairle:** I am informed there is no general practitioners Bill.

**Deputy Mattie McGrath:** It is on the Order Paper.

**An Ceann Comhairle:** Not according to the information provided to me.

**The Taoiseach:** To which Bill is the Deputy referring?

**Deputy Mattie McGrath:** The general practitioners services Bill. I do not know if it features in the promised legislation document but it is included in the document I read five minutes ago.

**Deputy Micheál Martin:** It must be a fantasy.

**Deputy Mattie McGrath:** It is in the document. More important, people in Bansha need a medical service because they do not have one.

**An Ceann Comhairle:** There are other ways to raise the issue.

**The Taoiseach:** Deputy McGrath is well aware of the implementation of the decision in



respect of those aged under six years and over 70 years, which deals with general practitioners.

*1 o'clock*

**Deputy Mattie McGrath:** I am not talking about that. I am talking about the medical services Bill.

**The Taoiseach:** I answered the Deputy and Deputy Martin earlier about discussions with the Minister for Health.

**Deputy Mattie McGrath:** That is not an answer.

**An Ceann Comhairle:** I ask Deputy McGrath to resume his seat.

**Deputy Mattie McGrath:** People deserve treatment.

**An Ceann Comhairle:** Resume your seat, Deputy.

**The Taoiseach:** I am sure the people of Bansha are happy to see that the under sixes and over 70s have already been dealt with.

**Deputy Mattie McGrath:** They are not interested in under sixes. That is only a joke. They need a GP.

**An Ceann Comhairle:** I will not tell the Deputy again. Resume your seat and respect the Chair.

**Deputy Paul Kehoe:** Let him join Deputy Peter Mathews.

**Deputy Tony McLoughlin:** Deputy Mattie McGrath thinks there is no one here only himself asking questions.

**An Ceann Comhairle:** We have three minutes left and six people want to come in.

**Deputy Mattie McGrath:** I never got an answer on the Bill.

**An Ceann Comhairle:** You are totally out of order, Deputy McGrath.

**Deputy Mattie McGrath:** It is in the book.

**An Ceann Comhairle:** What book? Do not-----

**Deputy Tony McLoughlin:** Bye bye, Mattie.

**Deputy Micheál Martin:** That is very accurate, a Cheann Comhairle. "What book?" sums it up.

**Deputy Tony McLoughlin:** Can I speak?

**An Ceann Comhairle:** Yes.

**Deputy Tony McLoughlin:** As the Taoiseach is aware, many professional criminal organisations throughout the country continue to benefit financially from the proceeds of crime.

**An Ceann Comhairle:** Cut out the preliminaries and just ask the question on the legisla-

tion.

**Deputy Tony McLoughlin:** When can we expect the proceeds of crime legislation to be brought before the House for debate? Have the heads been published?

**The Taoiseach:** It is still with the Criminal Assets Bureau in relation to a number of points it has raised. As such, it will be a while before it comes here.

**Deputy Seán Ó Fearghaíl:** It is still possible to administer electroconvulsive therapy without a patient's agreement or acquiescence. I understand that the Minister of State at the Department of Health, Deputy Kathleen Lynch, has given a commitment that legislation will be brought forward before the end of the year to deal with this. Where is that legislation? What Bill will include it?

I welcome the commitment that the Minister for Justice and Equality will bring a memo to Cabinet on the bankruptcy Bill. When will we see the bankruptcy Bill before the House?

**The Taoiseach:** I support the bankruptcy Bill in respect of the one year proposal. I have said that the Minister will bring the Bill before the Cabinet next Tuesday. I expect that as Whip, Deputy Ó Fearghaíl will push for its discussion within the time left to the current Dáil.

**Deputy Frank Feighan:** There is a need to establish a dedicated family court structure. When will the family courts Bill come before the House?

**The Taoiseach:** The Bill is due next year.

**Deputy Robert Troy:** Many families are being discriminated against in the absence of the school admissions legislation. When will it come before the House? The Taoiseach claimed that there would be a new full Department for children.

**An Ceann Comhairle:** The Deputy only has a minute.

**Deputy Robert Troy:** I ask about two pieces of promised legislation. When will the legislation to give effect to the referendum in relation to children in long-term care being available to be adopted come before us? Will it come before the House falls at election time? The report from the joint committee on the information and tracing legislation was presented to the Minister for Children and Youth Affairs. Can the Taoiseach give a firm commitment that the legislation will come before the end of the Dáil term?

**The Taoiseach:** Both Bills relating to adoption are being worked on by the Office of the Parliamentary Council. I expect it will be next year. The Education (Admission to School) Bill has been published and is awaiting Second Stage.

**Deputy Willie O'Dea:** I do not think the Taoiseach responded to Deputy Martin's question about the disability-equality (miscellaneous provisions) Bill to ratify the UN Convention on the Rights of Persons with Disabilities. When is the Bill expected to be published?

**The Taoiseach:** I think it is to be published next year. I hope that is clear. He says I do not give him any information.

**Deputy Willie O'Dea:** That is something that is also in the book.

**Deputy Peter Fitzpatrick:** We need to establish a dedicated family court in order to im-

prove the levels of judicial expertise and training in family law matters-----

**An Ceann Comhairle:** We all know about that.

**Deputy Peter Fitzpatrick:** -----and to streamline family law procedures thereby making them more user friendly and less costly. When can we expect the family law Bill?

**The Taoiseach:** This was debated in the Seanad yesterday. One needs legislation here, not a referendum. The legislation is being worked on by the Minister for Justice and Equality.

**An Ceann Comhairle:** The time has expired. It is not good for my blood pressure, I must admit.

### **Health Insurance (Amendment) Bill 2015: Financial Resolution**

**The Taoiseach:** I move:

That Section 125A of the Stamp Duties Consolidation Act 1999 (No. 31 of 1999) be amended to provide for the specified rate of stamp duty in respect of an insured person in respect of relevant contracts renewed or entered into on or after 1 January 2016 and on or before 29 February 2016 and on or after 1 March 2016 in the manner and to the extent specified in the Act giving effect to this Resolution.

Question put and agreed to.

### **Tributes to Retiring Member of Staff**

**The Taoiseach:** I beg the indulgence of the Ceann Comhairle to extend my congratulations and those of the House to Mr. Bernard Hand, who is present and who will leave us this week as he retires. Bernard joined the Houses of the Oireachtas almost 20 years ago and in that time he has seen four general elections, welcomed new Members and, sadly, said farewell to others. He did so always in the most professional and courteous manner and maintained the highest standards that are the hallmark of the parliamentary staff in the Houses of the Oireachtas. He has greeted thousands of visitors to Leinster House with his own inimitable friendly smile. He ensured that when they left the building, they had happy memories of their visit here. Bernard follows the fortunes of the Dubs and has had a golden period since 2011 to our own detriment in Mayo. He will not take offence when I remind him that there are a few of us with loyalties to other counties, but we wish him well with his enhanced opportunity to support his favourite team. Bernard's new-found freedom will give him more time with his wife, Laura, and his five children Robert, Damien, Aishling, Ciarán and Laura. I understand he also has four wonderful grandchildren, Meabh, Caoimhe, Dara and Ronán.

As he leaves us, he can be very proud of his service to the State and the people who are elected to serve in this House and the Seanad. On behalf of all our colleagues, I thank him for his many years of first-class service and wish him the very best of good health and fortune with his wife and family in the many years ahead.

**Tánaiste and Minister for Social Protection (Deputy Joan Burton):** I congratulate Mr. Bernard Hand on behalf of the Labour Party and all those who have come to Dáil Éireann and

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the Seanad and enjoyed the privilege of being taken under his very protective wing and shown the ropes. They were given lots of very quiet, good and solid advice as to how to get things done in here. If Bernard ever wants a second career-----

**Deputy Willie O'Dea:** Not in the Labour Party.

**Deputy Joan Burton:** -----it could be as one of these hot-shot consultants who tell one how to do things. He has provided amazing service to the Members of the Oireachtas and also to the many visitors who have visited Leinster House. Like many of the people who work on the staff of the Houses, he has been particularly adept at giving guided tours. His knowledge of the history of Leinster House is extraordinary. For a lot of people down the years who have come to the House and had access to Bernard's unique store of knowledge, it has been a very pleasant experience. I wish him and his wife and family every good fortune as he moves into retirement. I know he has many plans and I hope they include travel and sunshine, particularly in the wintry months. The Dubs are doing okay. There are up and coming teams working at it over a long period. Hope never dies.

**Deputy Dara Calleary:** That is the Labour ethos.

**Deputy Joan Burton:** I congratulate Mr. Hand and thank him for all of the pleasant occasions he has facilitated in the Houses of the Oireachtas.

**Deputy Micheál Martin:** Ar mo shon féin agus ar son Fhianna Fáil, ba mhaith liom buíochas a ghabháil leat, Bernard, as ucht an méid oibre atá curtha isteach agat i rith na mblianta sa Teach seo. Táimid go léir fíorbhuíoch díot. Tá súil agam go mbainfidh tú taitneamh agus sásamh as na blianta atá le teacht.

I join the Taoiseach and the Tánaiste in thanking Mr. Bernard Hand for his years of service to the House. I wish him all the best on his retirement after 20 years of exemplary service to the Houses of the Oireachtas. He is a team leader in every sense and has reflected the very special contribution the ushers of the Houses have made over a long time to the ambience and atmosphere here. They have exuded a sense of calm but also firm - I hate to use the word "control" - management of the Houses. Unlike other Parliaments, ours has an easy informality on one level, but there is equally a sense that things are exceptionally well managed. I draw this conclusion from the many visitors to the Oireachtas: students, young children and others who do not initially know what they are entering. They have a vision or sense of it, but their feedback after being brought on tours or breathing in the ambience is significant. This is in large measure due to the dignity and calmness that Bernard and his colleagues have brought to the task. We are forever in Bernard's debt for his contribution.

Regarding the success of the Dublin football team, it has been a great couple of years. There was a good phrase once about Cork: the mushroom may fade, but Cork never will. We are there at any stage in any year. Mayo had better hurry up because we will not hang around too much longer for Mayo to do it.

**The Taoiseach:** Well done.

**Deputy Micheál Martin:** There is a sense that one is returning to normality when one retires from this House, Bernard.

**Deputy Jerry Buttimer:** Deputy Martin had better hurry.

**Deputy Micheál Martin:** Your family and, in particular, your grandchildren will assist you in that return to normality in the months and years ahead. Well done and thank you very much.

**Deputies:** Hear, hear.

**Deputy Gerry Adams:** Ba mhaith liom mo bhuíochas ar mo shon féin agus ar son Shinn Féin a ghabháil le Bernard. Nuair a tháinig mé anseo cúpla bliain ó shin, bhí sé an-chairdiúil agus an-deas, mar a bhfuil na daoine uilig anseo. Mar a dúirt mé, tá mé fíorbhuíoch díot, Bernard. If I remember rightly, he has a Monaghan connection. There is a good Ulster element to all of that.

**Deputy Mary Lou McDonald:** He is a Dub.

**The Taoiseach:** Deputy Adams cannot steal them all.

**Deputy Jerry Buttimer:** He is a Dub.

**Deputy Gerry Adams:** He is. I wish him well. He is, as the Taoiseach, Tánaiste and leader of Fianna Fáil stated, always cheerful and always has a smile. He was very cordial when first I joined the Dáil. That is a mark of all of the staff. He is now in a new chapter of his life and I wish him and his wife Laura the very best and a long and healthy retirement. I also hope that he gets to enjoy his grandchildren. Go raibh míle maith agat, Bernard.

**Deputy Denis Naughten:** I will be brief. I want to be associated with the tributes that have been paid to Bernard. We are roughly around the same vintage in the Oireachtas.

**Deputy Dara Calleary:** He kept his hair.

**Deputy Denis Naughten:** I wish him every success in his retirement. We will all miss the updates on the Dublin club championship and, depending on how Dublin progressed at the weekend, the humour that we would meet when we came in on Tuesday. There was the odd time when some of us from the country had the opportunity to have a smile on our faces coming through the door. We look forward to Bernard visiting Hyde Park in Roscommon during the league. I hope that we will cause a few upsets for the Dubs.

I want to take this opportunity to wish you every success in your retirement. I know that Bernard is looking forward to having a large amount of time to fulfil babysitting duties. A large part of his diary will be filled up by that. I wish you, your wife Laura and your family every success and every good health in your retirement. Do not be a stranger around here.

**Deputy Mary Lou McDonald:** Well said.

**An Ceann Comhairle:** On behalf of the other Members of the House, I would like to wish Bernard every success and good health during his retirement. For almost 20 years, he has served all of us with a great deal of loyalty and diligence. Above all, his was a quiet efficiency in the Chamber, particularly during Leaders' Questions and the Order of Business. When he kindly takes the cloak off me outside, he says: "That was a tough one today, a Cheann Comhairle."

**Deputy Bernard J. Durkan:** Every day.

**Deputy Andrew Doyle:** Better than Parnell Park.

**The Taoiseach:** We can thank Deputy Mathews.



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**An Ceann Comhairle:** I will miss that, but I know that he will have a very active retirement. He has plenty of things to do, as previous speakers have said. His association with the GAA is well known. I believe that Trinity Gaels is the team that he follows. In case Deputies do not know, he refereed at senior level and wore the Dublin jersey against Armagh.

**Deputy Micheál Martin:** Fair play.

**An Ceann Comhairle:** He is a man of hidden talents-----

**The Taoiseach:** And great substance.

**An Ceann Comhairle:** -----but also a man of great decency.

**Deputies:** Hear, hear.

**An Ceann Comhairle:** We cannot thank the ushers enough for the help and assistance they give us and our friends and colleagues who visit the Oireachtas. They treat people with courtesy. They are the front line.

You will genuinely be missed and I wish you good health with your family for the next X number of years, which is the most important thing. Thank you very much.

### **Northern Ireland: Statements**

**The Taoiseach:** I welcome the opportunity to open the debate on Northern Ireland and the outcome of the political talks in Belfast, which were convened by the UK Prime Minister, Mr. Cameron, and me in September. These talks were brought to a successful conclusion on 17 November last. As Deputies know, the result of the negotiations was the document entitled “A Fresh Start: The Stormont House Agreement and Implementation Plan.” I acknowledge the positive engagement by the parties in the process and their determination to sit down and resolve issues through negotiation. In particular, I would like to acknowledge Peter Robinson’s important contribution to the peace process down through the years. I would like to wish Peter well in his forthcoming retirement.

I would also like to thank the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, and the Minister of State at the Departments of Education and Skills and Jobs, Enterprise and Innovation, Deputy Sherlock, as well as the Secretary of State for Northern Ireland, for their dedication and close co-operation in steering this process to a successful conclusion. Indeed, I thank all of the Members who participated in the debates. However, I believe the key enablers of this latest agreement were the people of Northern Ireland themselves. For months now, they have been ahead of their elected representatives on this issue. On all sides, ordinary people made it abundantly clear that they expected their political leaders to put an end to stop-go crisis management of the devolved institutions. They have said loud and clear that they want a Government that delivers every day on everyday issues that matter to them.

This Government has clearly set out its vision for a Northern Ireland with a shared society governed by efficient, effective, representative devolved institutions that co-operate to build the island economy through overseas investment and through joint efforts in trade and tourism. The people of Northern Ireland deserve political institutions that work to build a world-class infrastructure and that focus on delivering high-quality, citizen-centred public services.

Political leaders must now step up to that challenge. They must not be found wanting in delivering on their commitments and in implementing the full range of measures that have been agreed. These measures include tackling welfare reform and making hard choices to secure a balanced and sustainable budget. They include dismantling the final toxic traces of paramilitary structures, which have no place in a civilised, inclusive society bound by the rule of law. They include measures that must be taken - and that will be taken - to root out organised crime on both sides of the Border. And they include the challenge of dealing with the legacy of the past. Workable and effective arrangements must be put in place to allow the truth about the past to be brought out for victims, survivors and families affected by the Troubles.

We should see this agreement as an investment in the future and must acknowledge the great strides that have been made in moving Northern Ireland towards a more peaceful and more prosperous future. The Irish Government will continue to invest in the all-island economy and the people of the Border region and the north west, as set out in our recent capital plan. Our commitments under this agreement will see the completion of the first part of the A5 motorway, which will help unlock the full potential of the north west of the island. We will provide support of €2.5 million for the north west gateway initiative, which will be complemented by matching funding from the Northern Ireland Executive. We will also continue to explore the development of further cross-Border greenways and blueway leisure routes, including the Ulster Canal, and remain committed to the concept of the Narrow Water Bridge, which has the potential to provide jobs and a significant boost to tourism in the surrounding area.

And as we move to normalise politics and society in the North further, it is important that there be a proper and full debate on critical issues that could have a major impact, such as the UK's future within the European Union. The EU has been a very positive contributor to the peace process and I firmly believe that our common membership of the EU project is in all of our interests.

It is almost one year since the Stormont House Agreement was put in place. Then, it was hoped that a way forward had been found to deal with finance, welfare reform and the legacy of the past. Within a very short space of time, difficulties emerged. This, compounded by the serious trust issues arising in the wake of two savage murders in Belfast, had a destabilising effect on the Northern institutions.

The findings of the UK's assessment of paramilitary groups by an independent panel were very unsettling. Particularly disturbing was the finding that Provisional IRA members believed that the Provisional Army Council oversees both Provisional IRA and Sinn Féin with an overarching strategy.

When Prime Minister Cameron and I convened the latest round of talks, a key objective was to address the trust and confidence issues arising from the impact and legacy of paramilitary activity. The latest agreement makes a resolute commitment to the primacy of the democratic political process in Northern Ireland and the ending of paramilitarism and its links to criminality. Furthermore, all the parties to the agreement commit to work collectively to achieve a society free of paramilitarism. The promise is clear in the text: "In committing to these principles the parties do not agree simply to a passive acceptance of these values but to an active fulfilment of them."

The paramilitarism that is deeply embedded in communities must be tackled with equal determination on all sides. The arrangements set out for a strategy to disband paramilitary

groups must be put in place promptly. Together with the UK Government and the Northern Ireland Executive, we will appoint a four-member international body to monitor and report on the implementation of a strategy to end paramilitarism.

This Government will play its part in tackling organised crime on a cross-Border basis. Under the agreement, a joint agency task force will be established to co-ordinate and enhance efforts to tackle cross-Border organised crime. We will bring to justice those involved in this insidious and savage threat that corrodes the core of a decent society.

The Government will also take a range of additional measures to bear down on paramilitaries and on organised crime, whatever its origin. These include further investment in An Garda Síochána and establishing a second special criminal court to improve how the justice system deals with those charged of subversive or serious organised crime offences. We will also review the existing legislation with regard to this area and strengthen it where necessary.

The impact of the many atrocities perpetrated in the North and South lives long in the memory of the people and it is felt to this day. I was acutely aware of this when I laid a wreath on behalf of the people of Ireland in Enniskillen just over two weeks ago on Remembrance Sunday. Many families continue to deal not only with the awful pain of losing a loved one but also with the struggle for answers decades after these traumatic events. In many cases, the pain is compounded for those affected by events in which collusion with agents of the State has been alleged or proven.

Important progress was made on taking forward aspects of the Stormont House Agreement dealing with the legacy of the past. I regret that it did not prove possible to resolve all of the key issues at this stage. I share the deep disappointment of the victims and survivors and their families. Let me assure them that the two Governments will persist in their efforts to secure an agreed basis for the establishment of the institutions dealing with the past envisaged in the Stormont House Agreement. The Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, will set out our position in detail in this debate. Our fervent hope remains that these mechanisms will assist the transition to long-term peace and reconciliation in Northern Ireland.

This latest agreement offers the promise of a fresh start. It is a promise to the people of Northern Ireland that the burden of thuggery, intimidation and sectarian hatred will be taken off their backs once and for all. It is a promise that peace can mean more than the absence of violence, 21 years after the ceasefires. It is the promise of a prosperous and inclusive society that can flourish to its full potential. These public commitments are clear to all. Accountability for their delivery is understood by all, and failure to deliver will be judged harshly by all.

**Tánaiste and Minister for Social Protection (Deputy Joan Burton):** I welcome the opportunity to speak on recent developments in Northern Ireland and the successful completion of the recent talks. The Irish Government and the Labour Party have welcomed the agreement that has been reached. I pay tribute to the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, the Minister of State responsible for North–South co-operation, Deputy Sean Sherlock, and their colleagues on their work over recent weeks. Progress has been made in key areas that will allow the Assembly and Executive to return to work.

On paramilitarism, I spoke in this House a couple of weeks ago about the need to strengthen North–South co-operation in this area. I welcome the provisions that have been included in A Fresh Start. The Government is committed to intensifying its focus on combating paramilitary

activity and organised criminality and to working in close co-operation with the Northern Ireland Executive on this. There is no need for paramilitaries. The godfathers of crime who are presiding over paramilitarism are not doing so for any patriotic motive but simply to line their own pockets. However, the onus will ultimately be on those with influence over paramilitary groups to get them to work with the new structures and fully support the rule of law.

On the financial and welfare reforms, I welcome the fact that agreement has been reached, yet I must question why it has taken so long. Over two years ago, it seemed a deal on welfare reform could be agreed within the Northern Ireland Executive. Again, less than 12 months ago, following the Stormont House Agreement, the welfare package was on the table. On both occasions, Sinn Féin backed away from the agreement and argued against what was on offer. Despite this, what has been achieved this time? What is so different in A Fresh Start on welfare reform that was not contained in previous reforms? The one major change that has been introduced, namely to allow welfare reform to be legislated for at Westminster, appears to be a fairly spectacular delegation of responsibility by Sinn Féin. Rather than confronting the issue in Northern Ireland and taking responsibility for its decisions, it has simply ceded decision-making power to the British Parliament where its members do not even take their seats. What does that say about a party that has consistently called on the Irish Government to stand up to the troika, the European Union and international bodies? In my mind, it says that Sinn Féin would not be remotely capable of taking responsibility itself, unlike this Government, which negotiated concessions that reduced our debt burden by tens of billions of euro. At the first sign of a major political challenge, Sinn Féin has, at best, simply walked off the pitch. At worst, it is an enormous act of political cowardice.

Speaking before the agreement was reached, I said these talks should not simply be used to achieve another quick fix to get us over the latest political hurdle. That approach has been tried and has failed all too often. There has been much progress, but I am deeply disappointed that it was not possible to reach agreement on dealing with the legacy of the past. Admittedly, further progress was made in this general area. Ultimately, however, the failure to agree key mechanisms leaves many issues unanswered, and leaves many victims and their families and relatives deeply disappointed. This failure to agree could come back to haunt us. It concerns me that we could after all end up in negotiations in which an increasing number of things get traded off in order to make further progress in this area. That approach has not worked in the past. At some stage, we will have to agree on these matters. The Irish Government remains convinced that they should be and need to be addressed. We will continue to work for agreement in this area. I call on the parties in this House to support us in those efforts.

I wish to mark the decision of the First Minister of Northern Ireland and leader of the Democratic Unionist Party, Mr. Peter Robinson, to step down. As with many politicians in Northern Ireland, he has travelled a journey that culminated in him sharing power and serving as First Minister since 2008. In recent years, he has shown a determination to make politics work and to bring much needed investment and jobs to Northern Ireland. He has also shown a willingness to build positive relationships between North and South for the benefit of all people on the island. Therefore, on behalf of the Labour Party, I would like to wish him well in his retirement.

I also want to acknowledge both the new and former leaders of the SDLP. I and my predecessor, Deputy Eamon Gilmore, worked closely with Alasdair McDonnell in recent years. He led the party at a difficult time and I know that he will continue to serve the SDLP and his constituents with distinction from Westminster. In the same spirit, I look forward to working with his successor, Colum Eastwood, who will bring youth, energy, and a new perspective to his role.

I also want to send best wishes, on my own behalf and that of the Labour Party, to Pat and John Hume. As has been acknowledged by everybody, John Hume has been a lion of the peace process and in many ways its creator. Having heard Pat speak about the current difficulties that he has been experiencing, I would like to send both of them our best wishes.

**Deputy Micheál Martin:** Eleven months ago, the Stormont House Agreement was agreed by the Governments and some of the parties in Northern Ireland. It provided a basis for preventing the imminent collapse of the Executive and Assembly, and it was presented as a decisive move forward. What it did not represent was a decisive move away from the behaviour which caused that crisis in the first place. The main players carried on as before and lurched into the inevitable impasse of recent months.

This new agreement is welcome because it removes the immediate threat of long-term collapse of democratic institutions established as the result of the overwhelming support of the people of this island. It provides a fresh start only in terms of the implementation of the previous deal. It does not provide a fresh start, or anything close to it, for the people of Northern Ireland. The core dysfunction of recent years is not addressed in this agreement. Unless this is challenged, unless the parties start working together and the Governments re-engage, the destructive cycle of crises will continue and the people of Northern Ireland will be the biggest losers.

One element which is new in the agreement is the commitment to focus on addressing paramilitarism in Northern Ireland. The cult of the so-called big man who can enforce silence and discipline is a curse which has held back communities which want to unite to build a shared peace and prosperity. The extra resources and procedures for monitoring and challenging paramilitarism and cross-Border gangsterism are very welcome. Only a few weeks ago some elements here were denying there was any problem. They were claiming that anyone who expressed concern was playing politics. Today, they are promoting a deal which recognises the sinister remnants of groups which have brought nothing but misery to this island for far too long. We strongly support the new commitment to disrupt their network and show that no one is untouchable. We are very surprised that the agreement does not give explicit parity to the threat posed by loyalist paramilitarism. As has been seen too often, particularly on the streets of Belfast, this sinister element remains and must also be tackled with the same force as provisional and dissident paramilitarism.

It is a major failing of this agreement that it fails to address the right of families to know who was responsible for the deaths of their loved ones. The British Government remains in clear breach of its commitments in the Weston Park Agreement to allow the open and independent investigation of crimes, such as the murder of Pat Finucane which traces to collusion by British forces, the Dublin-Monaghan bombings and many others. Equally, the provisional movement has continued to deny basic justice and closure to many of its victims, including cases of abuse and murder which happened well after the ceasefires and the Good Friday Agreement.

So far, the Irish Government is the only party to this issue which has fulfilled its commitment to transparency about the past. Allegations of Garda collusion were subject to rigorous independent investigation, and the policy has been that the truth must be allowed to emerge no matter how uncomfortable. Unfortunately, the British government and Sinn Féin have stood in the way of dealing with the past to protect their own interests. Each continues to focus on the victims of others and does the absolute minimum on anything involving their side. We share the outrage of victims' groups about how this issue has been brushed aside. At a minimum they



are entitled to see the proposals tabled by the parties to this agreement in order that we can all see how serious these negotiations actually were. The cover-up must stop.

The continued failure to agree the Bill of Rights and Act, as well as the restoration of the civic forum is a disgrace, and each represents a breach of an agreement supported by an overwhelming majority of the Irish people in a free referendum. Clearly, Deputy Adams's description of the equality agenda as the "Trojan horse" of the provisional movement has caused damage, but equality measures are not an option for those who participate in the Northern institutions. They are an essential requirement. It is, at best, unfortunate that the Governments did not insist on tougher measures to secure their implementation. The agreement does contain a fig leaf concerning the civic forum by providing for a civic advisory panel. The detail reveals that this, too, is utterly devoid of substance. Its members will be nominated by the DUP and Sinn Féin, it will represent only a few elements of civic society and, most incredibly, it will be allowed to discuss no more than two issues a year, each of which will be cleared in advance by the DUP and Sinn Féin. The civic forum was kept in suspension because when the DUP and Sinn Féin took control of the Executive, they wanted to limit alternative voices. In tandem with the limiting of access to information for other parties in the Executive, they said that the civic forum was not needed because the First and Deputy First Ministers would be available to civic society. It has taken some remarkable neck for Sinn Féin suddenly to start calling for the restoration of the forum when it refused to restore it and it has now agreed a meaningless and politically compliant replacement.

The financial measures included in the agreement have received a lot of attention in the past week. Many claims have been made about what they amount to, but the only thing which is clear is that there has not been a commitment to major new funding for Northern Ireland. Through the concentration of what was a six-year programme into four years, unidentified savings and an amount of wishful thinking, there has been quite a bit of hype from the parties about the outcome. Before any of this can be trusted, let us see the detail. The claims made last year about mitigating welfare cuts turned out to be false. There is no reason to believe that this time it will be any different. That much of the welfare mitigation will come directly from funding for other public services is of real concern. So too is the fact that €125 million will be available only if it appears through a clampdown on welfare fraud, which is unlikely to secure anything close to that figure. There has already been some analysis of that.

In this agreement, Sinn Féin decided to hand power back to London to avoid having to vote for measures it was enabling. This is a profound confirmation that it puts party interests before the ideology of which it claims to be the sole representative on this island. The handing of power back to London was enforced by Sinn Féin and the DUP with an aggressive manoeuvre in the Assembly. It is quite extraordinary. The material was published three minutes before the debate, and standard scrutiny procedures were suspended. This puts even our own debate-averse Government in the shade when it comes to marginalising democratic assemblies. I have never come across anything like this before.

**Deputy Charles Flanagan:** The Deputy does not know how good he has it here.

**Deputy Micheál Martin:** Whatever about the politics, what really matters is that the Agreement entrenches a deeply damaging approach to public services and social protection in Northern Ireland. Everyone now agrees that Northern Ireland is still dealing with the legacy of paramilitarism and cross-Border criminality that is undermining its society and economy. It has the worst poverty rates on these islands and ever-increasing rates of dangerous marginalisation.

It is well behind in terms of the UN development index.

Northern Ireland desperately needs an investment plan, and the failure to deliver this is the most important failure of this Agreement. While the British Government's refusal to see the need for investment is more significant, we have to note the Taoiseach's refusal to set an example or to show that delivering peace and progress through development is something to which his Government is committed. The financial commitment made by our Government is considerably down on what was previously envisaged. More important, there is a continued refusal to fund important North-South projects.

In this agreement, the Government says it will again review or remains committed to the Narrow Water Bridge project. We should not be reviewing the project; we should be building it. Even 20 years ago, how much would we have given if communities North and South had come looking to build permanent connections and a vision of joint development? They came looking and the Government has left them there.

This is a deeply flawed agreement which nonetheless deserves to be supported for two reasons. First, it puts off the immediate threat to the long-term position of the Northern Ireland Assembly and Executive and it promises a means of addressing the destabilising and criminal paramilitarism which should by now have disappeared.

*(Interruptions).*

**Deputy Micheál Martin:** Fundamentally, this agreement will change little unless we see an end to the behaviour of recent years which has delivered institutions focused on the interests of two parties rather than the public interest. The most effective way to tackle this would be for the leaders of the two Governments to end their disengagement and start treating Northern Ireland as a subject worthy of their active attention. That the UK Prime Minister, Mr. Cameron, attended no negotiation and merely held a meeting with two of the leaders is appalling. How can we build a united society in Northern Ireland if we do not even try to engage with its problems and ignore so many of its representatives?

**Deputy Aengus Ó Snodaigh:** Fianna Fáil did that for years down here.

**Deputy Micheál Martin:** The Taoiseach's disengagement is equally damaging and a direct reversal of the policies of his predecessors of all parties.

I acknowledge the contribution of the Northern Ireland First Minister, Mr. Peter Robinson, whom I dealt with in respect of the devolution of justice in negotiations for over three years. He was straightforward and he went through his political journey. He was a pragmatic member of the DUP and brought that party to the negotiating table and within the fold of the Good Friday and Weston Park frameworks.

While I do not agree with the policies she imposed, the commitment of the UK Secretary of State for Northern Ireland, Ms Villiers, should be respected and acknowledged. I would also like to acknowledge the contribution of the Minister for Foreign Affairs and Trade, Deputy Charles Flanagan, who has given a genuine and active personal commitment to negotiating an agreement and to ongoing involvement in issues concerning Northern Ireland.

**Deputy Gerry Adams:** What about Martin McGuinness?

**Deputy Pádraig Mac Lochlainn:** What about Eoghan Harris?

**Deputy Micheál Martin:** This agreement is called A Fresh Start. Let us all hope that this does not translate into more of the same. I compliment the backbenchers of Sinn Féin because they always compliment my speech through the continual engagement they show.

**Deputy Pádraig Mac Lochlainn:** I was right what I said the last day, was I not?

**Deputy Micheál Martin:** It is the ultimate confirmation I require.

**Deputy Pádraig Mac Lochlainn:** I was 100% right about Eoghan Harris.

**Deputy Gerry Adams:** I commend everyone who has worked diligently to find solutions to the recent problems facing the North and the all-Ireland political institutions, including Peter Robinson and Martin McGuinness. The leader of Fianna Fáil may have missed that the North has a Deputy First Minister, whose name is Martin McGuinness.

**Deputy Micheál Martin:** I know him well.

**Deputy Gerry Adams:** They were central to that process. I thank the Minister for Foreign Affairs and Trade, Deputy Charlie Flanagan, and the Minister of State, Deputy Sean Sherlock, for their work. I also thank the US Senator Gary Hart for his ongoing interest. I am hopeful we will see practical support from the USA for the agreement.

Mr. Peter Robinson played a leadership role and I commend him on it. He had a particular imperative, personal as well as political, to do a deal at this time, but that should not take away from the significance of what has been achieved. Those in Sinn Féin certainly wanted a more comprehensive agreement and we did our best to get that, but others were not prepared to deal with all the issues at the moment. For that reason alone there is a need for a consistent and ongoing focus on the necessary processes of change, especially on the part of the Government. As I have said many times, the Taoiseach needs to have a more proactive engagement and interaction with the British Prime Minister. The Government needs a clear and consistent strategic plan.

For our part, those of us in Sinn Féin will continue to work with the DUP and Peter Robinson's successor, all the other parties, the two Governments and other parties in this Dáil to deliver on the latest agreement and the full implementation of the Good Friday Agreement and other agreements.

There was some criticism of the agreement in the House yesterday, particularly from the Socialist Party on the one hand and Fianna Fáil on the other. This was echoed today by the Tánaiste. The Tánaiste's remarks were incoherent, barely comprehensible and have no credibility whatsoever. At least the Socialist Party is consistent. The Socialist Party is against the Good Friday Agreement and all the other agreements, although I note it is not against partition. Fianna Fáil has called for a suspension of the institutions. There is clearly no sense to that proposition. The Fianna Fáil leader also spent some time yesterday defending the SDLP and the UUP. For the record, the relevant UUP people have left the Northern Executive for electoral reasons. That is their right. The SDLP and the UUP voted against the agreement. That is also their right, just as it is the right of those in Fianna Fáil, if that is their position, although it is difficult to know exactly what their position is.

I extend my best wishes to Alasdair McDonnell, the former leader of the SDLP and his successor, Colum Eastwood. Let us be clear: without the agreement last week, the door would

have been open for a return to British direct rule and the full weight of a Tory assault on the welfare state. The majority of citizens support the political institutions and want them to work. However, constant crises and lack of progress have understandably frustrated and disillusioned many, including members of Sinn Féin and representatives of Sinn Féin.

Negotiations were necessitated by the rejection by Unionists of the Stormont House Agreement and the failure of the British and the Irish Governments to implement outstanding commitments. The British Government has sought to implement its brutal austerity agenda on a society emerging from decades of conflict division and underinvestment. This is not acceptable to Sinn Féin.

Two brutal murders were shamefully used to destabilise the political institutions, attack Sinn Féin and seek to disenfranchise republican voters. These sentiments were echoed in this Chamber as well. The families of Jock Davison and Kevin McGuigan deserve justice. There can be no place for such actions in society.

The negotiations were difficult, but most negotiations are difficult. I welcome the Government's commitment to invest in capital projects in the North. I have a particular interest in seeing the development of the Narrow Water Bridge and other cross-Border all-island projects brought to reality. I look to the Government to fund those projects.

Additional money from London was also secured, allowing the Northern Executive to minimise the worst excesses of British Government austerity. This includes £834 million over the coming four years to support working families and citizens in need. An extra £877 million of additional funding has also been secured to support the unique needs of a society emerging from conflict and division and an economy that faces a legacy of underinvestment and partition. However, the Tories are planning cuts to public services. George Osborne is expected to unveil some of these in his spending review today. I note he has scrapped his proposal to cut working tax credits. This is an important development but let us have no doubt that he and his Government remain wedded to austerity, just as the Government here is, both the Labour Party and its sister party, Fine Gael. The associated policies in this State have seen a rise in inequality and poverty. They have resulted in the current accident and emergency crisis and a rise in homelessness to unprecedented levels, all on the watch of the Government. If a person votes for the Labour Party, he gets Fine Gael.

**Deputy Joan Burton:** If a person votes for Sinn Féin, she gets paramilitarism.

**Deputy Gerry Adams:** Sinn Féin rejects the notion that cutting welfare and public services is good for the economy. Whether in the North or in this State, we stand for investment, fairness, equality and proper public services on all parts of the island. The Northern Executive does not have the necessary resources to meet the full scale of Tory cuts and therefore the campaign against Tory cuts must continue. However, Unionists should be mindful that austerity is now the price of the union. Lower and middle-income families from the broad unionist constituency will bear the brunt of Tory policies alongside their neighbours. Sinn Féin believes that the continued operation of the political institutions, that is, institutions which actually deliver, is the best way to promote the peace, build an anti-austerity campaign, maintain control over public services, grow the economy and support those most in need. As we have heard, some may disagree with this approach. I would ask them whether they want to let the Tories impose water charges, increase student fees, impose prescription charges, impose privatisation, slash public services and cut free travel for pensioners, as the Government here did. Despite all the other

scenarios that may emerge, they would be the most likely social and economic consequences if the talks had failed or the advice of the Fianna Fáil leader had been taken and the institutions suspended.

It is time for the Fianna Fáil leader, in particular, and others in leadership here to get over their obsession with Sinn Féin. It is time to stop being jealous of our achievements and deal fairly and constructively with all of these issues. Of course, this can be done in a robust and forthright way. Let us be clear. These are not solely Sinn Féin issues. All of us have a duty and responsibility to encourage progress, harmony and equality.

For our part, Sinn Féin will not hand over political institutions and hard-won agreements to the Tories. We will continue to campaign, North and South, against austerity and to support the most vulnerable in society. We will campaign for the return of powers to grow the economy and end the union.

Tragically, as others have noted, the intransigence of the British Government in defending its state apparatus by denying victims access to truth means that legacy issues from the conflict have not been resolved. Many victims' groups are deeply disappointed with that outcome. Many have campaigned for decades. Some, such as the Ballymurphy families, the family of Pat Finucane and the victims of the Dublin-Monaghan bombings, have been campaigning for as long as 30 or 40 years.

At Stormont House last year, all of the parties and the two Governments agreed a set of interlinked mechanisms to support victims, provide disclosure and promote reconciliation. These dealt with the rights of all victims and their families, but the British Government moved away from this agreement and refused to disclose information under the guise of national security. Many of these events happened 30 or 40 years ago and there is no threat whatsoever to national security. The Taoiseach claimed that he had addressed these issues in meetings with the British Prime Minister. That is fair enough, but it is not good enough. When I raised these matters with the Taoiseach yesterday, he drew our attention to the manner in which U2 has publicised the campaign of Justice for the Forgotten. I agree with him that U2 have done more to highlight Justice for the Forgotten internationally than the Government.

The agreement also makes it clear that there is no place for paramilitary organisations in the Ireland of 2015 and commits to measures to deal with criminality. I appeal to all of us here to move beyond propaganda and rhetoric and join with us in dealing with these concerns. There is a lot of other work to be done. There is no bill of rights or charter of rights, no civic forum and no Acht na Gaeilge. If we apply ourselves we will achieve these measures in the time ahead. Why should Irish-speaking children in the North have to wait for unreconstructed Unionism to decide whether Irish language rights are permissible?

I again call for regular, perhaps monthly, debates on the North to deal with Government proposals and have discussions on all of our obligations and commitments. We are approaching the centenary of 1916. All of the parties here have commitments to a united Ireland in their policy documents. That needs to be part of the vision that guides us, rather than the bickering and point-scoring that goes on when we debate these matters. I look forward to the Taoiseach agreeing, as a matter of routine, to regular debates on the North and all matters relating to it.

**An Leas-Cheann Comhairle:** Deputies Clare Daly, Richard Boyd Barrett, Mick Wallace and John Halligan are sharing time.



**Deputy Clare Daly:** I found the crass opportunism of the Tánaiste, in particular, and Deputy Martin in using these important issues to have a swipe against Sinn Féin utterly pathetic. That said, it is ironic that we are discussing an agreement entitled A Fresh Start when the reality is that what is being dished up is more of the same.

It is obvious that we are all glad there is no longer wholesale violence on the streets of Northern Ireland. In that sense, peace reigns, but the reality is that it is only on the surface. There is no peace for the victims of austerity who are already dealing with years of neoliberal policies, whether they come from Protestant or Catholic working-class communities. There is no peace for those faced with the announcement of hundreds of job losses. The idea that cutting corporation tax and imposing public expenditure cuts will make things better is an absolute joke. In any case, dividing the spoils at the top is not the same as ending sectarianism and injustice from below.

I want to put on the record the very serious issues that are being ignored in Northern society. Earlier this month, HM Prison Maghaberry was described as a prison in crisis and the worst that the Chief Inspector of Prisons had ever seen. He called it Dickensian. Serious mistakes are being made because of the inadequate way in which the problems there are being addressed. We are part of an *ad hoc* group, comprising Members of the Oireachtas, which regularly visits the prison. We visit republicans and loyalists - we do not care what they are. While the issues in the two communities are uncannily similar, it is quite clear that there is an overriding problem in terms of a cultural legacy issue in the prison. The staff are still predominantly Protestant. There are very defined links between the Prison Officers' Association and the DUP, which causes problems. It is also clear that there is an undue influence from the British security services and MI5 which operates to destabilise the present. It is a very dangerous shift. A system of control and a potential end to the segregation that exists there would be a retrograde step and is certainly not the way forward.

**Deputy Richard Boyd Barrett:** I also want to condemn the petty, point-scoring approach of the Government and Fianna Fáil in dealing with this serious matter. This is not about political point-scoring. Rather, it is a serious assessment of whether the Stormont House Agreement offers a way forward and a better, more prosperous and sustainable future for the North. That being said, however, let us consider the agreement. Despite the fact that I do not like the petty politicking of the Government in attacking Sinn Féin, as Deputy Adams says, there has to be robust argument on this issue. I do not accept that this is the best we can get. Twenty thousand job losses in the public sector is a disaster. Proportionately, it is more than were cut from the public service here in terms of the population. We saw the disastrous effects that had on health, housing and education. I do not believe anybody who is opposed to austerity should stand over it. I do not accept the review of state assets involved, which is code for moving towards their privatisation.

I accept that there are some concessions in the agreement, but many of the social welfare cuts will still go through. We have to fight them root and branch. We should not sign up to an agreement that involves any attacks on the vulnerable or the privatisation of or cuts to public services. We need to resist such things, but we cannot resist them if we are managing, signing up to and implementing them.

James Connolly once described Parliament as a dung heap, and said that one can stand on top of it to shout louder, but whatever one does one should not fall into it. The problem is that sometimes political institutions become that dung heap. They become a trap that people can be-

come caught in and gag on from fighting over the issues that matter. I am afraid that is what is happening with this agreement, which is not a fresh start; rather, it is a fresh austerity offensive.

**Deputy Mick Wallace:** It would appear that the sectarian backdrop to the Northern Ireland Assembly is being used as a cover-up for practices that would not be tolerated in a properly functioning state. The British and Irish Governments seem to be happy to ignore certain behaviour as long as both sides of the sectarian divide are talking to each other and sitting at the same table.

The Irish Government does not want to know what went on behind the scenes during the sale and purchase of Project Eagle and, God knows, neither does the Northern Assembly. I found it interesting that the Taoiseach was so eager to heap praise on the outgoing First Minister, Peter Robinson.

*2 o'clock*

There are interesting times ahead and his words might be quoted back to him. With regard to whether we will ever get the truth about Project Eagle, we know the National Crime Agency is looking at it. I fear those who serve and protect the State may find the truth too unpalatable and I am not so sure we will get to it with regard to Project Eagle and what went on.

With regard to prisons, we were in Maghaberry again last Monday and we were a bit shocked at what we heard there with regard to the work of the International Committee of the Red Cross, ICRC, for which there had been great hope. The prisoners have accepted the ICRC's proposals but it appears as if the authorities have not. There is a serious lack of political will for the introduction of a progressive prison system in Maghaberry and the Government here should show more interest in it. It is very problematic. There is talk about a new regime being introduced, which is damaging to the ongoing process and very worrying for the future. We all know that sometimes things can happen in prisons which have an impact on society outside, and we should show a stronger interest in what is happening. Of all the institutions in Northern Ireland none has changed as little as Maghaberry since the Good Friday Agreement and none needs to change so much.

**Deputy John Halligan:** When the Stormont Executive collapsed during September, leading to a further round of talks aimed at resolving the regular political crisis in the North, it led to the suspension of the Northern Irish Government due to allegations made about Sinn Féin and the DUP. Overshadowing the collapse were demands by the UK Conservative Government that the Executive introduce major changes to social welfare provision. This latest deal has been openly criticised by the Green Party, the SDLP and independents. Much clarification is needed on the deal, given the amount of money that is supposed to be there for compensation, which I believe is very dubious and needs to be clarified before the deal should even be signed.

Fundamental change in the structures of Northern Ireland is needed to deal with these episodic crises. I have always said the current model of devolution has failed to realise the ambitions of the Good Friday Agreement. It has also failed to bring about the political, social and economic changes which have been demanded by the very many people affected by austerity. If we are to avoid the cycle of crisis, a radical change is required including - something the Government has not spoken about - the introduction of a formal opposition, with the parties with the most seats forming the Executive. Incredibly, we still designate MLAs as Unionists and Nationalists. This should be abolished and done away with.

The reality is the Executive is implementing a home-grown austerity programme in the form of the Stormont House Agreement. A total of 20,000 jobs will be stripped from the public service. The Executive has borrowed approximately £750 million to fund these redundancies. Another issue which is not being spoken about much is the sale of profitable state assets such as the Belfast Harbour Estate and Translink. Anybody who believes in a socialist ethic cannot believe we would agree to the privatisation of the Belfast Harbour Estate or Translink. A central plank of the Stormont House Agreement, and its only economic strategy, is the lowering of corporation tax, which is incredible in the sense it will cost between £350 million and £500 million. If this bright idea were scrapped for starters, we would probably not have to speak about social welfare cuts. We should not be surprised that sectarianism still exists when we have not got beyond the narrow margins or confines of-----

**Deputy Gerry Adams:** Partition.

**Deputy John Halligan:** -----unionism and nationalism which we use to form the Executive.

**Minister for Foreign Affairs and Trade (Deputy Charles Flanagan):** Before elaborating on the detail of the agreement we reached last week, I will briefly recall where we stood just two and a half months ago. A situation had evolved, and at the time I described the power-sharing institutions as being at the edge of the precipice. A collapse of the institutions was a very real prospect, an outcome that would have represented a grave setback for the delivery of peace, prosperity and reconciliation in Northern Ireland.

With the strong support of the Taoiseach, the Tánaiste and the Minister of State, Deputy Sherlock, we worked with the Secretary of State for Northern Ireland to urge the political leadership in Northern Ireland to pull back from the brink and to resume round-table talks aimed at resolving the impasse. I acknowledge the contribution of all parties around the table in this regard, and the US Administration and Senator Gary Hart in particular. Although the US did not directly participate at round-table level, it made a very important contribution to bring matters towards agreement. After ten weeks of hard work and commitment on the part of everybody involved I believe we have reached an agreement which may not in itself be a final destination but represents a significant step towards normalising politics and society in Northern Ireland. I agree with Deputy Adams and I believe the stark consequences of not reaching agreement was not a road down which any party wanted to proceed.

We have achieved a credible roadmap for implementing many aspects of the Stormont House Agreement and tackling the continuing impact of paramilitarism. Not only have we moved away from the edge of the precipice, we have also found firmer ground on which to build our efforts to bring greater reconciliation and economic prosperity to the people of Northern Ireland and to communities throughout the island.

I will now turn to what the agreement contains. It sets out a plan for ending paramilitarism and tackling the scourge of organised crime. Significantly, the parties have made a firm commitment to achieving a society free of paramilitarism, to working firmly for the disbandment of all paramilitary organisations and their structures and to challenging paramilitary attempts to control communities. A strategy to achieve this will be put in place by the Northern Ireland Executive and an international body will be established to report on progress on ending continuing paramilitary activity in Northern Ireland.

The Irish and British Governments and the Northern Ireland Executive have also committed

to reinforce our efforts to tackle organised crime associated with the legacy of paramilitarism. We have agreed to establish a joint agency task force to identify strategic priorities for combating cross-Border organised crime and to oversee operational co-ordination. In addition, a trilateral cross-Border ministerial meeting will take place next month between my colleague, the Minister for Justice and Equality, Deputy Frances Fitzgerald, the Northern Ireland Minister of Justice, Mr. Ford, and the Secretary of State, Ms Villiers, to agree new measures to enhance law enforcement co-operation further.

This agreement is also about financial stability and reform. Pursuing economic prosperity and job creation is critical to building a peaceful society in Northern Ireland. In recognition of this, the Irish Government has committed to providing further funding for important infrastructure projects, such as the A5 road as well as for investment to stimulate economic growth in the north west. This is not only important for economic development in Northern Ireland but also for building an all-island economy that creates jobs and ensures prosperity. It complements the Government's focus on spreading the benefits of a recovering economy to the regions and our series of regional action plans for jobs.

It is a matter of regret to me that the fresh start agreement did not include agreement on the implementation of the provisions of the Stormont House Agreement dealing with the legacy of the past. I share the deep disappointment of the victims and survivors of the Troubles and their families, including the Ballymurphy, Kingsmill, Dublin and Monaghan and Pat Finucane groups, and many others well-known to us on all sides of the House. I am particularly disappointed given that great progress was made during the talks on many of the details of the establishment of the new institutions. I make it clear that we were very close to agreement on a range of issues, including ensuring the operational independence of the historical investigations unit and guaranteeing the anonymity and inadmissibility of information provided to the independent commission for information retrieval, ICIR, while making clear that there would be no amnesty for any criminal offences. I will repeat that, lest there be any misunderstanding: there will be no amnesty for any criminal offences. We also managed to reach a large degree of agreement on placing the implementation and reconciliation group on a statutory footing and settling on the purpose and functions of the this group. Much progress was made on the detail and operation of the oral history archive. The Irish and British Governments have also agreed on the international agreement necessary for the establishment of the ICIR. Therefore, many of the building blocks are in place for the establishment of the new legacy institutions. The crucial issue where agreement could not be found was on striking the right balance between the disclosure needs of families and the national security requirements being sought by the British Government. In the absence of agreement on this key issue, my expressed preference during the talks was to reflect in the Fresh Start agreement the range of legacy issues on which agreement was possible and reached, while also frankly acknowledging the area of disagreement where further progress was required. I felt this was important to demonstrate the amount of work done and agreed on legacy issues throughout the talks and to show victims and survivors that all parties involved were very serious about reaching a final agreement on positive outcomes for them. It was not the Irish Government that pressed for an agreement that completely left aside the legacy of the past. However, when it became clear that the choice was between having an agreement that uncoupled the past and having no agreement at all, the Government, with great reluctance, agreed to have a less comprehensive deal that would at least ensure that the devolved institutions were protected and placed on a stable and sustainable footing.

What is important now is that we find a way forward that banks the good progress already

achieved during the talks and secures a solution to the remaining key issue of disclosure and national security in a way that meets the concerns of the victims, the survivors and their families. Leadership and greater flexibility will be required if we are to reach agreement on the matter. I remain convinced that the institutional framework agreed in the Stormont House Agreement offers the best possible way of bringing whatever healing is possible to those affected by the Troubles. For this to be achieved, it is vital that these new institutions have the trust and confidence of the victims and survivors and their families. The needs of victims and survivors will therefore remain central to the Government's work.

I am determined that all efforts be made to find a solution to the key outstanding issues. My officials and I will continue to be in contact with representatives of the victims' groups, some of whom I met last night, over the coming weeks so that their views can be reflected in upcoming discussions between the Governments and with the Northern Ireland political parties. We are determined to achieve the establishment of these institutions so that we can in a fundamental way deal with the past, foster reconciliation and build a society for future generations that is free from hurt and suspicion. This is essential if the full potential of the Good Friday Agreement is to be realised.

Work will therefore continue on the vital issue of dealing with the legacy of the past, but the Fresh Start agreement is none the less a further milestone in Northern Ireland's journey towards long-term peace and stability. It tackles, once and for all, the destabilising role of paramilitary organisations. It places the institutions on a sound financial footing, which is so important for economic stability and development, and provides enhanced support for building an all-island economy, creating employment and prosperity for all.

I acknowledge the contribution and leadership of Mr. Peter Robinson, having regard to his recent decision to retire. I wish him well. I also acknowledge the work and leadership over a long number of years of Dr. Alasdair McDonnell, the former SDLP leader. I join with the Tánaiste in wishing good health from our Parliament to Mr. John Hume and his family, acknowledging as we always do his major role in the peace process. Deputy Martin asked the Government to re-engage in the process, but there has been no disengagement. The Minister of State, Deputy Sherlock, and I, along with our respective party and ministerial colleagues, continue to regard this issue as being of extreme importance. Now it is time for implementation of what we agreed. It is time for the Northern Ireland Executive and the respective parties to show that they can deliver for the people of Northern Ireland.

**Deputy Brendan Smith:** I join with the Minister, Deputy Flanagan, in extending my very best wishes to Mr. Robinson on his retirement, which will take effect fairly shortly. I also wish Dr. Alasdair McDonnell every good wish in the work he continues to do in Westminster on behalf of his constituents in south Belfast. He worked exceptionally hard over the years as an SDLP Assembly member and as a Member of Parliament, and I am sure that work will continue to benefit the people of Northern Ireland, particularly his constituents.

I note in the Minister's remarks a certain disappointment and frustration with the lack of progress on some of the issues. That was very evident in the replies he provided to parliamentary questions last night, particularly with regard to the literal going back on some of the progress made in dealing with legacy issues and the Stormont House Agreement of almost 12 months ago. There is also the need to deal with victims. Unfortunately, there is no fresh start for the people who have been injured and the families of victims and survivors, who have suffered enormously and continue to suffer. One comment brought to my attention came from



Ms Sandra Peake of the cross-community victims' group Wave. She states "Where is the fresh start for the bilateral amputees, the blind, the paraplegic and the severely traumatised?". In fairness, the Minister's remarks and replies to the parliamentary questions I tabled indicated such frustration as well. Since progress has not been made in putting in place meaningful measures to address the real concerns and suffering of so many people, will the Minister, the British Government and the Executive parties in Northern Ireland consider some deadline for achieving a satisfactory outcome on those issues? It is only when deadlines are imminent that there seems to be progress on many of the major issues necessary to bring further political stability to Northern Ireland.

I welcome some aspects of this agreement, and I know the Minister, his colleague Deputy Sherlock and others have worked extremely hard to reach that agreement, as they did last year prior to the signing of the Stormont House Agreement on 23 December 2014. Other speakers have referred to the significant welfare cuts that will, unfortunately, come about and the major job losses in the public service. As co-guarantor of the Good Friday Agreement, it is incumbent on the Irish Government to ensure that this latest deal is fully realised, as it is incumbent on the British Government to do the same. The series of issues that have been parked cannot go off the agenda. The Minister has indicated that he will have meetings this week on those issues and I hope he, with members of the British Government and the Executive parties, can provide some momentum and achieve what was impossible to realise in the recent agreement.

In any debate on Northern Ireland in this House, we should also refer to the very important work undertaken on an ongoing basis by the Independent Commission for the Location of Victims' Remains. I referred to that in a debate earlier this month when Columba McVeigh's family had a Mass offered for him in Carrickroe in County Monaghan in my constituency to celebrate what would have been his 60th birthday, had he not been murdered by thugs, criminals and murderers who masqueraded as republicans at that time. Exceptionally good work has been done by the commission and it is incumbent upon all of us who have an interest in trying to ensure the remaining bodies are recovered to continue to generate awareness among the public that if there is any information that might be of assistance in locating those remains, it should be given to the relevant authorities. Every day that goes by makes it more difficult to have a successful outcome to those searches. As a Parliament representing the people, we should appeal to people who have any scintilla of information, however irrelevant it might seem at this time, that could be useful in assisting the work of the commission to make it available to the authorities without further delay.

I also wish to speak, as I have consistently done over the years in this House, about the total non-response of the British Government to the unanimous motions passed here in May 2008 and in 2011 regarding the Dublin-Monaghan bombings and the need for an eminent legal person to have access to the papers and files pertaining to them. We are all aware that in the period known as the Troubles, there were many days of terrible anguish, suffering and murder on this island caused by paramilitary groups, some masquerading as republicans and some masquerading as loyalists. Unfortunately, many people were murdered through the collusion of the British state forces as well. I think of the Dublin-Monaghan bombings and of the bombing in Belturbet in my county in December 1972. Again, we have the British Government trotting out the lame excuse of national security considerations in regard to the details that might become available to the institutions that were proposed in the Stormont House Agreement 12 months ago. It is essential that the institutions and methods proposed in the Stormont House Agreement would be advanced and that the British Government would co-operate fully and not put a roadblock in

the way of those institutions which could be so beneficial if they were established.

We are all aware that, unfortunately, in May 1974, 33 people were murdered in Dublin and Monaghan and nobody has been brought to justice. There have been many instances of nobody being brought to justice for horrific crimes. It is also important that we constantly remind ourselves of the very good work carried out by Anne Cadwallader in her publication *Lethal Allies: British Collusion in Ireland*, where she refers to 120 murders committed by loyalist paramilitaries and the clear evidence that some of them were armed from UDR depots. Only one person of those 120 had an association with a paramilitary group. One person was a member or was associated with the IRA at that time. The rest were all innocent people involved in the GAA, the SDLP and general community activities. They were murdered by loyalists and in many instances those loyalists were armed from UDR depots. It is appalling that no progress has been made in bringing about justice and having the thorough, necessary and genuine investigation into those murders.

With regard to the potential for cross-Border development and the development of the all-Ireland economy, that provision is made through the Good Friday Agreement. As I have said on a number of occasions in this House, the one mandate that all of us have as public representatives on this island, both North and South, is from the enactment of the Good Friday Agreement by the overwhelming majority of the people on both sides of the island in May 1998. Over 94% of people in our State voted in favour of the Good Friday Agreement and more than 72% of the electorate who cast their vote in Northern Ireland voted in favour of the implementation of the Good Friday Agreement. It is a powerful mandate for democratic politics to implement the Good Friday Agreement to bring benefits to the people of all the island. We need development in regard to furthering the work of the existing all-Ireland bodies and we need new all-Ireland bodies to be established as well. There are huge areas for potential, whether in the delivery of health services, educational development or the provision of educational services.

One relatively small project in the scheme of public funding would be the Narrow Water Bridge project, which would unite two communities that have been divided in the past. We know the potential of that infrastructural development is enormous and it would bring huge benefits to the north east. It would also be a very important message to deliver together, that North and South can work together in creating new infrastructural development and delivering jobs for the people in the north east. We also need further progress as rapidly as possible on the A5 road development. Donegal, in particular, needs that infrastructure. It needs that link with our capital city. County Monaghan, part of my constituency, would also benefit from the development of the N2. They are all pieces of infrastructure that are needed and which, if put in place, would give a clear message that the all-Ireland dimension is beneficial for everybody on this island. It is not just about political assemblies or structures but also about delivering for the people through enhancing the infrastructure in their area, making their area more attractive for inward investment and the creation of much-needed employment and jobs in areas that traditionally have had difficulties due to the Troubles we had for many decades.

**Deputy Mary Lou McDonald:** I, too, welcome that we are having these statements and this debate on the North in the Dáil today. Like others, I wish that this were a more regular feature of Dáil business and I urge the Government to ensure it is.

These latest negotiations were in the first instance a direct result of the crisis created by the economic and political policies of the British Government in particular, supported by the Administration in Dublin. As other speakers have acknowledged, two brutal murders in Belfast

were seized upon for political reasons and this moved the crisis to an even deeper level. The negotiations have been difficult. There is no point in saying otherwise.

In economic terms, Fine Gael and her sister party, the Irish Labour Party, made common cause with the British Conservative Party in their relentless pursuit of austerity. Like the Irish Government, the Tories have used the cover of recession to cut public services and benefits and to plan further swingeing cuts to supports for working families and the poor. Through disastrous austerity policies, the Irish Government has increased inequality, work poverty, homelessness, the numbers on hospital trolleys and emigration. The British Government, the Tories, seeks to do likewise in the Six Counties. It is receiving the full support of Fine Gael and its sister party, the Labour Party, in this ambition.

We have two Governments clearly on the side of austerity. That is the position and that is the context in which this negotiation took place. Therefore, getting a positive deal was always going to be a challenge. However, Sinn Féin stood up for ordinary citizens, as we have consistently promised to do. We have secured additional moneys for the Executive which will help minimise some of the worst excesses of Tory austerity. We make no pretence. It will do simply that.

We succeeded in securing in excess of €800 million over the next four years to support those most in need. That is what this agreement does. Other colleagues have legitimately raised their concern about Tory cuts, and I join them in echoing that concern. I also join them in echoing the need to fight austerity in Ireland, North or South, whether it is from the Tories in government in Dublin or the Tories in government in London. The money that was secured represents an increase on those moneys that were promised in the previous Stormont House Agreement. The truth is that Tory cuts, and the ability of Mr. Osborne, the chancellor in London, to inflict austerity on the citizens of the North, is a direct consequence of partition. It makes no sense for anybody in this Chamber to rail against Tory austerity in the North and to be mute on the issue of partition. If one truly wishes to see an end to Tory austerity, or the prospect of it, in the North of Ireland, one must work to end partition and to re-unify our country.

We also secured in excess of £500 million of additional funding to support the unique needs of a society emerging from decades of conflict and division, and an economy that faces the legacy of under-investment and partition. As I have said, we, in Sinn Féin, do not agree with the policies of the two Governments. We reject the idea that cutting supports and public services is good for the economy or our citizens. Austerity is wrong and it has failed. Furthermore, those in the Tory Government who inflict austerity on the North have no mandate in any part of Ireland, from any section of our people or from any community. Therefore, austerity in the North is clearly the price of the union.

For its part, Sinn Féin stands for investment in growth and prosperity, for fairness and equality, and for supports and services for those in need, and therefore, we support and take the option of minimising and frustrating Tory ambitions for wholesale austerity and cutbacks in the North of Ireland. We believe that the continued operation of the political institutions, for all of their flaws, is the best way to build a strong platform against austerity cuts by the Tories. It is the best way to maintain a level of control over our public services. It is the best way, potentially, to grow the economy and to support those most in need.

I will say a few words on the issue of the harmonisation of the corporation tax rates across Ireland because Members have raised legitimate concerns in that regard. I point out, and I am

sure everybody who has contributed to this debate has read the agreement, that such a harmonisation is contingent on “affordability”. This word is in the agreement for a purpose. I also point out the absolute imperative at this stage to secure fiscal powers for the Executive and the Assembly in the North. At this juncture, it is absolutely essential. We cannot ask those elected to the Northern Ireland Executive to oversee economic development and generation and to oversee adequate public service provision with two hands tied behind their back. The argument now must be made with one voice - republican, loyalist, Unionist and Nationalist - from Ireland that those fiscal powers be returned to the Executive in Belfast. The Irish Government needs to focus seriously on creating an all-island economy. Recent reports have shown just how important and positive an all-island economy can be - a win-win North and South.

I am conscious that some, particularly in Fianna Fáil, called for the institutions to collapse in the course of the recent crisis. All that would achieve is political disenfranchisement of those who in many instances in the North - I am thinking particularly of the Nationalist community - were disenfranchised for generations in a partitioned Ireland. It would also allow for full-blown unrestrained Tory austerity on communities in the North. This would be a social, political, and economical disaster. Fianna Fáil may wish to reconsider that rather petulant position.

**Deputy Brendan Smith:** Deputy McDonald is full of misrepresentation anyway.

**Deputy Mary Lou McDonald:** On the issue of the past, everybody has expressed their disappointment that full agreement was not reached on these matters. That disappointment is shared by us in Sinn Féin.

Let us put on the record the cause of the failure because there was agreement on the mechanisms for truth recovery and to afford some level of closure and comfort for victims and survivors, irrespective of the community from which they come. That agreement was there and then in comes the British Administration with concerns, it said, around national security. Actually, it had nothing whatsoever to do with national security and everything to do with the ongoing refusal of the British Government and the British system to disclose, tell the truth and give the information that families from across the community require to establish what happened to their loved ones. That is a matter of disgrace on the part of the British Government. Dublin and all of us elected here need to take a much firmer line and much more vocal approach in saying that loud and clear.

Previous speakers have said that things happen in the North that would not happen in a properly functioning state. I could not agree more. I remind those Members that the North is not a properly functioning state.

**Deputy Sean Sherlock:** On a point of order, and I am not making a political point here, I am conscious of how much time is left on the clock in this debate and I am anxious to be able to contribute.

**An Leas-Cheann Comhairle:** There is ten minutes for the Technical Group and ten minutes for the Minister of State, Deputy Sherlock.

**Deputy Sean Sherlock:** We have time. I thank the Leas-Cheann Comhairle.

**Deputy Mary Lou McDonald:** The North is not a properly functioning state and, by way of a newsflash for those who did not notice, Ireland is partitioned, the Border is a contested border and the consequences of partition are felt, North and South. Those who are frustrated by

the rounds of negotiations who say, “Not this all over again”, should bear in mind that in order to achieve full normalisation, full democracy and full economic potential, we need to address the issue of partition. Those in government, those in Fianna Fáil and others in opposition might factor that into their thinking and analysis from hereon in.

**An Leas-Cheann Comhairle:** Deputy Paul Murphy is sharing with Deputies Maureen O’Sullivan and Finian McGrath.

**Deputy Paul Murphy:** A “bad deal, fit only for a land of pound shops and food banks”, is how the trade union movement vividly and accurately described last year’s Stormont House Agreement in advertisements in newspapers. Now, after a year of political crisis in the North, we have “A Fresh Start” agreement, which, in reality, is a worse deal again. Far from a fresh start, it is a rotten continuation of austerity and sectarianism.

Hypocrisy abounds in this debate. The Fine Gael, Fianna Fáil and Labour parties all are guilty of gross hypocrisy for crowing about the austerity Sinn Féin is implementing when they are in favour of that austerity, both in the North and in the South. The hypocrisy of Sinn Féin also has to be highlighted. After months of bombastic posturing on the issue, we have the incredible situation that they, together with the DUP and the Alliance Party, have, Pontius Pilate-like, attempted to wash their hands of responsibility for welfare reform by simply voting to hand power to implement those vicious cuts to the Tories in Westminster.

**Deputy Dessie Ellis:** We are trying to stop them.

**Deputy Paul Murphy:** Voting to give them power to implement cuts, while continuing to say the campaign against Tory cuts must continue, is not a very effective way of stopping them. The £585 million supposedly to mitigate the worst effects of welfare reform is less than the previous amount agreed, while there are more welfare cuts than previously agreed. The £585 million is not new money but will come from cuts to other public services, and the effect of welfare reform on the poorest in Northern Ireland will be devastating. Reports in Britain show a rise in homelessness, child poverty, mental health problems and even suicide rates among claimants.

The agreement reaffirms that the Northern Ireland Assembly will borrow £700 million to introduce an estimated 20,000 job losses in the civil service through the voluntary exit scheme, which will have a devastating impact on the Northern economy. Whether they are lost through voluntary or compulsory redundancies, the jobs are no longer there for young people leaving education in a context where the private sector is particularly weak. The new agreement warns of challenging cost reductions for all departments and a commitment to “structural reform in the big spending areas of education, health and justice”. What does this remind people of? It is the language of the troika, not of those who oppose austerity. “Structural reform” in health is the threat to close mental health day care centres, residential homes and even the threat of closure that lies over the accident and emergency department at the Mater Infirmorum Hospital in Belfast.

Austerity is a political choice to make the unemployed and workers rather than the super-rich pay for a crisis they did not cause. The choice has been made primarily by the Tories in Westminster but also, in the next round, by the DUP and Sinn Féin. Parties cannot credibly claim to stand against austerity in the South while implementing austerity on this island. It has not worked for the Labour Party in the South and it will not work for Sinn Féin in the North. Those who support Sinn Féin and who are overwhelmingly opposed to austerity should ask



Sinn Féin how it will be different in the South if, for example, Sinn Féin is in a coalition with Fianna Fáil and the Labour Party and the EU seeks cuts. Added to all this austerity is the incredible reference to the reduction in corporation tax, which is there for a reason and which will cost £300 million per year. This is not a fresh start for young people, workers or the unemployed. More austerity, perpetuating sectarianism and more tax cuts for the rich is not a fresh start.

**Deputy Mary Lou McDonald:** Partition is not a fresh start.

**Deputy Maureen O’Sullivan:** Given that in many parts of the world, families and communities are experiencing violence and living in war zones, the peace achieved in the North is very valuable. However, in the rush to have it signed so it could be called the Good Friday Agreement, issues were left unresolved. Those issues are still unresolved and are not resolved by the Stormont House Agreement. While they remain unresolved, they will lead to discord and disagreement.

The failure on the part of the Richard Haass group on flags was a continuation of the failure of previous groups. The agreement is kicking it to touch for another 18 months, and the same applies to the parades issue. Section F regarding the shared outcomes contains very fine rhetoric about principles, ideals, cultural expression and an “open, tolerant and mutually respectful society” and “shared identity”. What do these fine words mean to those who feel disenfranchised, disengaged and disillusioned by politics in Northern Ireland? I am thinking of the men and women from both loyalist and republican communities who opposed the Good Friday Agreement, as is their right. Putting these people in prison on very lengthy remands, not giving them due process or bringing them to court, not engaging with them on the unresolved political issues and leaving very serious prison issues unresolved is not helping to create the conflict-free environment which the prisoners want. There is an obvious lack of will on many sides to resolve these issues.

Some £44 million went to the projects promoting reconciliation and they are doing very fine work. However, their work will continue to be incomplete while questions remain unanswered. Some 40 years after the Dublin and Monaghan bombings, issues still remain unresolved. The Justice for the Forgotten group are getting more publicity and recognition through the U2 concerts and music than they are getting here or in other political circles. They are tired of continually receiving the same answers from the Government: that the Irish Government fully supported the all-party Dáil motions in 2008 and 2011, that the British Government would provide full access to all the original documents, that the Irish Government had raised it with the British Government on a number of occasions, and that the British Government is actively considering how it can respond.

Collusion is an issue. While the new historical investigations unit and the independent commission are being presented as the way forward, there must be full, open disclosure. We must see how the flow of information can be facilitated. Irish voices must be stronger in challenging the British Government to demand a definition of “national security”. While disclosure will embarrass the British Government, saving its blushes or embarrassment is not a matter of national security. There seems to be more emphasis on the infrastructure projects than on addressing these very important legacy matters and the way in which sections of society feel abandoned by the Good Friday Agreement.

**Deputy Finian McGrath:** I thank the Leas-Cheann Comhairle for the opportunity to speak on this very important debate on recent developments in Northern Ireland. I welcome the de-

bate on the agreement between the parties in the North. While there will be problems and difficulties along the way, it is important to sit back and calmly examine where we all came from. It hit me last Monday night when I arrived at the 3Arena for the U2 gig. The first people I met when I walked in the door were Margaret Irwin and other members of Justice for the Forgotten, the families of the victims of the Dublin and Monaghan bombings, who were guests of U2. The theme of the event was peace, justice, truth and reconciliation. It is a reminder to us all in today's debate that in order to move on, build a new Ireland and a new, inclusive and democratic society, we must do business with our political enemies and hammer out agreements that most people can live with. This is where we are.

I have concerns about welfare issues and the health, education and other services for people with disabilities. The Tory Government holds the purse in the North, and this is where people should direct their anger. I am very interested in the concept of a so-called fresh start and implementing aspects of the Stormont House Agreement. I commend Peter Robinson and, unlike some of my point-scoring colleagues, I also mention the fantastic work Martin McGuinness did. People who play politics with the peace process are not going anywhere. If people risk their lives and take major political decisions, we have a duty to support them. I would love to have a single corporation tax rate for the island and I welcome the tax harmonisation. I hope the companies pay the 12.5%.

**Deputy Mary Lou McDonald:** Exactly.

**Deputy Finian McGrath:** There are all sorts of scams whereby companies do not pay the 12.5%. The agreement refers to investing in the future. We must tackle these issues and be strong. Let us work together on dealing with crime North and South of the Border. I will not take any lectures from Tories or Tory supporters in this country when they talk about crime but have no problem spending billions of pounds building Trident nuclear weapons and will not invest in services for people with disabilities, teachers or education. It is an important step, and we need to focus. While we can fight like hell on the socioeconomic issues, I welcome this important step in resolving the conflict on the island.

**Minister of State at the Department of Foreign Affairs and Trade (Deputy Sean Sherlock):** I am delighted to have the opportunity to respond to the statements so far. I have listened with interest to the debate and we must bear in mind that the agreement is entitled A Fresh Start. The agreement is not a final destination but represents a step forward towards normalising politics and society in Northern Ireland. I share the articulation of the disappointment on the issues around legacy. As a result of where I am and where my generation is in relation to the legacy issues, we bear a certain responsibility for dealing with the past. Is it going to take another generation, or a generation beyond that? When I look at the pupils and students who are here as visitors today, I wonder whether we will have to wait for someone of their generation to finally crack the legacy issues and to deal with the past. Successive Irish Governments, regardless of their political persuasions, have sought to lean in towards the British Government on these issues in a forceful and genuine manner. If we are going to talk about it in a rhetorical way, it is important for all of us - from a party political point of view - to be honest with each other about just what that will mean in real terms. It will involve the British Government and people from other party political perspectives opening up the closets and seeing where the skeletons are, and if we are honest with ourselves, we will admit that it is incumbent on us all to look deeply at just what the issues of disclosure and national security mean. Are they used as mere words to protect entities against the letting in of the light?

There has been much mention in this Chamber of the campaign that is being run by U2. It would appear that many Members of this House have been at the U2 concerts that have taken place in recent days, at which there has been a particular articulation in relation to the Dublin and Monaghan bombings. I can say in good stead with a degree of integrity that this and previous Governments have consistently sought to ensure the mandate given by this House on the issue of disclosure in this regard is fulfilled. We will continue to do that. The agreement is incomplete if we always have to come back to the legacy issues and the need to deal with the past. It seems to be an iterative process on this island. I do not mean to be ageist when I say that my generation fails to understand why these issues cannot be surmounted. We need to deal with them assuredly. We need to ensure we speak for the victims. If we can get beyond these issues, we can achieve a greater degree of transparency.

When I talk to ordinary citizens in the Six Counties of the North, it does not appear to me that they are as engaged as they might be with the issues at Stormont. The constant cry I hear from ordinary people of all persuasions is “they need to get on with it up on the hill”. That is what people seem to want. They want normal, normative politics and a real economy. Every Government needs to move towards assisting and facilitating that, and cajoling for it, in every possible way. As Minister of State with responsibility for North-South co-operation, I can say we have made a real commitment in the form of the additional £25 million that is being provided for the A5 project. It is important that we unlock the potential of the north west of this island. It could be argued that there is a disparity in growth and economic prosperity between the regions to the east and the west of the River Bann. We need to do more to unlock the potential of the north west, particularly the Donegal-Derry region. That is what we are working towards.

As a Minister of State with an economic Ministry, it is no harm for me to say on the record of this House that my colleagues and I recently visited the Bombardier facility in Belfast. Two companies from the South of Ireland - Dawnlough from Galway and Takumi from Limerick - are sub-supplying parts and components for the aerospace and aeronautical industry into Bombardier. That is the island or the Ireland that I want to see. I want big companies like Bombardier, which is a significant player in the global aerospace industry, to source their materials from as near as possible, and preferably on the island of Ireland. Such an approach will sustain jobs in the North and the South, sustain a real economy and really knit the two parts of this island together in the way that needs to happen. It will allow us to move beyond some of the empty rhetoric that is sometimes employed when we talk about the North, the South or North-South co-operation.

As I have said, we feel that this is an iterative process. We feel strongly that the legacy issue remains outstanding. We feel an obligation to the families, the victims and those people who want to deal with the past in a transparent way. We will continue to feel that way and I believe those who step into the breach long after people like me cease to inhabit positions of this nature will continue to do so. At what point do we ask ourselves certain questions? Do a certain number of generations have to pass while people seek justice before these matters are forgotten and written out of history? At what point in the next number of years can we get beyond this issue or deal with it in a substantive way? As long as it is not dealt with, it will continue to cast a shadow over everything we are doing to try to bring about the normalisation of society and, as has been said here, move towards a society that is beyond conflict.

I want to acknowledge the roles of the First Minister, Peter Robinson, and the Deputy First Minister, Martin McGuinness. I want to say in a personal way that they are tough negotiators and formidable politicians. I would say that when it came to hammering out a deal on real

economy, the restoration of normal politics and the restoration of the institutions, they had the best interests of the people of the North at heart. There are still many flaws and issues that need to be dealt with, however. I am not going to critique people in another part of this island, in the context of my vision for a greater degree of traction on the issues that are still outstanding, other than to say that this deal offers the potential for *realpolitik* to reign supreme within the Stormont institution. It has to be recorded for historical purposes - I am thinking of the future historians who will parse through these debates - that the issue of welfare legislation will now pass to Westminster for this period. That is a fact.

I will conclude by responding to those who have spoken about sister parties. I have never witnessed a debate that featured so many references to Westminster, George Osborne and the Tories. To be honest, maybe it is time for us to look at the abstentionist policy.

**Deputy Gerry Adams:** The Minister of State was going so well.

**Deputy Mary Lou McDonald:** He is not actually a member of Sinn Féin.

**Deputy Sean Sherlock:** Maybe there is a forum-----

**An Leas-Cheann Comhairle:** The Minister of State's time has concluded.

**Deputy Sean Sherlock:** This is Dáil Éireann.

**Deputy Gerry Adams:** He fell at the last fence.

**Deputy Sean Sherlock:** People have received a mandate for Westminster.

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

**Deputy Mary Lou McDonald:** It is a mandate for abstention.

**Deputy Sean Sherlock:** I am being honest about this. The Deputies can criticise me all they like.

**Deputy Mary Lou McDonald:** We will.

**Deputy Sean Sherlock:** I am not saying that people need to take their seats. I am saying that there is a debate to be had in London as well. We need to be honest about where we are going.

*Sitting suspended at 3 p.m. and resumed at 4 p.m.*

*4 o'clock*

### **Topical Issue Debate**

#### **Excise Duties**

**Deputy Robert Dowds:** I thank the Minister for coming to the House to address this matter. The controversy around Volkswagen has caused people to focus on the issue. The Minister, or whoever holds the position after the election, will have a year long run-in to this but I ask him, nevertheless, if he will consider raising the tax on diesel relative to that on petrol. It should be

done on a gradual basis so as not to affect too adversely people who are using diesel vehicles. The move towards diesel was influenced by scientific studies at the time of the Kyoto Protocol in 1997, which suggested that diesel vehicles emitted between 5% and 10% less pollution than petrol. Recent studies under the auspices of the World Health Organization, however, have classified diesel as a carcinogen causing lung cancer, bladder cancer and so on. Soot particles from diesel, which are very small, are finding their way into people's lungs. I am not suggesting that petrol is without its problems but the problem is particularly aggravated in urban areas where the damaging effect of diesel is worse due to its concentration.

After the Kyoto Protocol there was a gradual move from petrol towards diesel. This was understandable in the initial stages because the scientific evidence suggested it was a good idea and, in 2014, some 73% of new vehicles purchased in Ireland ran on diesel, while in Europe generally the total has risen to 53% of new purchases. Owing to the harmful effects of diesel, there is now a need to reverse this trend. In 2013, the European Commission noted that the economic policy on diesel fuel and car sales ignored the new reality. Diesel in Ireland is taxed at approximately 12% lower than petrol but in other countries, such as France and Belgium, they are moving towards the equalisation of tax on petrol and diesel. I ask that we move in a gradual manner in this direction. If we had a 4 cent rise in the price of diesel, it would yield approximately €80 million and such money could be used to improve public transport.

The general policy with regard to tax on fuel should be that the highest taxes be on the most damaging types of fuel and the lowest on the least damaging. This is beyond the issue of tax on fuel but people who use vehicles which are less damaging to the environment should also be compensated in some way, whether through their car tax or something else. We need to turn the negativity around the appalling deception of Volkswagen, which deliberately hid the extent of damaging emissions from its vehicles, into something positive. Research from the European Commission indicates that emissions from diesel cars can be 20 times worse than they appear to be under laboratory conditions. We need to use tax policy to protect the world environment and people's health as effectively as possible.

**Minister for Finance (Deputy Michael Noonan):** I thank the Deputy for raising this matter this afternoon. As the Minister for Finance, I recognise the negative impact that the combustion of diesel can have. Having said that, Ireland already has one of the highest excise rates on diesel in the European Union at 48 cent per litre. Over the lifetime of this Government, the excise rate on diesel has been increased by 8.5 cent per litre through a combination of increases imposed through the introduction of the carbon tax as well as specific excise increases on diesel.

The excises on mineral oils in Ireland raise approximately €2 billion for the Exchequer each year. Some €1.2 billion of this is attributable to diesel. These excises assist the Government in dealing with the costs of the externalities associated with the use of mineral oil, as well as helping fund services in general.

Excise is not the only policy tool we have to incentivise the use of cleaner modes of transport and vehicles on our roads. In July 2008, the basis of vehicle registration tax moved from the vehicle's engine size to the volume of carbon dioxide emitted from the vehicle. This means motor cars with higher emissions attract a higher liability. Also in July 2008, the system of annual motor tax moved from engine size to an emissions basis, thereby ensuring an ongoing economic penalty to the most polluting vehicles. These measures are designed to reduce harmful emissions into the environment. The average new car is now 28% cleaner than in 2007, which is leading to a cleaner overall fleet of vehicles on our roads. In addition, I have extended



the relief from vehicle registration tax on electric vehicles and reduced rates for hybrid vehicles. The cycle to work scheme, which I continue to support, uses the tax system to encourage commuters to cycle to work instead of driving.

There are other considerations to be aware of when deciding whether to apply increases to the rate of excise on diesel. Diesel is the fuel of business and increasing its price increases the cost of doing business in the State and impacts on our overall competitiveness. Bearing this in mind, the rate of excise on diesel is lower than the rate of excise on petrol. Having different excise rates for petrol and diesel is the standard practice across the majority of member states of the European Union, and the difference between the respective rates in Ireland is in line with the EU average.

In April of this year, the National Competitiveness Council published a report entitled *Cost of Doing Business in Ireland 2015*, which indicated that diesel in Ireland is 5.5% more expensive than the average in the euro area. The overall tax on the price of diesel, at 60.3%, is the third highest in the euro area. The report states this has an impact on competitiveness. The Deputy will be aware, therefore, that a balance needs to be struck in this matter. The excise rate on diesel is considered annually in the context of the budget and I, as Minister, consider all the benefits and impacts when setting the rate.

The policies in place are working. The environmentally based vehicle registration tax and motor tax have resulted in a move to vehicles which produce fewer emissions. Ireland's rate of excise on diesel is high to discourage its use as much as possible. However, it is important to consider that diesel is the fuel of business and is already more expensive here than in many of our European competitors.

**Deputy Robert Dowds:** I thank the Minister for his reply. I am glad he drew attention to the incentives available to those who transfer to less polluting vehicles, including in the area of vehicle registration tax. I ask him to examine the action being taken in this area by France and Belgium.

While I accept the Minister's point that diesel is the fuel of business, the other side of the coin is that the fuel has harmful effects. I have proposed an increase in the excise rate on diesel. Another option would be to introduce a small reduction in excise on petrol and a small increase in excise on diesel.

It is important to try to persuade people, especially car drivers, to switch from purchasing diesel vehicles to petrol or, better still, hybrid vehicles. In this regard, will the Minister to set in train an examination of the various measures that could be taken in this area in the next budget?

**Deputy Michael Noonan:** As I stated, I am aware of the externalities associated with the use of diesel. I have put in place a number of policies to reduce our dependence on diesel as a fuel of business. The use of natural gas as a propellant was provided for in budget 2015 at the minimum excise rate allowable under the EU energy tax directive. This measure will incentivise the largest consumers of diesel, such as companies with large fleets of trucks, to avail of this transport fuel. The rate of excise on diesel needs to be monitored carefully and, as Minister, I will not hesitate to raise it again if I believe that, on balance, there is a need to do so. I assure the Deputy that I will draw his remarks to the notice of my officials to have them taken into account if any alteration in the excise duty on fossil fuels is being proposed in next year's budget or subsequent budgets.

## **Job Losses**

**Deputy Regina Doherty:** I thank the Minister of State at the Department of Arts, Heritage and the Gaeltacht, Deputy Joe McHugh, for taking this Topical Issue matter. It has been brought to my attention recently that almost 150 people have been made redundant or are in the process of being made redundant at C&C Gleeson because their positions are being moved to Northern Ireland. Was the Minister aware of this development? Was the Department given the proper statutory notice? Did it engage in negotiations or discussions with the company on how best to encourage it to keep these jobs in Dublin and Tipperary?

A more important issue for me, given that all politics are local, is the treatment of a constituent of mine who has given 34 years of service to C&C. He turned down an offer from the company of voluntary redundancy, stating that he had a couple of good years left and wanted to continue working. He was told it was tough luck and he was being made redundant. When he refused to accept redundancy and suggested he might get his trade union involved or picket the plant, he was immediately walked off the premises and placed on gardening leave until this day next week when the statutory notice period runs out. The key issue is the way in which my constituent is being treated in comparison with the approximately 140 other employees who are being made redundant by C&C Gleeson. The average redundancy payment for these employees is between three and four weeks pay per year of service, which would be a sizeable sum for a person who has given 20, 30 or 35 years of service. The gentlemen about whom I have spoken has been offered two weeks of severance pay for each year of service he has given the C&C Group. I believe this offer was made as a direct result of his resistance to being made redundant or, as occurred in his case, being effectively forced to retire.

What is the Minister of State's opinion, if he is able to give one, of an organisation with the stature and success of C&C Gleeson treating some of its staff in the manner I have outlined? Specifically, what is his opinion on the disparity in treatment being shown to some of those who, unfortunately, find their positions being made redundant and relocated to the North?

**Minister of State at the Department of Arts, Heritage and the Gaeltacht (Deputy Joe McHugh):** Toisc nach féidir leis an Aire, an Teachta Richard Bruton, a bheith i láthair inniu, freagróidh mise an cheist ar a shon.

My first thoughts are with the workers who are being made redundant and with their families. All the State supports will be made available to any workers affected. As I understand it, the job losses announced by C&C affect a number of the company's plants nationwide. Voluntary redundancies were sought as the company restructured its Irish business and integrated the manufacturing and distribution business it acquired in 2012. In total, I understand 31 voluntary redundancies were sought in logistics, distribution depots and field sales operation, while five staff transferred to a contract haulier. I understand a further ten job losses pertain solely to one of the Tipperary plants.

The announcement by C&C is as a result of the loss of a significant private label contract with a retailer and the loss of sole supplier status with another retailer for a private label product. These events will see the reduction of the depot value from the plant concerned. The company is working to replace this business as soon as is possible. The Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, has directed officials from Enterprise Ireland to continue to engage with C&C management and offer any assistance possible.

Employment retention and creation continues to be the primary objective of the Government. Since we launched the Action Plan for Jobs, more than 136,000 additional jobs have been created. In County Meath, the number of people employed in Enterprise Ireland and IDA Ireland supported companies increased by more than 1,600 or 16% in the period from 2011 to 2015, compared with more than 1,000 job losses in Enterprise Ireland and IDA Ireland supported companies in the period from 2008 until 2010, which amounted to a 15% decrease. In addition, the Meath local enterprise office supports 180 small businesses and micro-companies, which added more than 150 new jobs in 2014, an increase of 24%. At the same time, the number of people on the live register in County Meath has declined by more than 29%.

As part of the Government's €250 million regional Action Plan for Jobs, a specific mid-east region Action Plan for Jobs will be published. This will seek to build on the jobs progress which has already been made. The Minister, Deputy Richard Bruton, and Minister of State, Deputy Damien English, have already hosted a consultation with public and private bodies in the mid-east and the plan is in development. Enterprise Ireland, the IDA and the Meath local enterprise office will continue to work with local companies to increase the number of start-ups, grow exports and, ultimately, create the jobs we need.

I realise the Deputy's question is more specific and relates to a number of employees or former employees at the plant. Workplace Relations Commission customer service staff are available to meet the employees concerned to provide information and answer any questions on their current circumstances and statutory employment rights and entitlements.

**Deputy Regina Doherty:** I appreciate that the Minister of State is in a difficult position. If he does not have the answers today, perhaps he can get back to me in writing. Am I correct in thinking that the Department is aware that C&C is relocating jobs to the North of Ireland? It does not make sense given that it says the reason it is downsizing is the loss of a retailer by a private label product. I agree that I am here specifically on behalf of one gentleman who is representing the views of his colleagues who are losing their jobs. Their positions are being made redundant notwithstanding that the work is still there but being moved to the North of Ireland. That may be fine in a different context, but my real issue is that this gentleman is in his early 60s. He has worked probably all of his life for this company. He has worked for it for 34 years. In relocating his job to the North of Ireland for whatever reason, they are offering him two weeks statutory notice. It is disgraceful that he is being treated in this manner. Some of his colleagues are receiving three and a half and four weeks, which is more acceptable and palatable for those people who are unfortunate enough to be losing their jobs.

Can the Minister of State address the Workplace Relations Commission personnel he spoke to and put them in contact with me so that I can get them involved to represent this gentleman better than I can at the moment? The days of his redundancy notice period are running out. He is within seven days of being walked off the premises and having his car and phone taken off him. He will have no recourse at that stage. Can the Minister of State come back either today or tomorrow on the relevant personnel to engage with so that I can at least assist him in the final days of working for this company after 34 years?

**Deputy Joe McHugh:** It is important if there is an issue that it is not only highlighted but followed up. Certainly, I will ask the Minister and his officials to make direct contact with the Deputy on the issue. Whether it is creating a mechanism or communication line with the Workplace Relations Commission, we need to look at some action point. There are statutory protections for workers in the context of redundancy. Under the redundancy payments scheme,

eligible employees with at least two years' continuous service in fully insurable employment are entitled to a minimum statutory lump sum payment on being made redundant. A redundancy situation arises where a business closes and ceases to trade. An employee is entitled to two weeks' pay for every year of service with a bonus week added on subject to the prevailing maximum ceiling on gross weekly pay, which is currently €600. The lump sum payment is tax free. In addition, employees are entitled to notice as per the Minimum Notice and Terms of Employment Act. I will certainly convey the Deputy's concern on specific and individual cases.

### **National Dementia Strategy**

**Deputy Dara Calleary:** I thank the Ceann Comhairle for sanctioning this debate and the Minister of State at the Department of Health, Deputy Kathleen Lynch, for attending to take it. The community action on dementia project in County Mayo has been running for three years in a pilot stage. During that time, it has assisted more than 100 families who have a loved one with dementia to receive either a dementia adviser or home support service. The home support service delivered in excess of 7,000 hours of community-based, one-to-one care in 2015 alone, keeping our loved ones in our communities with the love and care of their families and out of hospitals. The project's dementia adviser, the first ever such position in Ireland, provides an emotional signposting and listening service and the experience of the post has fed into the national dementia strategy of which the Minister of State has charge. The project has reached out to more than 2,000 people across County Mayo to reduce the stigma surrounding dementia and it continues to bring education and information on dementia to national and secondary schools across the county. To date, it has reached almost 1,000 pupils. In addition, the service provides 30 telecare packages to individuals in their homes. The project database has more than 300 records of people with dementia and is currently in receipt of weekly referrals from medical and community-based professionals at a rate of between three and six a week. The HSE in Mayo is very happy with the impact of the project on the ground and supports it fully.

Why am I here? The difficulty is that the pilot has ended. On 18 December 2015, the funding will finish and the project in its current stage will finish. Despite many interventions and meetings with the HSE nationally, no indication has yet been given of the ability of the HSE to continue to fund this vital and important project. I spoke to the project manager earlier and she spoke of a conversation she had with one lady this morning who asked her what she was to do when the hospital says her mother is not suitable for long-term care but the project, which would have helped her to keep her mother at home, has no funding. She asked where she was to turn and who would care for her mother.

The Minister of State does not need to be told that this is the cruellest of diseases. However, it provokes amazing and heroic responses from family members on a daily basis across the length and breadth of the country. Dementia carers are, frankly, heroes. While they do not look for recognition, they need support. Many of them want to keep their loved ones in their communities and their homes. The project is all about that. One of the driving figures behind the project became involved with dementia through caring for her own father. Through her experience and the lack of available supports for her family, she established a day care centre herself with the support of a very good committee. She continues to raise nearly €60,000 a year for that centre through various events. That is commitment and love. That is what this project is about.

The €350,000 investment in the project over three years provided fantastic value for money.

It kept people out of Mayo General Hospital and long-stay care and kept them in their homes where they were loved and cared for much better. That is what we want to continue. We want to continue to keep people in the community, but, more importantly, we want to continue to learn lessons from this project about families and dementia sufferers. We want to continue to provide education through the project so that the next generation of people will understand dementia and come to appreciate, in particular, that the disease is now beginning to reach a much lower age cohort than we are traditionally used to. I appeal to the Minister of State to ensure the HSE has the funding to keep the project going. It is a fantastic project providing fantastic value for money. More importantly, it respects dignity and provides care in the community.

**Minister of State at the Department of Health (Deputy Kathleen Lynch):** I thank Deputy Calleary for raising this matter. I cannot disagree with anything he said. I am very conscious of the impact of dementia not only on the individual, but on families and communities. That is why the four pilot projects were put in place.

It is estimated that there are approximately 50,000 people with dementia in Ireland today. These numbers are expected to increase to over 140,000 by 2041 as the number of older people in Ireland increases. For this reason, the Government launched the national dementia strategy in December 2014. The strategy recognises that people with dementia can live well for a number of years as long as there is timely access to an assessment and diagnosis and the right services and supports are in place. This is the case in relation to the grouping Deputy Calleary speaks of. People living with dementia should be supported to stay as physically and mentally well as possible and should be encouraged to remain active participants in their communities. A dedicated office has been established within the HSE to lead the strategy's implementation.

While the initial emphasis was on doing things better within existing resources, a welcome boost was provided by the Atlantic Philanthropies which agreed a joint initiative with the Department of Health and the HSE to implement key elements of the strategy to 2017. This implementation programme represents a combined investment of €27.5 million, with Atlantic Philanthropies contributing €12 million and the HSE contributing the remainder. This will promote a greater focus on the timely diagnosis of dementia and the value of early intervention along with the long-term objective of making people generally more aware and understanding of the needs of people with dementia and of the contribution those with dementia continue to make to our society.

The initiative includes the roll-out of a programme of intensive home care packages for people with dementia, the provision of additional dementia-specific resources for general practitioners, GPs, and primary care teams and a dementia awareness campaign to promote a better understanding of dementia and its prevention. It is important to address stigma and promote the inclusion and involvement in society of those with dementia. The community action on dementia in Mayo project that Deputy Calleary referred to is one of four dementia pilot projects provided throughout the country by Genio over a three-year period to develop innovative supports for people with dementia to continue living well in their own communities. It has met this criterion exceptionally well. The main features of the Mayo project are the provision of community-wide education, awareness and training, the establishment of a mobile memory clinic, the provision of a dementia adviser to link with the person and family from the time of diagnosis, and the provision of assistive technology, as appropriate. The pilot phase of this project will come to an end on 18 December. A representative of the HSE director of social care has visited Mayo and the other Genio sites in Kinsale, Blackrock and south Tipperary to examine how they reflect the priorities of the national dementia strategy and to determine how the



learning from these projects can be applied to other areas. The HSE will consider the funding position for the Mayo project in the context of its service plan for 2016. As the Deputy knows, that plan is imminent.

The four projects would not be in place but for Atlantic Philanthropies. We must keep talking about Atlantic Philanthropies, which is an incredible group of people. Mr. Chuck Feeney is a modern patriot. The learning from these projects must be rolled out throughout the country. It is not as if they will die away, but we must look to the service plan which will be delivered immediately. We are conscious of the need as well as of the incredible service that is being provided.

**Deputy Dara Calleary:** I thank the Minister of State and endorse everything that she said about Atlantic Philanthropies and Mr. Feeney. I welcome her endorsement of the community action on dementia in Mayo project which she stated had done everything exceptionally well. It has broken every boundary in what it set out to do. As such, it is important that it be continued. A gifted range of people are working on the project but they do not know whether they will have employment on 1 January. One hundred families have grown to depend on this project for their loved ones to live with them or in their communities, but they do not know where they will stand on 1 January.

I understand that, of the four projects, the one in south Tipperary has been given an indication of funding for 2016. If families in Tipperary are worthy of that indication, the families and people involved in the project in Mayo are equally as worthy.

**Deputy Kathleen Lynch:** Yes.

**Deputy Dara Calleary:** The HSE people on the ground have endorsed the project. We cannot wait for months. We need an indication urgently to assure those employed by the project and, most important, the 100 families that do not know where they stand. This project has broken many boundaries in a field that needs boundaries broken. Let us not lose it. Let us have regard for these families, whose daily lives have been enhanced by the project's work.

**Deputy Kathleen Lynch:** I endorse everything that the Deputy has said. When we set off on this adventure three years ago, we were not sure what we would find. We had a plan and knew what we wanted to deliver but, as the Deputy rightly stated, the project has delivered more, and differently, than expected. We have learned that the large technology piece is not always what is important. Sometimes what is important is the reassurance or advice from the other end of the phone line as well as the knowledge that someone is there if needed. The other elements - the day service, being collected and having someone to sit with the person while someone else has a break - are also important. We cannot afford to lose them. The project in Mayo will be communicated with before the funding deadline.

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

**An Leas-Cheann Comhairle:** I understand that Deputy Lowry is providing one minute to Deputy Healy. Is that agreed? Agreed.

**Deputy Michael Lowry:** Over the lifetime of the Government, the experience of the parents and teachers of children with special educational needs has become a serious national is-

sue. Continually muddled Government policies on how to provide for such children, combined with the shortage of resources and non-availability of facilities, consign many to what can only be described as bureaucratic purgatory. These problems are exacerbated by parents being forced to lurch from crisis to crisis as they try to ensure their children receive the basic education appropriate to their needs while endeavouring to locate safe environments. All too often, the parents expend a large proportion of their earnings, not to mention months of precious time, only to find that the services are insufficient or they must wait weeks, months or even years before they can get therapy and support for their children.

With my Oireachtas colleagues, I attended a meeting last Monday in Scoil Aonghusa in Cashel. It is a co-educational school that facilitates 85 individuals with multiple physical, emotional and other learning difficulties. These pupils need immediate specialist services but receive little support or funding from the HSE. I am aware that this is a national issue, but another school in Cashel, Scoil Chormaic, which caters for 223 children and young adults, also faces the constant occurrence of minimal services.

The introduction of the progressive disability services for children and young people, which were established by the HSE to change the way in which services were provided, is a haphazard, unpredictable and Billy-to-Jack delivery of service and therapy. This project will not alleviate any problem. Services need to be delivered consistently, cohesively and in collaboration with parents and teachers. We need to start listening to the parents and teachers who care for these children every day. They are acutely aware of what needs to be undertaken and how the efficient delivery of such services can be fully achieved. Children with special needs should have access to all the specialist therapies and supports they require, not out of luxury, but out of necessity. “Lack of funding for services” is the Government’s daily recited turn of phrase, but should we not find that funding? Should funding for children with special needs not be our first priority?

It is evident that the continued chaos in care and services is not the fault of psychologists and therapists. The problem is that their caseloads are too large to meet the needs of so many children. In the absence of services, our teachers are to be applauded for the incredible work they undertake to meet these children’s needs and to provide after-school support to parents. We have heard the announcements of additional personnel, but those announcements hide the fighting, pleading and justification that schools and parents must make to get such posts.

**Deputy Seamus Healy:** I thank Deputy Lowry for allowing me to say a few words on this issue. The parents of children with special needs are continually under pressure. They speak constantly of having to fight for everything they get. We attended a meeting in Scoil Aonghusa in Cashel on Monday night. It is a fine school that is offering an exceptional service to its students and support to families. It caters for 85 students. There was an effort to operate on the basis of a multidisciplinary team of teachers providing services including psychology, physiotherapy, and speech and language services, but unfortunately those resources are simply not adequate. The school simply does not have enough physiotherapy, psychology or speech and language hours. Additional hours need to be made available for the school if the children with special needs are to be provided with a proper service.

**Deputy Kathleen Lynch:** I thank Deputies Lowry and Healy for raising the matter. The Government is committed to providing and developing services for children with special needs and to improving access by these children to therapy services in so far as that is possible within available resources. As Deputy Lowry will be aware, health-related therapy supports and inter-

ventions for such children can be accessed through both the HSE's primary care services and its disability services, depending on the level of need. Significant additional resources have been invested in recent years in the State's primary care and disability services with a view to enhancing therapy service provision. For example, additional investment of €20 million in 2013 has facilitated the recruitment of 260 prioritised front-line posts for primary care teams.

With regard to disability services, the HSE has recognised that its early intervention services and services for school-aged children with disabilities need to be standardised. To this end, a major reform of therapy resources for children with disabilities aged up to 18 years is currently under way. This involves pooling the resources of all service providers in defined geographical areas so that children receive their therapy interventions from multidisciplinary teams. The HSE's national programme on progressing disability services for children and young people from zero to 18 years aims to bring about equity of access to disability services and consistency of service delivery, with a clear pathway for children with disabilities and their families to services regardless of where they live, what school they go to or the nature of the individual child's difficulties.

An additional €4 million was allocated in 2014 to assist in implementing the programme, equating to approximately 80 additional therapy posts. Further investment of €4 million, equating to €6 million in a full year, has been provided this year to support its ongoing implementation. Full implementation of the programme is expected before the end of 2016.

The reorganisation of disability services in line with the Progressing Disability Services for Children and Young People programme is under way in south Tipperary. One multidisciplinary early intervention team has been established. Two teams for children aged zero to 18 are scheduled to be in place next year. These new arrangements will incorporate the existing early intervention service. Disability services for school-aged children in the region will continue to be provided by both the HSE and a range of non-statutory service providers until the new arrangements are in place.

At present, children attending Scoil Aonghusa special school in Cashel receive on-site speech and language therapy during the school term. Three sessions of physiotherapy per week are also provided. I am advised that the HSE south Tipperary community services have met the school's parent representative group on a number of occasions to date to discuss the provision of therapy services at the school. The HSE has indicated that the number of health-related therapy posts in south Tipperary is in line with the national average. The HSE is endeavouring to optimise service provision within the resources available pending the rolling out of the new model.

I assure the Deputy that improving access to therapy services for children in primary care and in disability services is a particular priority for the Government. In this context, further funding of €8 million is being provided in 2016 to expand the provision of speech and language therapy through primary care services and to support the reorganisation and expansion of speech and language and other therapies under the Progressing Disability Services programme. The HSE has indicated that it will further consider south Tipperary along with other regions when decisions on the allocation of this funding fall to be made, including in regard to supporting the full implementation of the Progressing Disability Services programme. I hope that is of some help to the Deputies.

**An Leas-Cheann Comhairle:** I call Deputy Lowry. Is it agreed that Deputy Mattie Mc-

Grath may have 20 seconds of his time? Agreed.

**Deputy Michael Lowry:** I thank the Minister of State for her response, however inadequate it may be. At our meeting in Scoil Aonghusa last Monday night, we heard heartfelt appeals for help. Parents and teachers spoke with sincerity, emotion and passion about the consequences for children denied access to therapy services. The parents, who make enormous sacrifices to take care of their special children, are upset, disillusioned and bewildered by the lack of response to their needs. The dedicated and committed teachers who were present at the meeting are frustrated over the lost opportunity to enhance the children's ability arising from the lack of support and assistance from therapy specialists. As far as I am concerned, the necessary structures and systems are in place within the schools. There is no point in removing the children and moving them to centralised locations for the delivery of these services. What we should have is a multidisciplinary team comprising speech and language therapists, occupational therapists and psychologists. This needs to be formed and directly linked to the school.

**Deputy Mattie McGrath:** I thank Deputy Lowry for allowing me a few seconds to appeal to the Minister of State and the bureaucrats in the HSE. I fully concur with what was said by Deputies Lowry and Healy. The children in question are the most affected in any school. They should be treated where they are and not dragged around the county to clinics that are already full and overflowing and to which people with special needs cannot go. The Minister of State should please show some compassion and human interest in these families.

**Deputy Kathleen Lynch:** We have taken advice, but not only from experts. I am not always enamoured with the advice of experts. We have taken advice and engaged exhaustively on how one should deliver a service. I really do accept fully what Deputy Lowry is saying in this instance, but most parents I meet say they are prepared to wait for a diagnosis if offered early intervention. They say that what they want is the intervention and therapy for their children. We are building up the service and ensuring it will continue to be built. The Deputies will know where the service needs to be from the amount of money invested and the posts put in place.

In the recent past, it was a matter of getting the diagnosis and the therapy afterwards. I always believed that was deeply unfair because I might be able to afford a diagnosis for my child while somebody next door might not and might have to wait until her child is five, six or seven to obtain a diagnosis from the HSE. Therefore, we are to put the intervention and therapies in place before the diagnosis. That is a more equitable way of proceeding.

In the past, one nearly had to sign up to a particular service before getting any type of therapy. We are old enough to know that, but we are now saying that if we are serious about mainstreaming children with disabilities, the parents should be able to choose where their children go to school and where they want to live. Therefore, the service needs to be available within their community such that they will not have to sign up to a service. I fully admit that we still do not have the necessary number of staff in place to deliver the type of service I envisage and that parents tell me they want. We are working on that. There will be additional resources and posts in this year's service plan. However, I hear what the Deputies are saying and will make sure that south Tipperary is considered when it comes to the allocation of the new posts.

**Deputy Mattie McGrath:** There are 12,500 children waiting.

## **Finance Bill 2015: Report Stage (Resumed) and Final Stage**

Debate resumed on amendment No. 21:

In page 89, between lines 4 and 5, to insert the following:

**“67.** The Minister shall, within 3 months of the passing of this Act, prepare and lay before Dáil Éireann an analysis of the tax changes in this Act, and the total of tax changes and spending adjustments of Budget 2016, setting out the continuing impact on people based on their gender, income, age, marital and disability status.”.

- (Deputy Pearse Doherty)

**An Leas-Cheann Comhairle:** Deputy Boyd Barrett was in possession.

**Deputy Richard Boyd Barrett:** Before the adjournment, I was concluding my comments on this amendment. To summarise, all that is being asked for here is that our budgets should be measured by the degree to which they contribute to equality or greater inequality. It should be obvious why that is a worthy and important thing to do. Recent years, in particular, have seen some of the most vulnerable sectors of our society hurt by an economic crisis which was not of their making. Most notably, more children - 137,000 of them - have been plunged into poverty. Women, particularly lone parents, have also been plunged into poverty.

The impact of austerity has contributed to rent allowance cuts resulting in a growing number of homeless persons unable to provide for a roof over their heads. One can go on through the list. This amendment says that as a standard feature of budgeting we need to have a measurement of budgets based on the degree to which they contribute to inequality or equality as the case may be. It should be done because those who suffer from inequality, deprivation and poverty need to be protected in budgets. This is particularly so when they can be hit by a multiple of different budgetary aspects or even the unintended consequences of budgetary changes. It is right and proper to have an eye to these matters as part of the budgetary process.

Next year marks the 100th anniversary of 1916. If honouring the aspirations of the Proclamation, including “cherishing all the children of the nation equally”, is to mean anything, one way of honouring that centenary would be to state that equality is going to be an imperative for all governments in dealing with budgets.

On a macro-economic point, inequality is not just unfair, it is bad for the economy and makes for economic instability. This is increasingly the case across the world because inequality, including the gap between rich and poor, is growing internationally. Ireland is no exception to that trend which is dangerous and makes for an unstable economy and society. For that reason, it should be imperative for this Government to ensure that all future governments would see equality as an important measurement of the effectiveness of any budget.

In his heyday, Michael McDowell said that inequality was good for society and created incentives. That is a load of ideological, neo-liberal claptrap and rubbish. He was, however, honest enough to admit the prejudices of what one might call the economic far-right in terms of this view of a jungle society and jungle economy. If this Government does not subscribe to this view, and I hope it does not, then it should see equality budgeting as something good that would become a baseline for budgets with which all parties would have to comply.



I commend Deputy Doherty's amendment to the Government.

**Minister of State at the Department of Finance(Deputy Simon Harris):** Deputies will be aware that this amendment was tabled on Committee Stage last week. I understand that on that occasion my ministerial colleague, Deputy Noonan, discussed the issue in some detail with members of the committee. In the initial debate on this amendment earlier today, Deputies Pearse Doherty and Richard Boyd Barrett referred to equality budgeting and the need to evaluate the impact of budgets on different groups within society. I am pleased to say, however, that a substantial amount of that analysis covering some of the groups the Deputies have listed has already been published.

Following on from the Government's undertaking in November 2014 to carry out a social impact assessment of the main tax and welfare measures in budgets, a number of improvements have been made to the social impact assessment which the Department of Social Protection conducts on each budget. I hope that is recognised by Members on both sides of the House. This year, the assessment was completed in consultation with the Department of Finance in respect of the income tax elements of the budget. The publication was also brought forward considerably to 4 November, just three weeks after budget day and in advance of the Oireachtas discussions on both this Bill and the Social Welfare Bill.

Using the ESRI's tax-welfare simulation model, Switch, the social impact assessment includes a breakdown between the impact of tax and welfare measures respectively, as well as presenting the overall distributional impact of budget 2016 by both income group and family type. It also examines the impact of the budget on the at-risk-of-poverty rate and on work incentives, as well as the impact of the change in the minimum wage.

Expansion of the Switch model has also, importantly, enabled the incorporation this year of investment in the early childhood care in education scheme, ECCE, into the social impact assessment. The distributional impact by family type in the family Switch model facilitates comparisons between the distributional impact of the budget on families with and without children, by employment or retirement status, and for lone parents. All of these are presented in the social impact assessment.

The full report is available on the Department of Social Protection's website. Deputies may wish to note some of the key findings of the assessment: in total 98% of households benefit from budget 2016; households with children are the biggest beneficiaries of the budget, in particular working lone parents; social transfers continue to perform strongly in reducing poverty; and, compared to previous years, budget 2016 delivers considerably bigger gains for the poorest households.

At this time, it is not possible to use the Switch model to assess the impact of budgets on groups of people based on their disability status which is, I accept, an important point. As the Minister for Finance has pointed out before, there are already significant efforts under way to expand the capacity of the model. This is evidenced by the work which has allowed modelling of medical cards and the ECCE scheme.

Deputies will also be well aware that the budget book includes a range of material addressing distributional issues and explaining the impact of budget 2016. There is a series of tables showing the impact of budgetary measures at a range of income levels for different income earners. There are a variety of illustrative cases providing examples of the change in net in-

comes for a variety of sample households. The extent to which income is redistributed through the tax and welfare systems, and the progressivity of the income tax system, are also addressed in that budget documentation.

Whilst we may not agree on the budget and we may have different perspectives concerning it, there is clearly a lot of information out there on which we have built in recent years. On the basis that much of the analysis proposed in the amendment has already been published, the Minister does not propose to accept this amendment.

**Deputy Pearse Doherty:** If all of this is done, as the Minister of State suggests, in the way the amendment is tabled, one would simply accept what is here. Because we have debated this at length in budget after budget, and have been faced by regressive budgets from the Minister, his party and the Government, the Minister of State knows that equality budgeting is far removed from his ideological position. We have proposed legislation on equality budgeting, but the Government voted it down because it is opposed to equality.

**Deputy Simon Harris:** Not so.

**Deputy Pearse Doherty:** The proof is in the pudding. We have seen the types of austerity the Government unleashed on citizens the length and breadth of this State without any concern for the impact on certain sectors of society, be they based on gender, income, age, marital or disability status.

The type of spreadsheets the Minister of State is talking about in the budget book or the analysis from the Department of Social Welfare, which is getting better, do not and cannot replace the concept of equality budgeting. That is an independent process that would examine the impact of the budget on certain areas and how it affects certain groups of individuals by status.

This is a clear issue. The Minister of State knows that the amendment is framed in a way that allows us to get past the out-of-date rules of this House. Those rules frustrate me more and more as the years go on. If the Government is serious about budgetary and institutional reform, it should stop the charade whereby the Opposition cannot even table amendments to a Finance Bill. They think we are going to come up with such mad ideas that we are not even allowed to table them for discussion on the floor of the Dáil.

This amendment is really about ensuring that equality budgeting which has already been, or is in the process of being, adopted by 60 countries is enshrined and embraced by this Parliament, the Government and our political representatives generally. This Government would therefore be tied to the idea that we have nothing to fear from equality. In addition, we would be willing to put our plans for the economy, including expenditure and tax-raising measures, before an independent analysis to look at how the chips actually fall because we have nothing to hide.

*5 o'clock*

However, the reality is that the Government is against equality because it will expose the ideological position of the Fine Gael Party. This is a budget for the wealthiest in society. It leaves low and middle-income earners high and dry.

**Deputy Simon Harris:** I do not know where to begin. Clearly, we are not opposed to equality. We are in favour of trying to get everyone in this country back into employment,

thereby reducing the burden of tax on work. We have increased the minimum wage and we have tried to support people through the social welfare system during a number of difficult years. I imagine we are going to have many such debates in the coming weeks and months, but Deputy Doherty's rhetoric does not stand up to any scrutiny and I look forward to debating these issues with him.

We need to be careful when using terms like progressive and regressive. Members of the House in 2010 would have been able to produce the report of an independent think tank suggesting that the budget in 2010 was progressive. That budget introduced the universal social charge and cut all social welfare benefits, including the blind pension, payments to people with disabilities and payments to children. If that is the definition of a progressive budget, then Deputy Doherty should be careful when he throws around such terms.

As I have outlined, the reason we are not accepting this amendment is that there is a significant amount of the information in the public domain. At some point I would be interested in hearing the views of Deputies in respect of the social impact assessment that has been built up in recent years. The Department of Social Protection website provides significant information that can inform all of us in the development of our policies.

My next point does not relate to the Government but to our budgetary process in general. There has been recognition in the past of the good practice carried out in this country. Good practice and social impact assessment at European level has been identified in a number of reports. The Evaluation Partnership and the Centre for European Policy Studies produced a report in 2010 which indicated that Ireland is well-advanced compared with peer countries in Europe in the use and, more important, in the practice of social impact assessments.

While I do not dispute that the country, governments and the Oireachtas can always do better - I take those valid points - the amendment Deputy Doherty has tabled is not necessary. In fact, some of the information that he is requiring to be published within three months of the passing of this Act is already published today and is available on websites for all our citizens to see.

**Deputy Pearse Doherty:** How can the Minister of State say with a straight face that the Government is for equality and then justify the claim by saying that those in Government want to get people back into work? That has nothing to do with it. That is not an example of equality. The Government punishes people who may be out of work. The rationale is that the Government is for equality because if people get a job then the Government will lower taxes for them. Is that the definition of equality according to the Minister of State? It is not a definition of equality that people understand.

The Minister of State went on to say that he is for equality and then listed a number of measures to suggest how the Government is for equality.

**Deputy Simon Harris:** They were social welfare measures.

**Deputy Pearse Doherty:** Those measures simply do not stack up. How was the Government for equality when it cut supports for lone parents? How was that an equality measure? What was it that ticked inside the Minister of State and made him think that was a good equality measure? It seems those responsible saw all the reports relating to the challenges that lone parents face but decided to give it to them in the sense of taking more from them. It seems those in government decided to see if people could still survive following those measures on the basis

that Fine Gael is the party for equality.

Of course, there will never be an independent assessment of what we are looking for to expose that what the Government is doing as anti-equality, because the Government has voted this down previously. I expect the Government will do so again today. The Government did the same last year, the year before and in preceding years. The Government has voted down proposed legislation to introduce equality budgeting several times.

The Minister of State referred to how an independent think tank suggested that the 2010 budget introduced by Fianna Fáil was progressive. He went on to list the regressive measures contained in that budget, including USC for low earners, cuts for disability and so on. Has it ever dawned on the Minister of State that in the following year the same independent think tank said that the current Government's budget was regressive? It said the same thing in 2012, 2013 and 2014. By God, the current Government must have pulled out all the stops if the think tank thought the Fianna Fáil budget was progressive but the subsequent budgets were regressive. That is the reality.

This is a simple concept. If those in the Government parties have something to fear from equality, then they should come to the House and vote against equality budgeting. If they embrace equality, support transparency and have nothing to fear, then they should vote for equality budgeting.

It is as simple as that. We need complete reform but we have been tinkering along the edges in respect of how we deal with our budgets. What happens in other jurisdictions? What happens up the road in the North, even with the limited fiscal powers they have? When certain departments there introduce their budgets, they announce them, but it is not taken as read that the measures correspond to what is going to happen. The measures are then independently proofed on the basis of a basket of indicators to see whether they hold up to certain benchmarks laid down in legislation. Those involved get a report which is then debated. Then they thrash it out again and the budget is approved. Technically, that is supposed to be what happens in this House. However, the reality is that what the Minister announces on budget day is what is going to be in the budget. That is, of course, unless the Minister decides to amend the legislation or changes his mind in the meantime. There is no independent analysis, bar the limited scope afforded to the ESRI in respect of the SWITCH programme.

I do not expect the Minister of State to change his mind. Sinn Féin and others who believe in equality, including groups outside this House, will continue to campaign for equality budgeting. We expected that the Labour Party would support the issue of equality. A valid point was made in this regard. We will celebrate the centenary of 1916 next year. We will celebrate the words of the Proclamation and the members of the Government will repeat them over and over again next year as they wave their tricolours and hope that the people do not read the Proclamation or what was said on the steps of the GPO almost 100 years ago. This is because what those people proclaimed is not what the Government is delivering. If those in government want even to try to get closer to what was proclaimed, they should have guts to stand up and support equality budgeting.

Amendment put:

| <i>The Dáil divided: Tá, 43; Níl, 74.</i> |            |
|---|------------|
| <i>Tá</i>                                 | <i>Níl</i> |

|                                |                                    |
|--------------------------------|------------------------------------|
| <i>Adams, Gerry.</i>           | <i>Breen, Pat.</i>                 |
| <i>Aylward, Bobby.</i>         | <i>Burton, Joan.</i>               |
| <i>Boyd Barrett, Richard.</i>  | <i>Butler, Ray.</i>                |
| <i>Calleary, Dara.</i>         | <i>Buttimer, Jerry.</i>            |
| <i>Collins, Joan.</i>          | <i>Byrne, Eric.</i>                |
| <i>Collins, Niall.</i>         | <i>Cannon, Ciarán.</i>             |
| <i>Colreavy, Michael.</i>      | <i>Carey, Joe.</i>                 |
| <i>Coppinger, Ruth.</i>        | <i>Conaghan, Michael.</i>          |
| <i>Cowen, Barry.</i>           | <i>Connaughton, Paul J.</i>        |
| <i>Daly, Clare.</i>            | <i>Conway, Ciara.</i>              |
| <i>Doherty, Pearse.</i>        | <i>Corcoran Kennedy, Marcella.</i> |
| <i>Ellis, Dessie.</i>          | <i>Costello, Joe.</i>              |
| <i>Ferris, Martin.</i>         | <i>Creed, Michael.</i>             |
| <i>Fitzmaurice, Michael.</i>   | <i>Deering, Pat.</i>               |
| <i>Fleming, Tom.</i>           | <i>Doherty, Regina.</i>            |
| <i>Grealish, Noel.</i>         | <i>Donohoe, Paschal.</i>           |
| <i>Halligan, John.</i>         | <i>Dowds, Robert.</i>              |
| <i>Healy, Seamus.</i>          | <i>Doyle, Andrew.</i>              |
| <i>Healy-Rae, Michael.</i>     | <i>Durkan, Bernard J.</i>          |
| <i>Kelleher, Billy.</i>        | <i>Farrell, Alan.</i>              |
| <i>Kirk, Seamus.</i>           | <i>Feighan, Frank.</i>             |
| <i>Mac Lochlainn, Pádraig.</i> | <i>Ferris, Anne.</i>               |
| <i>McConalogue, Charlie.</i>   | <i>Fitzpatrick, Peter.</i>         |
| <i>McGrath, Finian.</i>        | <i>Flanagan, Charles.</i>          |
| <i>McGrath, Mattie.</i>        | <i>Griffin, Brendan.</i>           |
| <i>McGrath, Michael.</i>       | <i>Hannigan, Dominic.</i>          |
| <i>McLellan, Sandra.</i>       | <i>Harrington, Noel.</i>           |
| <i>Murphy, Catherine.</i>      | <i>Harris, Simon.</i>              |
| <i>Murphy, Paul.</i>           | <i>Hayes, Tom.</i>                 |
| <i>Naughten, Denis.</i>        | <i>Heydon, Martin.</i>             |
| <i>Ó Fearghail, Seán.</i>      | <i>Howlin, Brendan.</i>            |
| <i>Ó Snodaigh, Aengus.</i>     | <i>Humphreys, Kevin.</i>           |
| <i>O'Brien, Jonathan.</i>      | <i>Keating, Derek.</i>             |
| <i>O'Dea, Willie.</i>          | <i>Kehoe, Paul.</i>                |
| <i>O'Sullivan, Maureen.</i>    | <i>Kelly, Alan.</i>                |
| <i>Pringle, Thomas.</i>        | <i>Kenny, Seán.</i>                |
| <i>Ross, Shane.</i>            | <i>Kyne, Seán.</i>                 |
| <i>Shortall, Róisín.</i>       | <i>Lawlor, Anthony.</i>            |
| <i>Smith, Brendan.</i>         | <i>Lynch, Ciarán.</i>              |
| <i>Stanley, Brian.</i>         | <i>Lynch, Kathleen.</i>            |
| <i>Tóibín, Peadar.</i>         | <i>Lyons, John.</i>                |
| <i>Troy, Robert.</i>           | <i>McCarthy, Michael.</i>          |
| <i>Wallace, Mick.</i>          | <i>McEntee, Helen.</i>             |



25 November 2015

|  |                                 |
|--|---------------------------------|
|  | <i>McFadden, Gabrielle.</i>     |
|  | <i>McGinley, Dinny.</i>         |
|  | <i>McHugh, Joe.</i>             |
|  | <i>McLoughlin, Tony.</i>        |
|  | <i>Mitchell, Olivia.</i>        |
|  | <i>Mitchell O'Connor, Mary.</i> |
|  | <i>Mulherin, Michelle.</i>      |
|  | <i>Nash, Gerald.</i>            |
|  | <i>Neville, Dan.</i>            |
|  | <i>Noonan, Michael.</i>         |
|  | <i>O'Donnell, Kieran.</i>       |
|  | <i>O'Donovan, Patrick.</i>      |
|  | <i>O'Dowd, Fergus.</i>          |
|  | <i>O'Mahony, John.</i>          |
|  | <i>Penrose, Willie.</i>         |
|  | <i>Perry, John.</i>             |
|  | <i>Phelan, Ann.</i>             |
|  | <i>Phelan, John Paul.</i>       |
|  | <i>Quinn, Ruairí.</i>           |
|  | <i>Rabbitte, Pat.</i>           |
|  | <i>Reilly, James.</i>           |
|  | <i>Ring, Michael.</i>           |
|  | <i>Ryan, Brendan.</i>           |
|  | <i>Shatter, Alan.</i>           |
|  | <i>Spring, Arthur.</i>          |
|  | <i>Stagg, Emmet.</i>            |
|  | <i>Stanton, David.</i>          |
|  | <i>Tuffy, Joanna.</i>           |
|  | <i>Twomey, Liam.</i>            |
|  | <i>Wall, Jack.</i>              |
|  | <i>White, Alex.</i>             |

Tellers: Tá, Deputies Aengus Ó Snodaigh and Pearse Doherty; Níl, Deputies Emmet Stagg and Paul Kehoe.

Amendment declared lost.

**An Leas-Cheann Comhairle:** Amendments Nos. 22 and 23 have been ruled out of order.

Amendments Nos. 22 and 23 not moved.

**Deputy Clare Daly:** I move amendment No. 24:

In page 103, between lines 14 and 15, to insert the following:

**“Amendment to Section 10(A) of the Finance (Local Property Tax) Act 2012**

**86.** The Finance (Local Property Tax) Act 2012 is amended in section 10(A) by substituting the following subsections for subsections (3) and (4):

“(3) Notwithstanding subsections (1) and (2) and subject to subsection (4), the Minister for the Environment Community and Local Government shall ensure in the making of regulations, that a residential property shall not, for the purposes of this Act, be regarded as a relevant residential property if a certificate has been issued in relation to it having a building condition assessment damage rating of 2, or a building condition assessment damage rating of 1 with progression, and has either been accepted by the Pyrite Remediation Board for remediation, or is in any area where the presence of pyrite has been established, regardless of whether a hardcore infill test has been carried out.

(4) Notwithstanding subsection (3) and subject to subsection (5), a residential property shall not, for the purposes of this Act, be regarded as a relevant residential property in relation to five consecutive liability dates commencing with the first liability date on or before which a certificate under and in accordance with regulations under subsection (1) has been issued in relation to property, and in cases where the property has not been remediated for all subsequent liability dates until it has been remediated.”.

The Minister of State might like to comment on why amendment No. 22 was ruled out of order. It was on the grounds the Opposition cannot move amendments which are a cost to the Exchequer, but seeing as this issue was flagged on Committee Stage I wonder why the Government did not think it important to restore some of the robbery from the pay packets of airport pensioners undertaken over the past period and why it did not table the amendment itself.

Amendment No. 24 is with regard to an issue I have discussed with the Minister on repeated occasions. I had to table amendments to last year’s Finance Bill to try to get it addressed and it is a little disappointing that here we are this year and I must still table amendments to do it all over again.

The roots of the issue lie in the construction of the property tax legislation and the inadequate provision given to the exemption for homes affected by pyrite. If somebody has a home affected by pyrite he or she cannot sell, renovate or extend it. Essentially, the property is valueless. The idea of putting a property tax on this is absolutely reprehensible. We know that at the time of the legislation the Government boasted it had addressed the matter and given those homeowners an exemption. The reality was different because of the way in which it was constructed. Imposing an obligation on homeowners to carry out an underground infill test meant people would have had to expend thousands of euro to gain an exemption of hundreds. It was an absolutely ludicrous situation on which, over the past 18 months to two years during which I have highlighted it, the Minister kept agreeing with me.

Last year the Minister told he would imminently address it, early this year he told me it would be addressed by the summer and, of course, in the past month or so in the run-up to the

budget he told me it would be addressed soon. In the budget he made the great announcement it would finally be addressed, but in actual fact when we discussed it last week he told me it was on its way to being addressed and that he will introduce measures which he has instructed Revenue to implement immediately in advance of guidelines being issued towards the end of the month and legislation following. I can tell the Minister of State that yesterday some residents from my area took the Minister's advice and contacted Revenue, on the basis it had been advised to introduce the new changes, and were told they could not gain the exemption. It did not do them any good, which is why I have tabled this amendment.

What the Minister proposes to do, although he has not yet brought forward the legislation, is that in situations where properties are damaged and a building condition assessment is carried out which shows a damage condition rating of two, or one with progression, those people can gain access to the exemption without an infill test being carried out if the pyrite remediation board or an insurance company has accepted their cases or in instances where a self-assessment will be accepted. I want to put on record that as of yesterday Revenue was not accepting self-assessment. The self-assessment is essentially the homeowner stating he or she has had a building condition assessment carried out, the damage is extreme and as a result he or she cannot sell the property and it is essentially valueless.

In any case, even if the Government had brought forward legislation, which it has not, it is not good enough. The amendment seeks to do this in a far simpler way. In essence, it states that where a property has damage if it is in an area known to have pyrite an infill test is not needed and should not have to be carried out. It also addresses the shortfall in the Government's legislation, whereby currently even if people can access the exemption they only get it for three years. This is not good enough. The amendment seeks to provide this exemption for a period of five years in cases of properties which have a damage condition rating of two and which, in essence, have been accepted onto the remediation scheme or have been remediated. In the case of all other home owners who have not reached this level of damage and who have not been given a commitment their properties will be remediated the exemption should be indefinite until the property is fixed. Why would a barrier of three years be put on it? It is just not good enough. It is on this basis I move the amendment.

**Deputy Mattie McGrath:** I support Deputy Daly's amendment. It is part of the bureaucracy of the State and huge efforts have been made by many people to have the situation rectified over many years with many meetings and commitments. Now that we finally have the Finance Bill we are told we must wait further. It is very unfair to people and families trying to create a home for themselves by buying it or having it built. Through no fault of their own a situation developed in the structure of the home, and they are landed with a property tax after the property has been found to have a defective structure. It is a very serious condition. They are being put through a process of examination and proof with exhaustive tests because of a faulty product somewhere along the chain of supply which was not their fault. Surely to God we have some bit of compassion left in our institutions of State. Is there no compassion left in those who drafted the legislation? Is the Minister not in charge? Why is it coming across so cruelly in the legislation, with such a long delay and such an onerous request on homeowners and families? The stress and trauma being caused to families is inexplicable. Any of us who, thankfully, have our own homes know it would be traumatic to have such a major defect even without property tax being levied on the property. Even if there is an effort to rectify the problem, there is no attempt made to be compassionate and understanding while admitting there is a structural problem that is no fault of the home owner. It should be dealt with now rather

than put on the long finger, thinking “Live horse, get grass,” and it can be done with different legislation. If this Bill goes through tonight without amendments seeking a review, there will be no review. The lads will be gone to the country, running up and down gaps, hiding from the electorate. They will not be heard of and the next Government will have to grapple with the issue. Unfortunately, the home owners will be left in their perilous position, paying property tax. It is robbery without violence.

**Deputy Pearse Doherty:** I add my support to the amendment before us dealing with the pyrite issue. We know from replies to parliamentary questions that only 76 households have been excused from paying this levy, although 2,000 applied. The statistics demonstrate that fewer than 5% of these households have been successful in their application. It is well established that the scheme has been ineffective, to say the least. We know the estimated number of houses that could be affected is up to 20,000. When it was announced in the debate on a Finance Bill a number of years ago, it was indicated that this would be a great saviour.

Deputy Daly’s amendment is necessary. I know the Minister stated on Committee Stage that he would deal with the scandal. To expand on the issue, the scheme also needs to deal with the residents in my home county of Donegal affected by muscovite mica. We know the Government eventually moved on the pyrite disaster, although the scheme is largely deficient, has not delivered and is currently under review. There must be a similar scheme for the mica problem and I ask the Government to consider the matter.

Other cases relevant to this amendment include Longboat Quay, Riverwalk Court and other estates that may, in real terms, have properties of zero value. The homes in those estates would have no value on the market if up for sale, and that is a burden for many of the mortgage holders in these estates, given the shoddy workmanship of developers in the period in question. When the issue was raised with the Minister, he turfed the responsibility onto home owners by saying the local property tax is self-assessed and if houses have no value it is possible to declare that to the Revenue Commissioners. I have spoken to residents and they are very concerned about that. They know there are fines for failure to pay or avoiding taxes and, because it is self-assessed, the Revenue Commissioners can come back at a later stage. This must be dealt with in a uniform way.

There are issues in a number of estates, and the Government is well aware of them. People are trying to find remedies, but that has gone on far too long. Where there are defects, as long as this tax applies, there needs to be a clear scheme to make such properties exempt from tax in the period when the homes have no value. That is instead of putting the burden on home owners.

**Deputy Simon Harris:** I thank Deputy Daly, and I know she has raised the issue on several occasions because I have been here when the Minister of Finance has discussed it with her. I am aware of the issues that the Deputy is attempting to address with her proposed amendment. At the outset, I acknowledge the stressful situations that individuals face when building works are not completed to the required acceptable standard. I also accept that defects that manifest after completion and are not resolved have a significant impact on the lives of those affected. As the Minister has advised on many occasions in the past, a liability to local property tax should apply to all owners of residential property, with a limited number of exemptions. Limiting the exemptions available allows the rate to be kept low for those liable persons who do not qualify for an exemption.

It was made clear during the passage of the Finance (Local Property Tax) (Amendment) Act

2013 that the exemption being provided at the time for homes affected by pyrite would be restricted to properties with significant pyritic damage and that not all damaged properties would be able to avail of the exemption. Regulations made by the Minister for the Environment, Community and Local Government relating to testing, certification and the National Standards Authority of Ireland, NSAI, protocol were published in May 2013, and these restricted the local property tax exemption to properties with significant pyritic damage, where such damage had been proven by the appropriate testing and subsequently certified.

Section 10A of the Finance (Local Property Tax) Act 2012, as amended, now provides for a temporary exemption of at least three years from the local property tax for residential properties that have been certified under regulations made by the Minister for the Environment, Community and Local Government as having significant pyritic damage. The property owner is required to support a claim for the exemption by submitting a certificate to the Revenue Commissioners issued by a competent person as detailed in IS 398, dealing with reactive pyrite in sub-floor hardcore material, specifically Part 1, testing and categorisation protocol, published by the NSAI. This is the only type of certificate that is relevant under current legislation.

On foot of the report on the review of the local property tax, which the Minister for Finance commissioned and which was submitted to the Minister by Dr. Don Thornhill, the Minister decided to ease the qualifying criteria for reliefs from local property tax for home owners whose properties are severely impacted by pyrite. He accepts the points raised by Deputies on the need for such an easing of the criteria. The current pyrite exemption will continue in place and will remain confined to those properties having a damage rating of 2, or 1 with progression. However, where a property has been accepted for remediation by the Pyrite Resolution Board without testing, or a property has been remediated by a guarantee company or by a builder or developer, or where a party is compensated in lieu of remediation, without testing, the Revenue Commissioners will accept confirmation of remediation or compensation from either the resolution board or the relevant party for the purposes of exemption without testing or NSAI certification.

It is not a question of individuals self-assessing in the absence of the board or a relevant body. The Revenue Commissioners have agreed to operate the change in local property tax procedures on an administrative basis pending the implementation of necessary legislative amendments, and they will apply these changes from 1 July 2013, when local property tax came into operation. The Deputy is no doubt aware that following Government approval, the Minister for Finance will introduce legislation in the coming weeks that will cover the deferral to 2019 of the next local property tax valuation date, and other issues, including pyrite, currently being dealt with on an administrative basis by the Revenue Commissioners. We will have that legislation in the coming weeks.

In addition, I reiterate that the local property tax operates on a self-assessment basis and it is a matter for the property owner in the first instance to calculate the tax due based on his or her assessment of the market value of the property. Where a property owner does not qualify for an exemption when making an assessment, issues such as the presence of pyrite in a particular area would be one of the factors that they could take into account in valuing their property.

The Minister believes the Deputy's proposal is too broad and could result in a compromise in the availability of reliefs to the target group and those which apply in the wider context of local property tax. He intends to deal with this in the legislation as outlined in the coming weeks. Accordingly, I am not in a position to accept the Deputy's amendment.



**Deputy Clare Daly:** In some ways we heard the “change is imminent” response last year, but I realise it is more imminent this year. There is a disparity between circumstances in which citizens owe the Revenue Commissioners money and those in which the Revenue Commissioners owe citizens. The speed at which matters are addressed is not the same. That is a really cruel blow for people to take. We have heard of families who have had deductions for property tax taken from their wages despite the fact that their houses were included in the pyrite remediation scheme. There was the ludicrous position in which of one arm of the State was willing to spend €40,000 to remediate a property while the Revenue Commissioners, another arm of the State, could not give the owner an exemption of a couple of hundred euro per year because they argued there was no proof that the families were affected by pyrite. I am glad that is being addressed, with a statement from the Pyrite Remediation Board or Premier Insurance under the other guarantee being adequate. It is still not enough.

The Government is repeating the inadequacies that exist within the pyrite remediation scheme, which is geographically limited, does not take into account the other damage highlighted by Deputy Doherty, and is based on damage. The problem is that the people in what is probably the best position are those with the most damage. They can move and have their properties remediated. Those in the middle, whose houses are damaged but have been deemed not to be damaged enough despite being in a pyrite area, have it worse. They cannot sell or move and they will not have the property remediated. Nevertheless, they are hit with this bill because of the Government’s failure to take up my amendment. That is regrettable, and I will press the amendment on that basis.

Amendment put and declared lost.

**Deputy Michael McGrath:** I move amendment No. 25:

In page 103, between lines 28 and 29, to insert the following:

“**87.** The Minister shall, within one month of the passing of this Act, prepare and lay before Dáil Éireann a report on options available for the charging of Deposit Interest Retention Tax at rate equivalent to the individual’s marginal income tax rate.”.

This amendment relates to the issue of deposit interest retention tax, DIRT. Deposit interest is income for an individual but it is not taxed in the normal way as all other forms of income are. The purpose of this amendment is to call on the Government to bring forward a report on the options available for the charging of DIRT at a rate equivalent to the individual’s marginal income tax rate.

As the Minister of State knows, since 2008 the level of DIRT has gone up from 20% to 41%. It has more than doubled - an increase greater than any in any other taxation heading of which I am aware. It came at a time that coincided with a collapse in interest rates. For many elderly people in particular, who rely on deposit interest for their income and notwithstanding the very limited exemption that is available for elderly people in certain circumstances, those who have no income tax liability can end up paying 41% tax on their deposit interest, plus a further 4% PRSI in certain cases, if they have unearned income above a level of about €3,200. If one is paying income tax generally at 0%, 20% or 40%, one is paying DIRT at 41% on one’s deposit interest. I know what I am suggesting raises administrative issues and is potentially complex, but there is an issue of justice and equity here and it affects many people, particularly elderly people. This amendment was debated on Committee Stage, but I wanted to ventilate the issue

on Report Stage in the full Chamber and I hope the Government will reconsider this.

**Deputy Simon Harris:** I thank Deputy McGrath. In his amendment, the Deputy is seeking to reduce the rate of DIRT to a rate equivalent to the taxpayer's marginal rate of tax, that is, 40%, 20% or 0%, if the person does not have a taxable income. The standard DIRT rate has increased significantly since 2008, as Deputy McGrath said. It has gone from 20% to 41% and is now 1% above the higher rate of tax. Up to budget 2009, the rate of DIRT was equal to the standard rate of income tax at 20%. The increases in recent years were introduced, as Deputies will appreciate, to generate additional yield and to encourage spending in the economy to stimulate both growth and employment.

Revenue estimates that the cost of charging DIRT at a rate equivalent to the individual's marginal income tax rate - in other words, 40% or 20% - would be of the order of €77 million for 2016, based on a forecasted DIRT yield of €298 million. This is a necessarily tentative estimate as it cannot, for instance, account for any individuals moving bands. This represents a substantial loss to the Exchequer, especially as under the terms of the Stability and Growth Pact Ireland may not introduce discretionary revenue reductions unless they are matched by other revenue increases or expenditure reductions. This means the Government must consider carefully any tax changes, as any reduction will have to be offset elsewhere. I am further advised that there would also be significant administrative issues, as in fairness the Deputy appreciates, and costs associated with such measures, both for Revenue and for financial institutions in such a development. In these circumstances, on this occasion I am not in a position to accept this amendment.

**Deputy Michael McGrath:** I thank the Minister of State for his reply, which is very similar to the debate we had on Committee Stage, and I acknowledge that. I acknowledge that it would take time to introduce a system of this kind because of the cost involved and the complexity that would necessarily be involved in introducing such a system. However, it is unfair to tax this form of income in a fundamentally different way from how other forms of income are taxed. While there is an exemption for people over the age of 65, for example, whose income lies within the overall income exemption limits for that age category, it still represents a significant burden and the increase in the rate has coincided, as I said, with a collapse in the actual interest rates, so people who have been dependent on interest income are now very badly affected by the combination of both these effects. I will press the amendment. I know the Government will not change its mind, but it is important to flag this as an area that is in need of reform in the future.

Amendment put and declared lost.

**Deputy Michael McGrath:** I move amendment No. 26:

In page 103, between lines 28 and 29, to insert the following:

“**87.** The Principal Act is amended by insertion the following section after section 195A:

“**195B.** (1) In this section—

‘expenses’ means vouched expenses;

‘normal place of work’ means the location where an employee or director undertakes the majority of the activities of their employment/office;

‘relevant employee or director’ means an employee or director who undertakes activities at a temporary place of work and whom incurs additional travel and subsistence expenses arising from that fact, other than that which they would have otherwise incurred.

‘temporary place of work’ means a location where an employee or director is required to travel to undertake activities for a temporary period not exceeding 24 months;

(2) This section applies to payments made by a company to or on behalf of a relevant director or employee of that company in respect of expenses of travel and subsistence incurred by the employee or director solely for the purpose of undertaking activities at a temporary workplace.

(3) So much of a payment to which this section applies shall be exempt from income tax and shall not be reckoned in computing income for the purposes of the Income Tax Acts.”.”.

Again, this issue was debated on Committee Stage and the amendment arises from that. This issue relates to the taxation of certain independent contractors. As the Minister of State knows, the nature of work practice and employment has changed very considerably in this country and an increasing number of people are self-employed. They are establishing their own companies and offering their services as independent contractors. That has raised certain taxation issues. I know the Revenue Commissioners have paid quite a lot of attention to this area and they have had what they call the national contractors project, which has identified issues whereby individuals have not been paying the correct amount of tax. This raises serious issues for the individuals and their tax advisers. I am certainly not holding a candle for anybody who is deliberately evading their taxation responsibilities, but we need clarity in respect of travel and subsistence payments for independent contractors who are self-employed.

I acknowledge that the Department and Revenue held a public consultation exercise earlier this year. That was a very important step forward and it recognised that where large multinationals are undertaking major capital projects, particularly in areas such as ICT and health care, they are finding it increasingly difficult to access the pool of expertise they require from contractors. That is why we need a transparent system in respect of the taxation of travel and subsistence payments for those working away from home. There is the rule of thumb that for an expense to be tax deductible in an employment sense, it has to have been incurred wholly, exclusively and necessarily in the performance of the person’s duties. This issue relates primarily to the costs associated with working away from a person’s normal place of work and the amendment seeks to address that issue. I am putting it on the agenda because there seems to be a lack of clarity.

Revenue is putting a certain interpretation on the taxation law as it applies to this sector which is having an impact. It is obviously having an impact on the individuals, but it is also having an impact on multinationals which are seeking to invest in the country and to ensure that major capital projects can be delivered, which projects necessarily involve a significant input from independent contractors. We need clarity, transparency and consistency of treatment. That is primarily what this amendment seeks to achieve.

**Deputy Simon Harris:** I thank Deputy McGrath. I know there was a debate about this on

Committee Stage with my colleague, the Minister for Finance. Based on that, I do not propose to accept the amendment. As stated by the Minister on Committee Stage, section 114 of the Taxes Consolidation Act 1997 provides for a tax deduction in respect of travel expenses that an employee or office holder is necessarily obliged to incur in the performance of the duties of their office or of their employment. This proposed section would mean in practice that an employee or office holder of a company may be reimbursed expenses of all travel and subsistence without any regard to the criteria set down in section 114, which I am sure is not the intention of the amendment.

It would also mean that the long-standing principle that return travel from home to work is not an allowable expense is not maintained. At present, where an employee or office holder incurs the expense of travelling from his or her normal place of work to attend a temporary place of work, those expenses will generally qualify for a tax deduction and an employer may pay or reimburse such expenses free of tax. The reason for this is that the individual is travelling from his or her normal place of work to another work location and is travelling in the performance of his or her duties.

I also remind the House, as Deputy McGrath has outlined, that officials in the Department of Finance continue to examine the submissions received in response to the recent consultation exercise on the tax treatment of expenses. Should any further legislative changes arise from that consultation exercise in respect of the taxation of expenses and should they be identified as necessary, the Minister will take the appropriate steps. In light of that body of work being carried out currently, on the basis of the consultation exercise and for the logistical reasons I have outlined, I do not propose to accept this amendment.

**Deputy Michael McGrath:** Does the Department intend to produce a report on this aspect? The public consultation period ended and various submissions were made. It is fine that, as the Minister of State stated, the issues raised continue to be examined but is it the case that, if the Minister of State believes no further action is warranted, we will not hear about the matter again? Will a report be published by Revenue or the Department of Finance setting out the assessment of the issues raised to let us know whether the Department believes any changes are required to bring certainty and clarity to this area? If the Minister of State can answer that question, I may be satisfied.

**Deputy Simon Harris:** It is an important question and I assure the Deputy that the Department of Finance will publish that report in the coming months. Regardless of the findings, a report will be published. Alongside that, all the submissions received will be published.

**Deputy Michael McGrath:** On that basis, I will withdraw the amendment.

Amendment, by leave, withdrawn.

Bill, as amended, received for final consideration.

Question put: "That the Bill do now pass."

| <i>The Dáil divided: Tá, 78; Níl, 45.</i> |                               |
|---|-------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                    |
| <i>Breen, Pat.</i>                        | <i>Aylward, Bobby.</i>        |
| <i>Burton, Joan.</i>                      | <i>Boyd Barrett, Richard.</i> |

|                                    |                                |
|------------------------------------|--------------------------------|
| <i>Butler, Ray.</i>                | <i>Broughan, Thomas P.</i>     |
| <i>Buttimer, Jerry.</i>            | <i>Browne, John.</i>           |
| <i>Byrne, Eric.</i>                | <i>Calleary, Dara.</i>         |
| <i>Cannon, Ciarán.</i>             | <i>Collins, Joan.</i>          |
| <i>Carey, Joe.</i>                 | <i>Colreavy, Michael.</i>      |
| <i>Coffey, Paudie.</i>             | <i>Cowen, Barry.</i>           |
| <i>Conaghan, Michael.</i>          | <i>Doherty, Pearse.</i>        |
| <i>Connaughton, Paul J.</i>        | <i>Dooley, Timmy.</i>          |
| <i>Conway, Ciara.</i>              | <i>Ellis, Dessie.</i>          |
| <i>Corcoran Kennedy, Marcella.</i> | <i>Ferris, Martin.</i>         |
| <i>Costello, Joe.</i>              | <i>Fitzmaurice, Michael.</i>   |
| <i>Coveney, Simon.</i>             | <i>Fleming, Sean.</i>          |
| <i>Creed, Michael.</i>             | <i>Fleming, Tom.</i>           |
| <i>Deenihan, Jimmy.</i>            | <i>Grealish, Noel.</i>         |
| <i>Deering, Pat.</i>               | <i>Halligan, John.</i>         |
| <i>Doherty, Regina.</i>            | <i>Healy, Seamus.</i>          |
| <i>Dowds, Robert.</i>              | <i>Healy-Rae, Michael.</i>     |
| <i>Doyle, Andrew.</i>              | <i>Kelleher, Billy.</i>        |
| <i>Durkan, Bernard J.</i>          | <i>Kirk, Seamus.</i>           |
| <i>Farrell, Alan.</i>              | <i>Kitt, Michael P.</i>        |
| <i>Feighan, Frank.</i>             | <i>McConalogue, Charlie.</i>   |
| <i>Ferris, Anne.</i>               | <i>McDonald, Mary Lou.</i>     |
| <i>Fitzgerald, Frances.</i>        | <i>McGrath, Finian.</i>        |
| <i>Fitzpatrick, Peter.</i>         | <i>McGrath, Mattie.</i>        |
| <i>Flanagan, Charles.</i>          | <i>McGrath, Michael.</i>       |
| <i>Griffin, Brendan.</i>           | <i>McLellan, Sandra.</i>       |
| <i>Hannigan, Dominic.</i>          | <i>Mac Lochlainn, Pádraig.</i> |
| <i>Harrington, Noel.</i>           | <i>Moynihan, Michael.</i>      |
| <i>Harris, Simon.</i>              | <i>Murphy, Catherine.</i>      |
| <i>Hayes, Tom.</i>                 | <i>Murphy, Paul.</i>           |
| <i>Heydon, Martin.</i>             | <i>Ó Fearghail, Seán.</i>      |
| <i>Howlin, Brendan.</i>            | <i>Ó Snodaigh, Aengus.</i>     |
| <i>Keating, Derek.</i>             | <i>O'Brien, Jonathan.</i>      |
| <i>Kehoe, Paul.</i>                | <i>O'Dea, Willie.</i>          |
| <i>Kelly, Alan.</i>                | <i>O'Sullivan, Maureen.</i>    |
| <i>Kenny, Enda.</i>                | <i>Pringle, Thomas.</i>        |
| <i>Kenny, Seán.</i>                | <i>Ross, Shane.</i>            |
| <i>Kyne, Seán.</i>                 | <i>Smith, Brendan.</i>         |
| <i>Lawlor, Anthony.</i>            | <i>Stanley, Brian.</i>         |
| <i>Lynch, Ciarán.</i>              | <i>Timmins, Billy.</i>         |
| <i>Lynch, Kathleen.</i>            | <i>Tóibín, Peadar.</i>         |
| <i>Lyons, John.</i>                | <i>Troy, Robert.</i>           |
| <i>McCarthy, Michael.</i>          | <i>Wallace, Mick.</i>          |



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|---------------------------------|--|
| <i>McEntee, Helen.</i>          |  |
| <i>McFadden, Gabrielle.</i>     |  |
| <i>McGinley, Dinny.</i>         |  |
| <i>McHugh, Joe.</i>             |  |
| <i>McLoughlin, Tony.</i>        |  |
| <i>McNamara, Michael.</i>       |  |
| <i>Mitchell, Olivia.</i>        |  |
| <i>Mitchell O'Connor, Mary.</i> |  |
| <i>Mulherin, Michelle.</i>      |  |
| <i>Nash, Gerald.</i>            |  |
| <i>Naughten, Denis.</i>         |  |
| <i>Neville, Dan.</i>            |  |
| <i>Noonan, Michael.</i>         |  |
| <i>O'Donnell, Kieran.</i>       |  |
| <i>O'Donovan, Patrick.</i>      |  |
| <i>O'Dowd, Fergus.</i>          |  |
| <i>O'Mahony, John.</i>          |  |
| <i>Penrose, Willie.</i>         |  |
| <i>Perry, John.</i>             |  |
| <i>Phelan, John Paul.</i>       |  |
| <i>Quinn, Ruairí.</i>           |  |
| <i>Rabbitte, Pat.</i>           |  |
| <i>Reilly, James.</i>           |  |
| <i>Ring, Michael.</i>           |  |
| <i>Ryan, Brendan.</i>           |  |
| <i>Shatter, Alan.</i>           |  |
| <i>Spring, Arthur.</i>          |  |
| <i>Stagg, Emmet.</i>            |  |
| <i>Stanton, David.</i>          |  |
| <i>Tuffy, Joanna.</i>           |  |
| <i>Twomey, Liam.</i>            |  |
| <i>Wall, Jack.</i>              |  |
| <i>White, Alex.</i>             |  |

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

Question declared carried.

6 o'clock

**An Ceann Comhairle:** This Bill, which is a certified money Bill in accordance with Article

22.2.1° of the Constitution, will be sent to the Seanad.

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

**An Ceann Comhairle:** The Select Committee on Justice, Defence and Equality has completed its consideration of Vote 35 for the year ending 31 December 2015.

### **Motor Vehicles (Duties and Licences) Bill 2015: Second and Subsequent Stages**

**Minister for the Environment, Community and Local Government (Deputy Alan Kelly):** I move: “That the Bill be now read a Second Time”.

I am pleased to open the debate in the Dáil on the Motor Vehicles (Duties and Licences) Bill 2015. In light of the importance of the haulage industry to our export-led growth and to ensure Ireland remains competitive, it was announced in the 2016 budget that the rates of commercial motor tax on larger goods vehicles were to be reduced. The main purpose of the Bill is to give legislative effect to those reductions. The reductions, to apply to all goods vehicles with an unladen weight exceeding 4,000 kg, will take effect for vehicle licences taken out with a commencement date of 1 January 2016.

The current structure for goods vehicles has 20 rate bands ranging from the lowest rate for electric vehicles of €92 to €5,195 annually for the heaviest goods vehicles. As well as reducing the rates for all goods vehicles, the rate structure is also being simplified. From January, there will be just five bands of motor tax which will range from the current level of €92 per annum for electric goods vehicles up to a top rate of €900 per annum for all goods vehicles in excess of 12,000 kg. The reductions are tapered, from a reduction of €4,295 for the heaviest goods vehicle band to a reduction of €43 annually for vehicles weighing between 4,001 and 5,000 kg. There are no changes to the lowest two bands, which remain at €333 and €420, respectively. This change will benefit the owners of some 29,000 goods vehicles. The higher rates that apply in Ireland by comparison to those in the UK, along with the introduction of road user charging in that jurisdiction, have caused a distortion and have led to comparatively higher costs for Irish-based hauliers. The changes provided for in this Bill go some way towards redressing the imbalance. I am sure they will be welcomed by everyone in this House. This is an interim measure, pending the replacement of the current basis of taxation for goods vehicles on unladen weight. This system is out of line with the basis of taxation in other countries. Consideration is being given to replacing it with a fairer system of calculation based on gross design vehicle weight. There are no changes to motor tax rates for any other category of vehicle. The annual cost of all of these reductions is estimated to be €43 million.

The Bill before the House also proposes to make further amendments to existing goods vehicles legislation. On 21 October last, just over a week after the announcement of the budget reductions, a Court of Appeal judgment stated that the practice of weighing an articulated vehicle with the heaviest unladen trailer was not adequately provided for in law and that only the mechanically propelled element of the vehicle, which is commonly referred to as the tractor unit, was liable for motor tax. The judgment further provided that such vehicles, of which there are some 10,600 in the fleet, fall to be taxed under Part I, paragraph (4)(d), of the Schedule to the Finance (Excise Duties) (Vehicles) Act 1952. This is the rate for non-agricultural tractors and

is currently set at €333 per annum. Prior to the judgment, Part I, paragraph (5), of the Schedule to the 1952 Act, which contains the rates for goods vehicles, applied. Following receipt of the judgment, the necessary technical adjustments to charge motor tax on such vehicles at the tractor rate of €333 have been made to the national vehicle and driver file. Rigid goods vehicles continue to pay tax at the goods rate and are not affected by the Court of Appeal judgment. The judgment stated that “if it is indeed the view of the Oireachtas that the owners of such tractors should pay an excise duty based on the weight of the trailer being hauled by the tractor, then new legislation will be required to make that intention clear.” On that basis, this Bill contains not only provisions to give effect to the rate changes announced in the budget, but also provisions to bring articulated goods vehicles within the scope of paragraph 1(5) of the 1952 Act - the goods category. This is an equitable approach as it means that all goods vehicles, articulated or not, will be treated in the same way for motor tax purposes.

I will turn now to the provisions of this relatively short Bill, which contains six sections. Section 1 sets out the definitions contained in the Bill. Section 2 provides for the new rates for goods vehicles to apply to motor tax discs with a commencement of 1 January 2016 or thereafter. Section 1 of the 1952 Act provides for duties of excise to be charged, levied and paid on mechanically propelled vehicles being used in a public place. Section 3 of this Bill inserts a new subsection into section 1 of the 1952 Act to provide that, in the case of goods vehicles, a mechanically propelled vehicle means the vehicle inclusive of the additions provided for in the Finance (Excise Duties) (Vehicles) (Amendment) Act 1960. The current additions contained in the latter Act are a body, a part, a fitting or a receptacle. Later sections of the Bill will provide for semi-trailers, which are the drawn components of articulated trucks, and trailers to be included as additions. Section 4(1) excludes tractor units from the non-agricultural tractor category and provides, in paragraph 5 of Part I of the Schedule to the 1952 Act, which is the goods category, for the unladen weight of goods vehicles to include the additions provided in the 1960 Act. Section 4(2) provides for the new rates for goods vehicles announced in the budget. Section 4(3) provides for the insertion of relevant definitions in the Schedule to the 1952 Act and deletes a subparagraph that is no longer of relevance. Section 5(1) inserts definitions in section 1 of the 1960 Act that are relevant to amendments being made to that Act. Section 5(2) provides for semi-trailers and trailers to be included as additions in the 1960 Act. Section 5(3) provides for semi-trailers and trailers to be included as additions in the enforcement provisions of the 1960 Act. The final section, section 6, provides for the Short Title.

The purpose of this short Bill is to give permanent legal standing to the motor tax decreases announced in budget 2016, which were discussed on the floor of this House on numerous occasions. The additional amendments are intended to bring articulated goods vehicles back into the category under which they were taxed prior to the Court of Appeal judgment. I commend the Bill to the House.

**Deputy Barry Cowen:** We recognise that the primary purpose of this Bill is to provide a legislative basis for the reductions in motor tax for heavier goods vehicles, as announced in the budget, which are to take effect from 1 January next. We welcome the decision to decrease the amount of commercial tax paid by hauliers. For a number of years now, road tax for large goods vehicles in Ireland has been too high. It is grossly uncompetitive by comparison with the regime that has applied in Northern Ireland and the rest of the UK since April 2014. It has been causing distortions in the haulage industry and increasing costs across the Irish economy. Members of Fianna Fáil have called on the Minister to address the uncompetitive environment for Irish hauliers.

We note the secondary function of the Bill, which arises from the need for legislative changes on foot of a decision issued by the Court of Appeal in October. The court ruled that a truck's trailer is not a separate taxable unit. We welcome this legislative change, which gives greater precision to the definition of a "truck-trailer". In light of the mistake that was identified by the court ruling, and given that hauliers will experience heavy reductions in their commercial motor tax from 2016, we believe it is appropriate for the Minister to inform tax offices of the Court of Appeal ruling and ensure lower rates are charged for all tax renewals until 1 January next.

We note also that it was said during the course of the budget debate that the measures being introduced in relation to commercial motor tax are temporary ones. That being the case, we would like to know when the Minister anticipates that this regime will eventually be replaced. Is it to be replaced by a regime similar to that in the UK, which is based on the gross design vehicle weight of the vehicle being taxed? What is to be the framework for the new tax regime? I would appreciate it if the Minister would give the House, and by extension the industry, an indication of where he stands on that matter at as early a stage as possible.

It is appropriate to avail of the opportunity presented to us to discuss the whole haulage business during this Second Stage debate by talking about the proposal to impose a tyre tax. As the Minister of State knows, this is a major issue for the haulage and farming sectors.

**Deputy Alan Kelly:** The Deputy is being speculative.

**Deputy Barry Cowen:** We believe this proposal will be made in response to the Minister of State's decision, which was difficult to understand, to place a full producer responsibility initiative on waste tyres and thereby give an effective monopoly on waste tyre disposal to Repak. The effect of the introduction of such a convoluted scheme would be to create a very large indirect tyre tax for hauliers, farmers and private motorists. Under the current self-compliance scheme, the cost of disposing of a tyre is €1. This will increase significantly under the Government's proposal to introduce a full producer responsibility initiative for waste tyres, which will cause the cost per tyre to increase by €3 for cars, by €15 for trucks and by €20 for agricultural vehicles. It is most likely that hauliers will have to absorb this increase in costs directly. This will add significantly to the cost of doing business.

We also feel that the proposed scheme will fuel evasion and lead to a surge in black market activity. It will send all buyers of truck and tractor tyres across the Border to Northern Ireland. The costs in the UK mean that if this new tax is introduced, tyre purchasers will be able to save themselves €100 or more on a single set of tyres by crossing the Border. This proposal will give external sellers a huge unfair advantage over domestic sellers. It will lead to massive distortions in the market for tyres. We are sure that this destruction will unfortunately result in job losses in the industry.

Furthermore, the proposed system is not necessary. We believe the review on which it is based rests on shaky evidence. The RPS report contended that there was 50% non-compliance in the industry. This is questionable, however, because we are informed that the reporting group engaged with the retailers in an inadequate manner and made a number of rudimentary mistakes in its report. While there may be compliance problems with the system in place, these arise from the lack of enforcement of current legislation rather than with the system itself. Monitoring of waste tyres can be improved without giving a market monopoly to any one industry, such as Repak. As opposed to the proposed full PRI system, we propose measures to strengthen the current system while allowing competition among licence collectors, imposing stronger

sanctions for non-compliance and introducing mandatory registration to monitor compliance of waste collected. This is a similar type of system to those in place in the UK and Germany and we believe it functions most effectively. While protecting the environment, these proposals would keep hidden taxes on truck tyres at their current levels and would not impose further tax burdens on the sector or on the farming sector and motorists. Having recognised difficulties that arose by virtue of the discrepancy in costs between the UK, Northern Ireland and ourselves, it is very disappointing that the imposition of the tyre tax is fast approaching, doing down any positives that are contained in this Bill from the proposals to reduce the motor tax applying to the industry. I await the Minister's response.

**Deputy Brian Stanley:** I welcome the opportunity to speak on this Bill, as it deals with an issue on which I have lobbied the Minister for Finance for the past two years, namely, the road tax on HGVs. It is a very important issue. One of the things it shows up is that we are a small island with a population of just under 6.5 million on the north-western fringe of Europe. We are relatively small players, and the haulage industry highlights the fact that we need uniform systems on the island for taxation, excise and other things, because anomalies between the systems that operate in Newry and Dundalk cause huge problems. As we move towards an island economy in the years to come, we will hopefully continue to remove the anomalies and differences from the systems in this State and the Northern statelet.

While some partitionists were jumping up and down about the change in the corporation tax rate in the North to 12.5%, most sensible people can see that the move by the parties in the North, supported by the two Governments, will eventually be good for the economies on both parts of the island. There was a ridiculous situation in which haulage firms were upping sticks to Cardiff and Liverpool, resulting in a loss of jobs, PRSI, PAYE and income tax, as well as road tax. Something had to be done. The haulage industry was put to the pin of its collar. Its companies had to work with very tight margins and under a lot of stress because it is a difficult business to be in. They lobbied hard, and the action by the Government was very decisive. It was the big move that was needed and, on this occasion, it deserves ten out of ten for doing the right thing to protect and enhance the industry. That is not to say there are no improvements that can be made.

I want to highlight an issue relating to the testing of trailers. Trailers are tested on their birthdays, if that makes sense to the Minister. A haulier may have several trailers, and some specialty trailers for certain jobs may be used only occasionally. The problem is that a trailer can be tested but not used. Once it is tested the result should last for a full year, but it does not at the moment. I checked this matter with the haulage industry. The result lasts for a full year in the North and in Britain, so the Department needs to look at it.

I agree with the previous speaker that there is a problem with what the Minister is proposing as regards tyres. It is going to put a huge penalty on the haulage sector, the agriculture sector and the general motor industry. I do not want tyres to be illegally dumped and Sinn Féin does not want to see anything illegally dumped. We want to protect the environment, but the problem is that what is being proposed is a one-size-fits-all solution. It will be a monopoly of sorts, and this is not good. The current system may not be perfect but I believe it can be improved and that mechanisms can be put in place to do that. The fact that similar schemes are operating in other countries in Europe, particularly our closest neighbours, England, Scotland and Wales, gives us an opportunity to improve what is currently in place. I ask the Minister to revisit this issue. It is not just the tyre industry; the haulage industry is also lobbying hard on this. While we cannot accede to the requests of everyone who lobbies us, we have to listen to what they are



saying about the practicalities. Where it is shown that a similar system can operate in neighbouring states, we need to look at how we can learn from that to improve our own system. I do not see huge numbers of waste tyres, though there were a lot being disposed of a number of years ago. In recent years, the general waste industry and the motor industry have tightened up a lot and are acting fairly responsibly. That is not to say they cannot make further headway, and I would like to see that done.

One part of this Bill deals with the court judgment of 21 October to the effect that the State had imposed the wrong rate of tax on several classes of vehicle. Because of the original error, somewhere in the region of 4,000 road hauliers will pay a much lower tax rate - as low as €333 for the whole of 2016 - on a large HGV. This leads to the ridiculous situation in which a commercial heavy goods vehicle will be taxed at the same rate as a farm tractor. That makes no sense, but because the error is only being corrected now, some hauliers will be able to pay the lower rate.

Given that the motor vehicle tax is administered through the Department of the Environment, Community and Local Government, it might also be appropriate to raise another issue, namely, the fact that the local property tax has been and is being used to subvent Irish Water. I have raised this on several occasions, as it makes a joke of the claim that the local property tax is devoted to the provision of local services through local authorities, which have seen their budgets slashed. Likewise, the diversion of motor taxation funding into Irish Water makes a mockery of the claim that the tax is intended to pay for road maintenance and other issues connected to transport. This was more or less denied when I first raised it, but it was confirmed at the Committee of Public Accounts in February by the Secretary General of the Department, Mr. John McCarthy. He confirmed that a subvention payment of €439 million was made to Irish Water in 2014 from what is, ironically, still called the Local Government Fund. All revenues from motor tax and local property tax are placed in the Local Government Fund, where they are supposed to be used to support local authorities in maintaining public services, amenities and roads. On top of the money paid to Irish Water to compensate for its absolutely disastrous performance in 2014, a further payment from the Local Government Fund will be made this year. The Estimates published in February provided for a figure of €399 million for this purpose. Irish Water's record and lack of credibility create a problem regarding revenue from motor tax.

Other issues arise regarding road haulage and the working conditions of drivers, including the hours they work. Many drivers spend long periods away from home and are often faced with long waits at ports and other locations, which can be dangerous. Deputies will be aware of the stress experienced by continental hauliers who use Calais.

The road haulage industry is an important sector given the high level of exports. Good regulatory and monitoring systems must be in place for the industry.

The main thrust of the Bill is to remove the anomaly whereby articulated lorry tractor units are taxed as agricultural vehicles and give effect to the welcome measures provided in the budget to reduce road tax. These reductions will bring the position in this State into line with the position in the Six Counties, which will make the whole country competitive and will be good for everybody.

While I do not have a problem with foreign companies entering the Irish market, in the past decade or thereabouts it has been galling to see foreign firms enter the market with an unfair advantage. For example, haulage firms based in Scotland, England and Wales were picking up

loads in the midlands and west. The main thrust of these foreign-based companies was to haul goods from the midlands at the expense of local haulage companies which were unable to compete because of the high rate of taxation and other issues. The measures in the Bill will rectify this problem. They are strongly welcomed by hauliers and drivers. Sinn Féin fully supports the Bill as it is good for exports and industry.

**Deputy Michael Fitzmaurice:** I commend the Minister on reducing motor tax on heavy goods vehicles. As someone who has been involved with haulage over the years, I have been advocating this change for some time. The current levels of motor tax were crippling for Irish hauliers, especially those involved in trade to the Continent. As the Minister will be aware, trucks must pay £10 per day for using the roads in England, which was costing up to £5,500 for some of the double-drive lorries travelling through England to the Continent. This was a crippling cost.

I welcome the move to reduce the tax rate to €900. Given that the rate in England is £900, Irish hauliers will have a badly needed advantage over British hauliers. I also welcome the decision to apply the tax to the truck and trailer, rather than going down the road of dropping one load and then having to go away on trailers and try to bring something in the back door.

The Minister indicated he was examining various options regarding gross design vehicle weight. He should ensure the system remains simple because it is good for the country as it stands. Many people who would never have contemplated buying a lorry will now do so, which will create employment. I commend the Minister on this measure and the measures introduced on diesel in recent years.

Many Irish companies are transporting abnormal or heavy concrete loads to England. This is a significant export trade for companies involved in the concrete business. The permit system for such transport is excessively complicated. For example, a company transporting a load from Galway to Dublin must obtain seven or eight permits. However, a truck arriving in Holyhead can travel to any part of Britain on one permit that lasts for a week. I ask the Minister to examine this issue with a view to simplifying or centralising the process. Making telephone calls to seven or eight different places to obtain permits creates an incredible amount of work for the companies in question. Many firms in Galway, Westmeath, Dublin and elsewhere are exporting large amounts of concrete, which is good for the country. I ask the Minister to address this issue.

Deputy Stanley raised the issue of the test with regard to trailers, lorries and even vans. The system is currently based on the owner's birthday. If a lorry was parked up for four months or six months, the test would be backdated, which means the certificate may only be valid for four or five months. This is not a great system because some operators may have spare capacity and will not use lorries for a while. I have encountered cases where the vehicle is passed for only one or two months.

Tyre regulations require hauliers to do X, Y and Z. Some countries have established a system whereby tyres are shredded and the by-product mixed with tar and used in road construction. These products create a smoother road surface. We should consider this approach and other alternatives to reduce the burden on people seeking to dispose of tyres. Tyre by-products could be useful in the construction of new roads.

I welcome the Bill. Some people are confused by the current position whereby someone

who renewed motor tax on a lorry on 21 or 22 October paid €333 for the full year, whereas someone renewing on 7 or 8 October paid the full whack.

**Deputy Alan Kelly:** That is the luck of the draw.

**Deputy Michael Fitzmaurice:** I understand that one cannot win all the time. The issue has caused some confusion, although to be fair to the Minister he has provided clarity on the matter in recent days.

I ask the Minister and the Minister for Transport, Tourism and Sport, Deputy Pascal Donohoe, to examine another issue which came to my attention this evening. Under a new tachograph system for tractors being introduced, someone transporting cattle to a mart more than 30 miles away must have a tachograph fitted. In many areas, farmers must travel more than 30 miles with cattle and they should not need a tachograph to do so. This requirement is the result of an EU regulation introduced in 2006. In the next few days, a farmer will appear in court for transporting straw from County Tipperary to County Mayo, a distance of more than 100 km, without a tachograph. It is permissible to transport sludge or forestry poles around the country without a tachograph. This is an example of the lunacy of EU bureaucracy and legislation that is crippling people.

I ask the Minister to address the issues I have raised to benefit people who are doing simple things as they seek to make a living and provide for their families.

**Deputy Mattie McGrath:** I welcome the decision taken by the Ministers for the Environment, Community and Local Government and Transport, Tourism and Sport to introduce this badly needed legislation. I salute Verona Murphy, the Irish Road Haulage Association and the Freight Transport Association of Ireland for the lobbying they did on this matter. The Minister for Transport, Tourism and Sport promised to introduce this measure in response to an oral question I asked him and in fairness to him, he kept his word and I salute him for doing so.

The Bill reduces the number of tax rates from 20 to five. I welcome any move to reduce bureaucracy.

**Deputy Finian McGrath:** Is the Deputy praising the Minister?

**Deputy Mattie McGrath:** I will praise him when necessary and build him up to take him down, if that is all right. Whether building a load of bales, blocks or cattle, I give praise where it is due. I acknowledge that this measure was badly needed as hauliers here were facing unfair competition from hauliers in the North.

We have a high level of exports and need hauliers and drivers to transport them. They do an excellent job under difficult conditions. If the cap fits, the Minister should wear it, and he can wear it proudly because this is welcome legislation. However, the cap slides down or falls off on other initiatives, specifically the new measure on the fitting of tachographs. It is farcical. A fellow Tipperary man bringing a load of bales to Castlebar was pulled in and faces the courts next week. It is ridiculous legislation. Those things will have to change. Are we going to go back to the fair days when we had to hunt the cattle to the marts? Will we have to walk them from Nenagh to Portroe or Clonmel to Cashel with bulls and all on the road? It is pure bureaucracy gone mad from officials. We get rid of some of it here and we bring in more of it. It is pure bananas. Next thing, we will have camels going up and down. We will be hunting camels as well.

I challenge the Minister on the directive relating to waste tyres. It is not about an EU directive. I salute the Acting Chairman, Deputy Robert Troy, who has fought a long battle on this issue. The Minister is responsible for this. He cannot blame bureaucrats in Brussels or an EU directive; this is an Alan Kelly directive, an AK-47 directive, which will put huge pressure on road hauliers, farmers, and even the Minister's officials, who are looking at me over there. Four tyres on their humble cars will add at least €14 or €15. It stinks to high heaven. I have asked a lot of questions and have many more to ask about this. It is a directive that is trying to get rid of the waste collectors in place, who are doing a good job. I do not condone anybody who dumps a tyre illegally, and I salute the tyre dealers in Tipperary who have a proper system and give the tyres to reputable plants. This will wipe out a whole lot of business people, and for what? To give the business to Repak? Another big company. Another big mess. Another big - I will not say what I think it is, but I know the Minister is very close to them, and a lot of people can be close to them. This is very distasteful.

**Deputy Alan Kelly:** How would I be very close to them?

**Deputy Mattie McGrath:** We will find out that when we get the answer to the questions. I will not say any more than that.

**Acting Chairman (Deputy Robert Troy):** Allow the Deputy to speak without interruption.

**Deputy Mattie McGrath:** I am just saying that it is very wrong and makes no sense. We cannot blame Europe or duck behind an EU directive. The Minister has to face the music himself. He might not go down to meet Vincent Browne but he will have to meet the people on the doors and the tyre dealers in Tipperary and Offaly and deal with them.

**Deputy Alan Kelly:** I have met them.

**Deputy Mattie McGrath:** He will have to deal with the householders when they feel it after their tyres have gone up by €20 for an ordinary saloon car. A haulier's tyre costs will go up by €100, and for a tractor the cost will increase by €100 per tyre. It is nonsense. I repeat that it is a Minister Kelly directive. He is the boss in the Department of the Environment, Community and Local Government, as he has proclaimed many times. He is the man in charge and the directive is coming from him - through his officials, but directed by him. It is wasteful and it is an attack on small business people in the tyre industry. It is an attack on the ordinary public by driving up the price of tyres. It is an attack on farmers. Are we going to leave cattle at home, so, and have fair days in local villages, as we had a hundred years ago? We cannot have these silly directives. I appeal to An Garda Síochána not to be over-zealous. Taking tractors and trailers off a man with cattle in the mart? What is he going to do? They hired a low loader to take him to a test centre at enormous cost, even though he could not be tested because there is no test for a tractor and trailer. He could not provide a tachograph printout because there are no tachographs in tractors. I will invite the Minister to come and sit up in my tractor some day - I have a spare seat in it - and he will see there is no place for a tachograph.

**Deputy Alan Kelly:** I have a tractor myself.

**Deputy Mattie McGrath:** The Minister is too warm in his State car with his State drivers.

**Deputy Alan Kelly:** We should compare tractors some time.

**Deputy Mattie McGrath:** There is no tachograph in a tractor and there never was. I could

give the Minister a Christmas card from Santa Claus. This is not Santa Claus. It is more like Satan coming along and persecuting people.

**Acting Chairman (Deputy Robert Troy):** Thank you, Deputy. Now, I wonder whether Deputy Finian McGrath has a tractor.

**Deputy Alan Kelly:** He is down in north Tipperary often enough to see them.

**Deputy Finian McGrath:** It will be very difficult to follow Deputy Mattie McGrath. I am grateful for the opportunity to speak on the Motor Vehicles (Duties and Licences) Bill 2015. I welcome the debate and I broadly welcome the legislation, as it deals with a grave injustice that was done to all those who work in the road haulage industry, a very important cog at the economic heart of this country. Before I go into the details of the legislation, I note that it is a positive and common-sense development, hence my support for the Bill. It fixes a problem that a lot of people agree must be fixed. We must be creative and radical when it comes to the economic development of this country. Jobs must be top of that agenda. The Bill makes a contribution to that aspect of economic recovery. Deputy Michael Fitzmaurice said to me before the debate “What do you know about lorries?”. I note to Deputy Fitzmaurice that for eight years I worked as a helper on lorries for Coca-Cola, delivering Coca-Cola up and down the country in Dublin, Cork, Galway and Clare. I know a great deal about lorries and unloading them, shifting stuff at midnight and reloading at 7 a.m. It is a tough job and I know its ins and outs. I commend all those who work in the industry, because they are a very important aspect of our economy.

Ireland is an island country and we depend on exports. Road freight transport plays a very important role in the facilitation of growth in our economy. The quantity of goods transported increased by 3.4% to 112.5 million tonnes and the number of vehicle kilometres travelled by Irish-registered goods vehicles rose by 3.6% to 1.3 billion km. That is a huge movement of goods and a very important thing. The other aspect that is often forgotten about is the huge number of people that work in the industry. The Irish Road Haulage Association, IRHA, estimates that road haulage employs an estimated 50,000 people, including those in ancillary jobs. That is some figure when one considers the economic aspects of the debate. The Irish road haulage industry is a large contributor to Exchequer finances. The IRHA estimates that it contributes over €1 billion to the general Exchequer each year via fuel duty, road tax, PAYE and PRSI. That is a major contribution to the economy. As such, it is only right that there is cross-party support for the legislation.

The IRHA says it is important that its member organisations are supported so that they can get on with their jobs. The IRHA has spoken for many years of the disparities between the cost of operating a truck in the South as compared with the North of Ireland, Britain and numerous other EU countries. A 44-tonne articulated truck costs €4,000 to tax in the Republic of Ireland versus €650 North of the Border in Newry. These are the kinds of issues that we have to deal with. That is why it is important that the legislation deals with this issue. The IRHA has also stated that due to ever-increasing costs, Irish international operators are registering - or re-flagging, to use the relevant term - their commercial fleets in European countries where operating costs are far more favourable. For a number of years, the IRHA has been recommending an overhaul of the current Irish road tax regime to bring it into line with the model and costs in the North. That is important. The Bill deals with the decreases in motor tax for heavy goods vehicles announced in budget 2016. These will be implemented on 1 January 2016.

Motorists are often the forgotten people in Irish society. They make a massive contribution



to the Exchequer through tax and duty payments. At times, they are not treated with respect. It is very important to acknowledge that in this debate. I welcome the Bill. It is a contribution and something sensible. I will be supporting it.

**Minister for the Environment, Community and Local Government (Deputy Alan Kelly):** I thank the Members for their contributions and acknowledge the general welcome for the Bill. Because Deputy Mattie McGrath would not do it, I acknowledge the contribution of the Minister for Finance and the Minister for Transport, Tourism and Sport, who worked very closely with me to deliver the Bill. I acknowledge Deputies across all parties and none who have raised the issue of the anomaly that was there over the last number of years. I acknowledge that it was raised across the political spectrum. The benefits that the Bill will bring for haulage firms are very welcome. I have spoken directly with many of them in my previous role in the Department of Transport, Tourism and Sport and in my current role. I come from a county with a great many haulage firms due to its location in the middle of Ireland. There are many small haulage firms in Tipperary, including those of members of my own extended family. As such, I am aware of the issues that have been affecting people. The potential savings here are very significant and will really help from a competitiveness point of view.

I will address a number of issues. Testing trailers on their birthdays is a matter for the Road Safety Authority, RSA, but I will raise it. I understand the permit and tachograph issues well, as they have been raised with me, but they are for the Department of Transport, Tourism and Sport and the Minister, Deputy Donohoe. However, I will discuss them with him as a result of this debate. There is the potential for some work in that regard.

As to when the gross design vehicle weight provision will come into place, a group led by the Department of Transport, Tourism and Sport is working on this matter with the haulage industry with a view to considering changing the situation from an unladen basis to one of gross design vehicle weight. This will bring us into line with the rest of Europe. However, it means there will be a considerable number of amendments to the primary legislation and technical modifications to the national vehicle and driver file. As such, it is unlikely that this will be in place before January 2018, given the significant amount of work required.

The working group is also considering the feasibility of establishing and operating a road user charging system. Given the technological requirements that would underpin such a system, though, it is a more medium to long-term request than a short-term one. From a technological point of view, it would take a great deal of effort. It would be a little too much overkill at the moment.

I was asked about refunds. Arrangements are being made to refund the owners of more than 700 vehicles who paid the high rate in the days after the Court of Appeal's judgment. That work is ongoing.

There was a considerable amount of commentary on the issue of tyres. While that does not relate to this Bill, I will offer some brief comments and encourage Deputies to submit specific questions. Following the 2007 regulations, the tyre industry was told that, if it did not get its act together, a producer responsibility initiative, PRI, model would be put in place, which will now happen. Analysis done following consultation showed a large volume of non-compliance, a lack of consistent data and that between 25% and 50% of waste tyres were not being accounted for. That waste is the main reason we had to introduce a PRI. There is a range of misconceptions about this matter. The idea that there would be a large monopoly is ridiculous because

schemes operating on a similar basis can be found in a number of other jurisdictions. Also, operators in other jurisdictions would bring tyres into the Irish market and distant sellers would have the same obligations as everyone else. The most important claim, namely, that there would be an increase in the cost of a tyre, is a myth. We are regularising what is happening and ensuring that the environmental contribution is used.

I am happy to deal with all of these issues. Deputies should ask whatever questions they want in that regard and we will debate them. That the two associations that were a part of this process are no longer engaging in the ongoing work is not helping the situation. I encourage them to return and try to influence the process instead of staying outside.

I thank the Deputies for their co-operation.

**Deputy Michael Fitzmaurice:** What about permits?

Question put and agreed to.

Bill put through Committee, reported without amendment, received for final consideration and passed.

### **Criminal Justice (Burglary of Dwellings) Bill 2015: Second Stage (Resumed)**

Question again proposed: “That the Bill be now read a Second Time.”

**Acting Chairman (Deputy Robert Troy):** I understand that Deputy Catherine Murphy is sharing time with Deputies Healy and Fitzmaurice, with six minutes apiece. Is that agreed? Agreed.

**Deputy Catherine Murphy:** I welcome the opportunity to contribute on this Bill. We all speak to the gardaí in our areas. They tell us that burglary is a difficult crime to detect and becoming even more so. That may be because of television programmes that alert people to the possible detection methods. While I do not oppose strengthening the sentences, I am not sure that it will substantially change the profile of burglaries. Other actions need to be taken.

In many respects, we have a policing system that is reactive rather than proactive. How the Garda service is set up feeds into that. In recent years, more gardaí have necessarily been deployed to the Limerick and Louth divisions, given organised crime in the former, the tragic death of a garda in the latter and other crime statistics. If one considered the yearly crime statistics, however, the need to do this would scream out before it became tragically obvious. In both instances, tragic events prompted the deployments.

Every year, there is a policing plan. It is supposed to change based on demographics and crime rates. I have been following this issue for many years and every year I adjust my document to show where the changes lie. If each year’s policing plan is not a work of fiction, then the response to it is. I have seen little or no adjustment based on demographics or crime rates.

*7 o’clock*

I have documented this from CSO figures. County Louth jumped out as an area with very high rates of burglary, robbery and theft. These figures featured before the recent deployment.

I happen to come from the county that has the lowest proportion of gardaí to members of the general population. In 2015, County Kildare had one garda for every 698 people. The average is one garda for every 416 people. It is no big surprise that the crime rate in County Kildare is growing. According to CSO figures, the burglary rate is pretty much on a par with that in Dublin. I do not know what will have to happen for it to be recognised that the lack of gardaí on the ground is actually contributing to this. Counties such as Wicklow, Louth and Meath have the same profile.

I have met the Assistant Commissioner on a number of occasions and pressed the point on the deployment of gardaí. As the population grows, there is no evidence whatsoever that services grow along with it. This includes the number of gardaí. County Kildare is the only county that does not have a dedicated community policing service. The force is so stretched in the county that even answering the telephones in the main Garda stations is prioritised over it. The two counties with the lowest proportion of gardaí to members of the general population are Kildare and Meath. These happen to be two of the counties with a profile of continuous growth.

It is not good enough that the Minister does not have responsibility for the deployment of gardaí. I understand the rationale, but there is a clear absence of recognition of the two factors in the policing plan that should be used to address the issues that the plan highlights. It is not good enough for the Minister to say it is not her responsibility but that of the Garda Commissioner. If the Garda Commissioner or person nominated by the Garda Commissioner to deploy gardaí is not doing that job, it is the responsibility of the Minister for Justice and Equality to intervene and meet the Commissioner so that there will be some sort of equitable deployment arrangement. I am not talking about deployment based simply on population growth but deployment based on both population growth and crime statistics, which are supposed to be the two dominant criteria affecting deployment. That is partly what is needed if we are to proactively address the issue of burglary.

**Deputy Seamus Healy:** I welcome the opportunity to speak on this Bill. As we all know, it has two main elements. The first is the question of bail and its refusal in the case of repeat or persistent offenders, and the second is the possibility of consecutive sentencing, again for repeat or persistent offenders. I do not have any difficulty with those provisions. We have been told, and figures show, that a small number of persistent offenders are responsible for a very large number of burglaries. However, there is a problem with statistics. We are told that approximately 27,000 burglaries take place every year, but there is a question mark over this statistic. It is possible that there is significant non-reporting of burglaries, because it is believed that the gardaí will take a significant length of time to arrive and that prosecutions may never occur. People whose homes have been burgled wonder whether it is of any great benefit to report it.

Invasion of the family home is very serious for any family. It creates fear within the family itself and among neighbours and the wider community. We have noted this in Tipperary and other areas over recent years. There is no doubt that the measures in this Bill will be of some help, but they will not solve the problem. Recently, the president of the Garda Representative Association said, "Legislation is always welcome but legislation requires enforcement, and enforcement requires gardaí." This is the nub of the problem. Unfortunately, the Government and its predecessor have undermined the Garda service. We have only to note the position as it has developed over recent years to realise this. The force has lost about 2,500 gardaí. One hundred and thirty-nine Garda stations are closed. The community garda system, which is excellent, has been depleted and personnel have been taken away to deal with other matters. There is no dedicated service in most of the country.

The traffic corps is an important element, particularly where city-based gangs use motorways to carry out burglaries down the country. As we were told just yesterday at the committee meeting, the traffic corps complement has decreased in the past few years from 1,200 to 738, a drop of 39%. The pay of gardaí has been reduced and conditions have deteriorated. There is a definite morale difficulty now because of the actions of the current and previous Governments. Only yesterday we were told about the attempt to freeze future Garda increments.

I welcome the return to recruitment of gardaí, but the recruitment rate is such that it will take anything from 20 to 25 years to return to the previous level. The rate is simply not high enough even to replace personnel who retire from the force each year. We need significant recruitment, probably 1,000 gardaí per year, if there is to be a real improvement. We need to reopen closed Garda stations. We need a focus for gardaí in local areas and we need to re-establish, on a dedicated basis, the community garda system. That system is absolutely excellent and works with local people, communities and youngsters, identifying difficulties before they arise. It is well worthwhile and very cost-effective. The number of gardaí in the traffic corps needs to be increased to its former level. Oddly enough, the traffic corps is key to combating burglaries, particularly when travelling gangs are involved.

**Deputy Michael Fitzmaurice:** I welcome the opportunity to speak on this Bill. There are many parts to it that I welcome. There is no doubt but that reoffenders have been getting away time and again. I welcome the moves to curtail this. I advocate the tightening up of the legal aid system in respect of people who reoffend two or three times. The system cannot continue dealing with reoffenders. I listened to an inspector last night who was in Trim. I saw him on the television speaking and they talked about tagging. If we have to go down the road of curtailing the activities of those who are causing a lot of hassle right around the country, then so be it.

Sadly, communities in Tipperary, the west, Trim and elsewhere have had to come together to highlight this situation. For the last 17 or 18 years, fewer gardaí have been out on the beat. We know that Garda numbers have dropped and we also know about the problems that have arisen since Garda stations were closed. People may ask what use a local Garda station was, but local or community gardaí knew what was happening. Templemore should have a section to recruit and train local gardaí. Such gardaí liaised with every man, woman and child in an area. When they saw youngsters starting to get out of hand they would have a word in their ear. One could never put a price on what they prevented, and they always knew what was going on.

Let us be honest. No one leaves Dublin or Cork and heads to a destination saying, "I like the colour of that house. We'll go in and raid it." They are informed by what we call the crow on the wire, information that is being passed on. At one time, however, gardaí based in a local station knew what was happening in their area. I am not talking about a garda doing any paperwork in a station, because that argument will continue; I am talking about someone who is available to work with the community and who knows the area.

Criminality has reached new heights in different areas. Some time ago, it might have entailed robbing a house, but now cattle and other items are being taken. It is said that it is more difficult now that we have motorways, but that is not so. When I was a youngster in the west, I remember there was a Garda presence on the four or five bridges crossing the Shannon at night during the dark hours. That was all that was needed and it prevented so much crime.

We have to plan for the future. Before 1996, 1,000 gardaí were taken on per year. In time to come 1,000 gardaí will be entitled to retire, but we are not planning for that, given the numbers

we are recruiting. We are not planning for what will happen ten or 15 years down the road if we do not put feet on the ground. There is a simple solution to this. Retired gardaí who policed the countryside down through the years should form a group to talk to serving gardaí. They could thus explain to them how it was done. Such retired gardaí are willing to help and may also be helpful to the Minister. Sometimes one has to take a step back in order to move forward in this country.

In fairness, the Minister has done some good things in the Bill. I have spoken to gardaí about the new high-powered cars, however, and one cannot drive the Q7 Audis or BMWs unless one is a member of the rapid response unit. An ordinary traffic corps Garda cannot drive them, although they currently drive squad cars. Therefore, this will not happen for a few years, because a Garda cannot automatically be made a rapid response operator overnight. That issue has to be addressed. In addition, the traffic corps cannot even use a stinger. We may need to look at these matters, and I would encourage the Minister to consider using some of the retired gardaí who knew how to talk to people. Currently, however, we have policing from a distance. In my area at night one squad car could be covering 40 miles. It is not the fault of the gardaí. The reality is that burglars are cute enough to send a Garda car on a decoy route, while they could be somewhere else.

I ask the Minister to examine this new idea of mine involving local gardaí. I am not saying that they must be out on the beat, but they can be with communities, getting to know everyone and liaising with them. They were a mine of information and no one could ever put a price on what they saved the country from because they prevented incidents before they happened.

**Acting Chairman (Deputy Robert Troy):** Deputy Patrick O'Donovan is sharing 20 minutes with Deputies Áine Collins and Mary Mitchell O'Connor. Is that agreed? Agreed.

**Deputy Patrick O'Donovan:** I welcome this opportunity to speak. At the outset, I wish to compliment the Minister for Justice and Equality, Deputy Frances Fitzgerald, on the work she has done to date in her Department. There is no doubt that the Minister inherited an awful lot of problems in the Department. They have been well enunciated at this stage. Both sides of the House can agree, however, that the current Minister is dealing with a number of criminal justice issues that have dogged Garda management for many years. Everybody recognises that, including political commentators and the Opposition.

The Bill before us concerns a scourge that has afflicted this country for a long number of years. I have not been a victim of it, thanks be to God, and I would not wish it on anybody. It is horrendous to have somebody invade one's personal property, be it a home or business. The victims of these crimes are quite rightly asking a number of legitimate questions, including the number of people out on bail, the length of bail terms, and the number of convictions that a person can clock up and still get out on bail. In addition, they are asking about the cost to the State of legal aid in criminal cases, the number of times someone can gain access to such aid, and the type of people who offer criminal aid and profiteer on the back of it. I know that people must be properly represented in the courts and I do not have an issue with that. However, our courts service is regularly being treated as a fairground by criminals, so we will have to examine what is happening in that regard. It is a societal issue as much as one for the Government. How many chances does a person get before somebody eventually calls a halt to this?

I have listened to people at public meetings, clinics and marts across rural constituencies similar to my own. Their biggest frustration is the number of times the same people attend the



same courts week after week. The provincial newspapers are reporting such cases. There is a level of frustration and people are legitimately asking how many times this has to happen before it is halted. In that context, there is a question for the Judiciary. Due to the separation of powers, I know it is frowned upon for Members of the Oireachtas to have the audacity to criticise members of the Judiciary. In some cases, however, one would really wonder what planet some of them inhabit. Given some of the sentences and commentary handed down from the Bench, as reported in the media, it is not the same planet that I and others inhabit.

While it would not be in keeping with a lot of Members' feelings in this House, to be quite honest, the element of deterrent for repeat offenders has gone out the window in many cases. They do not see a deterrent or any real punishment. For some of them it is almost like a badge of honour at this stage. A quarter of the sentence will be struck out straight away for good behaviour - whatever that is, since a person can have 300 or 400 convictions and still get time off for good behaviour. Before we know it, they will be back out again and perhaps up in front of the same judge on another charge before the first sentence has even come to its natural conclusion.

There is a level of public frustration and it is important for it to be voiced. My primary concern is for the victims. The free criminal legal aid people have the interests of the perpetrators of these crimes at heart. They do everything in their power to get them off. In some cases, they are very effective, and good luck to them. However, the victims of crime have to pick up the pieces. They wonder what the State has done for them to get retribution and where they are left as a result. There is a temptation in criminal justice issues to focus on the perpetrator of the crime to see what can be done for him and how the perpetrator can be rehabilitated. At the same time, the victim is left to pick up the pieces. He may get a letter from the local gardaí, who have done their best to try to bring the perpetrator to justice, but that is it. This is no longer good enough. More needs to be done to ensure repeat offenders are dealt with. Repeat offenders are at the crux of this. Such people have 300 or 400 convictions but they can be on bail carrying on as if there is no law for them.

The previous speaker referred to Garda recruitment. It is important to point out that there are limitations on Garda recruitment because we can only fit so many people in Templemore. The previous speaker was advocating the creation of a new Garda college for tens of thousands of recruits, but he was somewhat vague on how he would pay for it and where he would train them. The important point is that for the first time in a long time there is meaningful recruitment in An Garda Síochána. That is what people want.

In my constituency, ten Garda stations have been closed. I rang the community council in one of the areas where the Garda station was due to be closed, and I was asked by the person whether it was still open. The person believed it had been closed already. One political party has a seven-point plan to deal with criminal justice and the justice area. Those involved have added two points to our plan. Anyway, the plan does not mention the reopening of even one Garda station. Perhaps that party will have an eight-point plan.

I am calling for one thing that has been referred to by previous speakers. It relates to the conveyor belt of repeat offenders going before the courts and the costs associated with criminal legal aid. I am keen for some measure of fixed prices in respect of the money allocated to deal with this.

**Acting Chairman (Deputy Robert Troy):** You are eating into the time of your colleagues.

**Deputy Patrick O'Donovan:** This is a scourge on society and it needs to be dealt with.

I compliment the Minister on bringing the Bill before the House and on the reforms she has made in the criminal justice area since becoming Minister.

**Deputy Áine Collins:** I too welcome the opportunity to speak on this important Bill. As all rural Deputies are aware, there is considerable concern in rural communities about the recent increase in burglaries. While the rise in numbers is a concern, the issue of fear is relevant too, particularly among older and vulnerable people. From this point of view, it is important that the Minister deal with the issue now.

The problems are compounded by the fact that some of these burglaries are carried out by city-based criminals who are using extreme violence against any person they come into contact with. Earlier this year, in response to the problem, the Minister instigated an urgent broad review of the criminal justice system. This Bill is the result of the review. As the Minister pointed out, the Bill is designed to keep repeat burglars off the street and improve the safety of our communities. I welcome the fact that the Bill proposes the refusal of bail as well as tougher sentences for repeat offenders. Importantly, the Bill requires the District Court to provide for consecutive jail sentences where a robber is being sentenced for multiple offences. In the past, the practice of passing concurrent sentences for multiple crimes meant the burglar was back on the streets in a relatively short time. Another major issue for the public is the fact that the people who carry out theft are often released on bail despite the fact that other charges are still pending. Moreover, concurrent sentencing for multiple crimes actually encourages criminals to commit a series of crimes while on bail. While we accept that under the Constitution the granting of bail or otherwise is a matter for the courts, this legislation will strengthen the criminal justice system and the power of the courts.

Section 1 amends section 2 of the Bail Act. Section 2 will insert a new section 54A, which deals with the issue of concurrent sentencing. These new measures are vital because of the importance Irish people place on their homes and their right to feel safe and secure in them. Any person who has been robbed in his or her home knows it is a serious offence. The people who carry out these offences should be punished. It is important that a person's home is given special recognition in our Constitution. The Constitution states, "The dwelling of every citizen is inviolable and shall not be forcibly entered save in accordance with law."

In addition to the new legislation, the Minister recently announced an allocation of €700,000 for the Garda Síochána fleet. This is for the purchase of specialised vehicles to support the Garda in tackling highly mobile criminal gangs. While acknowledging and commending the Minister's action, I am keen to pay tribute to the gardaí and the communities they work with. These include the people who set up the neighbourhood watch and text messaging alerts and the community groups who have erected street cameras. All these initiatives help the Garda in fighting this type of crime.

I was reminded of a story today involving someone who was robbed in Cork. He was a cameraman and his camera was stolen. Immediately he went to digital media and sent out a text to the local radio station. A campaign gathered momentum in a matter of minutes. The Garda became involved. Someone who had noticed people acting strangely rang in and provided identification. The Garda followed it up and traced the stolen goods back to the house. The Garda entered the house and found the equipment. We should be mindful of the new ways of dealing with crime today. We should use them and all the technology available. Cameras are

a major issue for communities. If possible, more funding should be made available for them. We would all benefit greatly.

I commend the Minister on her review of the Garda Síochána. Let us consider the way things were done. Things have changed and we need to start moving with the times and implementing the recommended changes. Crime is getting more technical and more technologically oriented. There is a great deal more we can do that could help to prevent it. I compliment the Minister on her efforts.

**Deputy Mary Mitchell O'Connor:** Is this to conclude at 7.30 p.m.?

**Acting Chairman (Deputy Robert Troy):** No. It is to conclude at 8.30 p.m.

**Deputy Mary Mitchell O'Connor:** The Minister has firmly stated that this Bill is designed to keep repeat burglars off the street and improve the safety of our communities. I welcome the Bill. It provides for custodial sentences, which will no longer be served concurrently. Instead, convicted repeat burglars will serve multiple sentences. It infuriates me, my constituents and the Minister as well - I know this from multiple conversations with her - that 75% of burglaries are committed by 25% of burglars. It is as if repeat burglars believe they have nothing to lose when robbing decent people who have worked hard to pay for their homes and possessions. I am pleased that the Minister has taken action to address this serious matter. I sincerely hope burglars know that they will suffer real consequences if caught.

I receive seriously distressing e-mails and telephone calls on an all-too-regular basis from residents throughout the constituency of Dún Laoghaire-Rathdown about incidents of crime and serious theft. All too often, people view the leafy suburb of Dún Laoghaire as immune to crime and theft and take the view that only rural areas are affected. This is a falsehood. Burglary is a serious issue for rural Ireland, but it is also serious for hard-working families in suburbs such as Monkstown, Killiney, Dalkey, Foxrock, Blackrock and Sandycove, as proven by recent reports from the Central Statistics Office.

I commend the concerted effort of the Minister and welcome this much-needed legislation. It will enforce real action. I am keen to take this opportunity to praise the relentless and dedicated work of the Garda. I have attended many meetings of the Garda policing forum. At these meetings the community is engaged, asked for views and given advice. I have met the Garda superintendents in Blackrock and Dún Laoghaire as well as the chief superintendent and detective superintendent in Dún Laoghaire to discuss issues and the solutions that the Garda is implementing to hinder and stop burglaries in our constituency.

In 2009, as a consequence of Fianna Fáil's catastrophic economic mismanagement, recruitment to An Garda Síochána in Templemore was stopped. Last September the Government reopened the Garda college for new recruits for the first time since 2009. Fine Gael will not again cease the recruitment of new gardaí. Some 550 new gardaí have come through in the past year and 150 more will begin training in Templemore soon. It is clear that gardaí are needed to catch repeat offenders.

In my constituency, Dún Laoghaire, I work with a number of extremely proactive residents' associations and neighbourhood watch groups. They meet regularly and liaise with gardaí and local community gardaí, keep locals informed and look out for one another. However, there is only so much they can do. I welcome the Minister's real efforts. It is not just talk with her; she listens and responds.

I also welcome the Minister's recent announcement of the electronic tagging of offenders as part of the bail Act, and support the measure. We cannot have elderly people feeling like prisoners in their homes while criminals, who should be in prison, are terrifying elderly people in marauding packs. I look forward to seeing tougher sentencing for repeat home burglaries and I commend the Minister for bringing this vital Bill to the House.

**Deputy Denis Naughten:** I welcome the opportunity to speak on this Bill. I also welcome the announcement of Operation Thor, the focus on rural crime and the overtime allocation the Minister has provided to the Garda. A burglary is recorded every 20 minutes by An Garda Síochána. Each case involves another victim who has to deal with the impact of intrusion, the insecurity it causes in his or her home and the vulnerability it creates. People feel isolated, even if they are living in housing estates surrounded by hundreds of people, on foot of having had someone violate their personal space and burgle their homes.

Sadly, what is really frustrating for the members of An Garda Síochána to whom I have spoken is the fact that Operation Thor has been very much more of a public relations exercise rather than the provision of practical resources. It will take time for the operation to feed into the system, but gardaí need resources now. They are still waiting on high-powered vehicles, which I know have been ordered, but we need them now and not in a number of months' time. We need to fill the vacant posts within the traffic corps, which is to be given a special role in Operation Thor. However, at the moment four out of ten posts within the traffic corps are vacant. It is very difficult to run Operation Thor when the Garda does not have the basic resources that are needed.

On basic resources, a Garda station in my constituency has no car available to it. A garda is located in a strategic area of my constituency, through which runs a very busy road. How can a garda in that situation compete with a high-powered car? Does he or she take out his or her bike or stand in the middle of the road and put up his or her lámh to try to stop criminals? That is the kind of thing we are dealing with in terms of the resources that are being provided to some of the remaining rural Garda stations.

I welcome the overtime allocation that has been provided, but the difficulty is that, when spread across the country, in practical terms only seven minutes a day have been allocated to rural parishes and Garda districts across the country. That level of overtime will not make an impact on the policing of rural communities. Additional dedicated resources will have to be provided if we are to deal in real, genuine and practical terms with the fear that is currently out there. While on the one hand additional overtime is being given to Garda districts, on the other some specialist units have seen their overtime allocations cut. They are on the front line and can help to deal with the thugs who are persistent offenders.

The number of Garda stations across the country has been cut. I will refer to those that remain. Boyle, County Roscommon, is now a subdistrict of Castlerea. The Boyle subdistrict office covers the north and east of County Roscommon and encompasses some major roads, including the main Sligo to Dublin road and part of the main Dublin to Westport road. Yet, one needs a calendar to determine the opening times of the station because it is one of the only stations in my constituency that does not have regular opening times. It has four different sets of opening times during the week. Unless one has a calendar and knows which day of the week it is, one does not know whether the station is open and whether one is able to contact it or seek assistance or information. That is not good enough. People should know that their Garda station is open from 9 a.m. to 5 p.m. or 3 p.m. to 4 p.m., Monday to Sunday, and that they can

access a garda during those times.

Yesterday, I listened to the advertisements broadcast by the Garda in connection with Operation Thor. The advertisements encourage people to lock up and light up, but forgot to refer to the fact that people are also loading up. Sadly, communities and individuals are now taking the law into their own hands. There have been reports from farmers in Border counties that the only way they can get results when stock has been removed from their lands is to confront the individuals involved with their guns and have it returned. The farmers are getting the stock back, but if farmers in a local community know who is committing such crimes the Garda also know. Obviously, it does not have the resources to secure convictions. This is not just happening in Border counties, but also in my part of the country which has seen a litany of instances where stock has been stolen and burglaries have taken place. It all comes down to local information, which is passed on to individuals.

What is really frustrating is that not only do gardaí not know the people involved in their own communities, they do not even know the geography. I spoke to a constituent last week who called the district Garda headquarters and was asked for an address, which he gave as Taghmaconnell. The garda at the other end of the phone asked the person where it was. Taghmaconnell is one of the few rural Garda stations left in my constituency, but the garda did not know where the individual concerned was located. If gardaí do not know the geography of the areas in which they are located, it is very difficult to police them.

As a result of that and the fear that is out there, people are driving around with shotguns in their Jeeps and sleeping with shotguns in their beds. I am genuinely afraid that we will have another story like that of Padraig Nally in the not too distant future unless we can resource the Garda and bring back a level of security, in particular in rural communities, that is not there today.

Gardaí have stated that 75% of burglaries are carried out by 25% of burglars. We need to put in place measures to get them off the streets and keep them off the streets. The Minister is to be complimented on this legislation which will introduce consecutive sentences for repeat offenders and will help do this.

I will make a few other constructive suggestions to the Minister which I believe would strengthen the provisions she is making. Similar provision needs to be made for the handling of stolen goods. I ask her to do this because it is far easier to secure evidence and a conviction for the handling of stolen goods than for burglary. It is much easier to prove possession than to catch people in the act. Gardaí tell me it is very difficult to secure a conviction for burglary in the first place unless they catch the individuals in the act or there is forensic evidence linking them back to the particular home. If gardaí at checkpoints can stop the individuals in possession of materials which have been stolen from a home or a particular location, they can prosecute them for possession. The difficulty is we are back to the same problem, which is possession is not treated as seriously as burglary and the sentences are concurrent rather than consecutive. We need to strengthen the law to deal with those caught in possession of stolen goods because, as the Minister has said, one of her objectives is to try to cut out the routes for the sale and distribution of stolen goods. It is important that the law in this area is strengthened.

We need additional Circuit Court sittings to deal with the backlog in some parts of the country. We need to appoint additional Circuit Court judges, perhaps on a floating panel, to deal with the backlog as it arises in various parts of the country. I am told one of the reasons the



Judiciary is so generous with bail is that in some parts of the country it takes up to two years for a case to come to court, and if the timeline was far shorter, the Judiciary would be far more sympathetic to having the individual remain in prison until the court hearing takes place. It is hugely frustrating to read reports such as the one in the newspapers last week where one of the nation's most prolific burglars has again been released on bail despite the protests of gardaí that he may flee the country and never be seen again. He is supposed to be connected with up to 60 burglaries in the Limerick and Dublin areas and in the south and south east. Gardaí believe the individual is one of Ireland's most prolific robbers who has dedicated a lifetime to this trade. Gardaí arrest these individuals, charge them and bring them before the courts where they are released on bail in order that they can commit further burglaries. The Minister's officials admitted at the Committee of Public Accounts that this happened six or seven times in one month with an individual. This has to stop. I know this is the Minister's intention with this legislation, but it is important that in tandem with the enactment of this legislation, clear guidelines are issued by the presidents of the courts to ensure people are not being released on bail into communities.

The Minister has spoken about the issue of tagging, and quite a number of speakers during this debate have spoken on this issue. We know 33 burglaries a week are committed by those out on bail while at the same time 60 electronic tags are available to us, with 50 of them in a cardboard box gathering dust even though the State is picking up the bill for them. They remain in storage because the Criminal Justice Act 2007, which allows for the tagging of people while out on bail, awaits the Minister's signature. I know the argument she and her officials have put forward on this, that they do not want everyone out on bail to be tagged, but surely it is the Minister's intention to tag a cohort of people out on bail. This is what she has said consistently in her public comments on tagging. The tags are available and the primary legislation to do it is in place, so can we not just sign the legislation, have it enacted and issue guidelines to the courts on what type of individuals should be tagged electronically? The law as it was drafted and passed by the House provides the courts with discretion on whether to tag an individual. It requires the Minister's signature and the issuing of guidelines on the type of individual to whom electronic tagging should apply. These guidelines would be along the lines of the proposed amendments the Minister is speaking about with regard to the new bail Bill. It is a way to fast-track and introduce tagging, literally tomorrow morning, with her signature. It can be brought in on a trial basis in certain parts of the country to deal with some of the cohort of individuals about whom we are speaking.

Where someone avails of free legal aid for criminal offences and is back before the courts repeatedly, there should be a clawback on social welfare or other income with regard to court costs. The difficulty is that if people are apprehended, having been caught red-handed coming out the door of a house with the jewellery or television under their arms, and they end up on indictment before the Circuit Court, particularly in parts of the country with a big backlog, they will seek to have their case held before a jury. Why would they not do so when it gives them two years out to rob wherever they like while waiting to come back before the courts? There is no cost to them because when they come out of prison at the end of it, they will have their loot and still have their social welfare and any other income available to them. Surely, if this House introduces an attachment of earnings on people who do not pay their television licence and have a fine imposed on them and we take away some of their social welfare or income to pay for this, it is not too much to ask that if someone coming before the courts repeatedly and using the court system to delay justice and the enforcement of justice has an income, some of this income should be used to contribute towards the cost of the person's legal representation in the first

place. This needs to be introduced. We are very anxious to persecute people for overpayments or not paying for their television licence, but it is about time these individuals started to pay for the cost of tying up court time and tying up the limited resources which should be available for genuine cases where people need a defence.

**Deputy David Stanton:** I am very pleased to be able to speak to this very important legislation. I commend the Minister on bringing it forward and I wish it well. It strengthens the bail laws and introduces the possibility of consecutive sentencing, which I hope will act as a deterrent to committing crime. One of the biggest deterrents to crime is the knowledge that somebody will get caught and for this we need a number of measures. As other speakers have said, we need mobile gardaí out on the beat on the streets. We also need intelligence.

In the past while, the Joint Committee on Justice, Defence and Equality has heard from the Garda Commissioner and representatives of Muintir na Tíre and the Irish Farmers Association, IFA, making presentations on all this. A number of issues overlapped in their contributions. Prevention is very important and Muintir na Tíre has a community visitation scheme that we should support as much as possible in order that people can call around to houses in urban and especially rural areas where people feel isolated. People are trained by the Garda and they call around to neighbours to help determine what is required to make their places safer. Community alert is important and the text messaging system should be supported as it is very useful. With the system, text messages are sent by the Garda and people in order that people can be forewarned of somebody being in an area. Gardaí may also receive intelligence in that way.

I have heard people saying they will not report crime as there is no point, but both Muintir na Tíre, the IFA and the Garda have argued that this is not wise and that every crime should be reported because gardaí use such intelligence and information. Every attempted crime or suspicious movement should be reported as it all feeds into the general intelligence and information used by gardaí to track people who commit crime and build a profile. I ask people to report everything as it is very important that they do so.

Closed-circuit television, CCTV, is being rolled out in many areas and particularly towns. I know more is happening in this area and I encourage more of this to happen. The IFA told us about [www.theftstop.ie](http://www.theftstop.ie) and that where signs have been erected throughout the country indicating the use of TheftStop, nothing was stolen from those farms. The material and equipment is marked and thieves know that if they take it and it is found, it can be traced back to the original owners. There is another technology called forensic marking, which is a liquid that can be sprayed or painted on equipment. It is invisible but can be picked up with ultraviolet light and each farm can have a specific type of liquid that can be traced to the farm. Gardaí have told us that much equipment has been recovered but they do not know who owns it. We need to ensure people mark and photograph their possessions in order that gardaí can return them if they are recovered. That is very important. The use of alarms, locks, monitors and pendants for older people should be encouraged and I ask the Minister to look at that.

There is a sociological and psychological aspect to this as well related to fear of crime. People in some areas tell us that the fear of crime is more corrosive and damaging than the crime itself. I caution against people boosting a fear of crime for all kinds of reasons. Perhaps they feel they are doing the right thing. Such action can make people very afraid, anxious and even quite ill. I am not saying we should not be cautious or realistic but we must be very careful about boosting fear.

We put the issue of people using firearms to Muintir na Tíre and the IFA, and both organisations argued this was very foolish. Talk of using firearms should not be encouraged and, on the contrary, it should be discouraged. I am concerned that when people hype the fear of crime, they might encourage people to use firearms. Who knows what the results will be? Somebody could end up shooting a relative or friend who is visiting. We must be very careful about this. It was pointed out by both Muintir na Tíre and the IFA that if somebody uses a firearm, the next time robbers come visiting, they might use firearms first, leading to an escalation. Let us cool this a bit. I am quite concerned about this issue. There are public meetings throughout the country with people talking about going to bed with guns. It is being encouraged, which is dangerous. It is not just me saying this as experts, the Garda, the farming communities and Muintir na Tíre all say it. Cool it down and do not hype it. We must be realistic and cautious as we do not want to drop our guard either. Sociologists and psychologists have told us that fear of crime is a real issue, with many studies done about it around the world, so I urge people to take it into account.

To deter a fear of crime, we need to have gardaí visible on the streets and in our communities. We need to see gardaí in cars and on bicycles and motorbikes. We need to see them calling to businesses, shops and farms, meeting people and advising them. We need them to get to know people and to become known by the people. Many colleagues have spoken about the old style of policing, when the garda was known by everybody and everybody knew everyone else, but that day is gone. We must be careful not to become too simplistic in our approach either. As Deputy Naughten has said, we are dealing with very sophisticated criminals who travel the highways and byways, using the motorway network to go into rural areas in particular to carry out crimes.

Listening to some people, we might think we are living in a crime-ridden country, but various reports indicate that Ireland is one of the safest places in the world to live. It is quite safe here in Ireland. Let us be careful about hyping this up too much.

I recently attended a meeting marking the 30th anniversary of the setting up of community alert, which happened in my area of Carrigtwohill. I spoke at it and it was clear that 30 years ago, the same kinds of fears and issues were being raised. At that time there was an extreme case, as some people were killed by robbers. Community alert was set up at the time and it spread throughout the country. It has been very successful and we should encourage it as much as possible. At the time, people used new bridges across the River Lee in Cork to get out of the city into rural areas but now they use the motorways to do the same kind of thing.

The number plate identification system used by gardaí is very good and we should have more of it. Intelligence is very important. Some colleagues have asked why a certain number of young men in particular are becoming involved with crimes like burglary. Deputy Mattie McGrath and others have spoken about intervening at an early stage. I draw the attention of the House to a number of organisations in this respect. There is Care After Prison in Dublin, which intervenes with prisoners before they leave prison and afterwards to try to keep them away from crime. So far, it has a high success rate. The Irish Association for the Social Integration of Offenders is also doing fantastic work. There is the Cornmarket Project in Wexford, which does similar work, and the Churchfield Community Trust in Cork, among others. These organisations very often work on a shoestring and I encourage the Minister, if she can, to give them a little more encouragement, recognition and some more funding. With a small amount of funding, they can do a huge amount of work, get in early and dissuade people from carrying on a life of crime. If we can do that, it would be of major benefit. This is a multifaceted issue.

A number of gardaí came to me to say they were retiring the following year but they do not want to retire. They would like to stay in the job for a couple of more years. Some colleagues have spoken about bringing retired gardaí back, but that might be problematic. Perhaps the Minister should consider the idea of allowing gardaí to stay in the job for a few years if they want to. Last week we had an interesting presentation at the Joint Committee on Justice, Defence and Equality in which people spoke about getting rid of the mandatory retirement age across the Civil Service. Why should somebody who is 65 have to retire and give up a job because of age? There are Ministers well over 65 who do not have to give up their jobs. Perhaps they will have to shortly, I do not know.

*8 o'clock*

The point was made that if somebody who is 65 is hale and hearty and well able to do the work they are doing all their lives, and they want to continue, why should we not allow that? A number of gardaí have come to me and told me they did not want to retire at that age but would like to stay on another while if they could. There are pension entitlements and so on that would arise there, but these gardaí, who are slightly older, could probably man the stations and allow younger gardaí out onto the streets and onto the beat. It is another idea that might help and it should be considered.

Today we had the Courts Service before the justice committee. This is a service that often goes below the radar, but it does tremendous work. It has done a great deal of work with very much reduced resources over the last number of years. We find sometimes that there are delays in cases being taken in the courts. Very often, that is because the Courts Service does not have the resources it requires to expedite these cases. The ICT in the Courts Service certainly needs upgrading. That was the message we got today. Again, that would expedite and help to move cases on, so that we would not have people on remand for as long as is happening at the moment. That is something we need to do. We need to support them and I ask the Minister to have a look at the presentation that was made to the justice committee on the Courts Service. A small amount of support there could make a huge difference to much of this. We could get cases heard earlier and more efficiently and move them on. I am not saying anything about the Judiciary or anything like that - I do not go there - but certainly instances where cases are not heard for weeks and months should not happen. The fines Bill was mentioned and I know that is finally going to be working in the next number of weeks. Again, we would like to get an update on that. It is crucially important. We do not want to be sending people into jail for not paying fines, especially when we have the legislation here, but it is down to ICT and it is down to the Courts Service having the funding to make that happen. It is a small amount of money, I understand.

A mention was made earlier of livestock being stolen by robbers. We brought it up with the IFA when it was in before the committee. That is a serious matter, not only because people are losing livestock, but also because somebody somewhere is buying the meat and selling it. Looking at anything that is stolen, somebody somewhere is buying it. If somebody comes to a person's house and says "I have a bargain here for you", it may very well be stolen property. That comes back to the idea of having property identified, marked forensically and so on.

Coming back to the fear of crime, one of the issues that makes people feel safer is lighting. Public lighting in our towns and villages is particularly important. That should be looked at with the local authorities. Across the country we have joint policing committees and we could do a lot more with them. I have come across a situation recently where a number of people have

come to me who are living beside the neighbour from hell. It is very hard and perhaps we need written protocols in these communities between the local authorities and the Garda regarding how certain issues are dealt with. I know that when somebody reports a crime, such as a burglary, they get a letter back saying “You have been a victim and we are very sorry about that”, but they should get more than that. They should get more feedback as to how the investigation is progressing and what is going on. That might encourage people to report crime, as I said at the start.

We had a report a while ago about cash for gold and that report also needs to be acted on. If somebody comes into a shop to sell jewellery, it should be photographed, their identification should be taken and it should be recorded, so that if gardaí come back later with a photograph of stolen jewellery it can be matched up and maybe somebody can be trapped. That is an important issue. Again, in the committee, we said that should be done.

Community courts are something I come back to as a means of tackling low-level crime and allowing speedy access to justice. I know something is happening there and we need to work with that.

I am happy that this legislation is going through. This is a complex area and it is evolving. Criminals are getting more sophisticated: they are using ICT, the Internet, mobile phones and so on. They are using intelligence as well. We have to ensure the Garda has the manpower and the equipment to be ahead of them and to catch them out. I would be cautious of any form of vigilantism. I am concerned when I hear people talking about that.

Finally, Franklin D. Roosevelt said we had nothing to fear but fear itself. Not only do we have to tackle the crime, but we have to tackle the fear of crime and I caution people about making people afraid when there is no real need to do so.

**Deputy Thomas Pringle:** Can I share time with Deputy Mattie McGrath?

**Acting Chairman (Deputy Frank Feighan):** That is okay. Just to clarify, we cannot have two Government speakers in a row, so it has to go to the Opposition and back to the Government.

**Deputy Thomas Pringle:** The Taoiseach says rural crime is nothing new and that it is the level of sophistication of criminals these days that makes policing very difficult, resulting in the violent crimes that have haunted rural Ireland. He has creatively profiled these sophisticated criminals as 21st century thieves, wearing night vision goggles and driving at excessive speeds down our motorways while high on drugs. He has used this criminal profile to justify the implementation of what he terms 21st century policing. However, it is his notion of 21st century policing that has left rural Ireland vulnerable to these types of criminals in the first place. The Government is conveniently blaming the sophistication of these criminals and not the Government’s own failures for the violent attacks that have put fear into the heart of rural Ireland.

The real issue here is not that the criminals are becoming more sophisticated, it is that the centralisation of Ireland’s police force has not worked in tackling violent crime since the Government first implemented these policies in 2011. The policy was simple: take away community policing, close rural Garda stations and use those savings to pool the resources into a centralised police force. Mobile criminals have exploited the policing vacuum created from continuous Garda station closures. Worse still, they are not getting caught, profiled and tracked, which is what those policies sought to achieve in the first place.



Community policing was replaced with the Garda district and station rationalisation programme, which was announced in 2011 by the former Minister, Deputy Shatter, and represented the biggest restructuring in the history of An Garda Síochána. The programme's aim was to centralise policing resources in order to facilitate the introduction of "enhanced patrolling systems", becoming operational and intelligence-led. Part of its policy was the closure of 139 Garda stations across the country, which has unfairly and disproportionately impacted on rural Ireland.

The anomaly in all this is the Government's justification for these closures. It says it has created 61,000 more man hours for front-line services. The Government believes 61,000 man hours is worth more than a local Garda presence in rural Ireland. In fact, 61,000 hours only equates to an extra 30 gardaí across the country, when one takes the annual hours they serve. All the while, the State only saves €556,000 a year and continues to implement cutbacks in Garda resources. In Donegal this has amounted to only €25,000 in savings from the closure of five rural Garda stations in the county. The costs of providing alternative services from other Garda stations have not been factored into the station closures. These gardaí have to travel further out to assist members of the public as a result. Centralisation is not working and rural Ireland has not seen the benefits of enhanced patrolling systems or intelligence-led operations. The Government has justified the closure of stations by saying it would mean a more efficient and effective deployment of resources in the area of policing. The opposite has been the case. There are more vulnerable towns and people throughout the country and there have been major cutbacks to Garda resources. The Government is aware of all of this and has reflected this awareness in the recent capital plan. It has allocated €46 million for new Garda vehicles, €18 million for refurbishment of Garda stations, €700,000 to upgrade Garda cars and €205 million for Garda technology systems. From these investment measures in the capital plan, it is clear that centralisation still dominates the agenda while local policing is a thing of the past. The public can be sure this will continue in the next term if the Government is re-elected. New Garda cars and technology systems and upgrades to existing equipment will do nothing to bolster community policing in rural areas. Those areas need an increased presence of local gardaí. We need more resident community Garda personnel who have intimate knowledge of their localities and are aware of the at-risk offenders in their areas.

The lack of local gardaí has led not just to an increase in rural crime but also to the perception of crime and the vulnerability of our communities. As crime is carried out, people feel they are not adequately protected and this could lead to notions of vigilante justice and individuals taking the law into their own hands. The latter was mentioned in the media recently. In addition, rural communities have been shrinking due to the mass emigration of young people, job losses, threats of post office closures and actual Garda station closures. It has resulted in an aging population, the members of which are more susceptible to burglaries in their homes. The shrinking of rural communities has also led to increased geographical isolation of dwellings and less knowledge of the local areas due to the closure of post offices and Garda stations.

I am concerned about consecutive custodial sentencing. Who are these burglars and to what extent will consecutive custodial sentencing deter them from committing this kind of crime? The idea that consecutive sentencing will deter people from carrying out similar crimes and reduce recidivism rates is questionable. International best practice is increasingly gaining insight into this outdated notion. CSO figures suggest a significant discrepancy in recidivism between people who received custodial sentences and those who received probation or community service. According to the CSO figures, recidivism rates were lower for offenders who

committed burglary if they received probation or community service, 49%, as opposed to those who received a custodial sentence, 60%. The CSO figures also show that 28% of burglars who had served a custodial sentence and who reoffended committed a subsequent burglary offence, as opposed to 10.7% of those who had received probation or community service. The majority of these reoffending burglars were aged 24 or under.

The punitive approach to sentencing has led to an increase in prisoner numbers while recidivism rates remain high. Rather than examining why recidivism rates are high and the contribution custodial sentencing is making to repeat offences, the Government wants to make it harder for repeat offenders to receive bail, meaning they will stay in prison longer and further continue the cycle of recidivism, proving the adage that prison is the university of crime. According to figures from the Irish Prison Service, in 2014 the average annual cost of an available staffed prison space was €68,959. This figure represented an increase of €3,417 on the previous year. How much will it cost to imprison someone without bail and for consecutive sentences? Would it not be far more cost-effective to use community service and probation and see the recidivism figures decrease as a result?

This brings me to the most ironic aspect of the Bill. Due to a reduction in Garda services in rural Ireland, there has been an increase in burglaries. The Bill will increase sentencing for the criminals involved, which will require more law enforcement and more Garda resources. It is a vicious cycle. The real deterrent is increased Garda presence and if 21st century policing means fewer gardaí, I, and those who live in rural Ireland, would prefer that we stick with 20th century policing instead.

**Deputy Mattie McGrath:** I, too, am delighted to speak on the Bill and I wish the Minister well, as I have done in the past. Although it is an effort, it is too little too late. Deputy Stanton, who is Chairman of the justice committee and does good work there, referred to the important Scrap and Precious Metal Dealers Bill, which I introduced here on one occasion in the Minister's presence and on two previous occasions in that of her predecessor, Deputy Shatter. I discussed the Bill with the Minister's officials and was sure she was going to support it. It would have introduced traceability and accountability and would have given the tools of the trade to the Garda Síochána. The Minister is not giving the tools of the trade to the Garda Síochána. I support Chief Superintendent Catherine Kehoe and all her officers in County Tipperary and throughout the country. Tipperary has been dealt a serious blow, which is a pity. We used to have a proud adage, "Where Tipperary leads, Ireland follows". Tipperary is leading in terms of the crime figures. That is not acceptable because we have good people in Tipperary.

**Deputy Frances Fitzgerald:** Tipperary is not leading.

**Deputy Mattie McGrath:** I have the figures from the CSO. They are not manicured. There were 3,091 recorded burglaries in Tipperary over a four-year period. It is a terrifying statistic. Confirmation of the level of recorded burglaries for County Tipperary in the past four years is a damning indictment of Government crime prevention policy. For rural Ireland, it has been death by a thousand cuts until, at last, the Minister and Government have woken up to the fact that the sense of safety among rural dwellers is on the verge of total collapse. I salute Robert O'Shea and his colleagues in County Tipperary, who have been victims of robberies, and also busy people trying to run their businesses for the activity they have undertaken to create an awareness. It used to be a case of "The West's Awake". Now, we are trying to get the Government awake and keep it awake. The Minister is asleep at the wheel. I salute the 2,000 people who attended the public meeting in Thurles and the members of the media who came to

cover it and brought an awakening in rural Ireland.

Behind each of these figures is a family or community that has been terrified or subjected to a serious invasion of their homes. Their homes are their castles. They are a stark and brutal indictment of the appalling failure of the policy that has been pursued both by the former Minister, Deputy Shatter, and the current Minister in terms of the refusal to respond with sufficient speed to requests to reallocate Garda personnel to rural Ireland. There are five new gardaí in Tipperary under the new allocation, while at least 25 have retired or are out sick. I salute these officers. I am a great supporter. The second community alert scheme in the country was established in 1986. Gardaí cannot police without the support of the people. The gardaí have their support, and will have it, but they need the tools of the trade and legislation to stop the revolving doors. Why did the Minister reject my Private Members' Bill to regulate scrap and precious metal dealers? It was an honest effort by my staff and me to bring in some legislation.

A reply to a parliamentary question by the Minister's Department stated that Tipperary received nine extra Garda cars between 2011 and 2015, increasing the total from 53 to 62. The robbers can pick up a BMW or a Mercedes anywhere and at any time. We have to lobby and beg. We had vans with no batteries, cars with no radios and flashlights with no batteries. When I raised this matter with the former Minister, Deputy Shatter, he said the gardaí should go and buy the lamps themselves. It was so bad, we hardly had lead for the pencils, while the Government was telling us how good and rosy it was, with the bounce in the economy and the falling unemployment figures. It was all a myth. Eventually, the Minister decided to act. In the Tipperary Garda division, there were 693 burglaries in 2012, 737 in 2011, 755 in 2013, 637 in 2014 and 269 up to June this year, a small drop, which I welcome. I salute the community alert groups and all the agencies and bodies that help.

The Government got a fine mandate. One fundamental responsibility of any Government is to protect its citizens. The Government has failed dismally and refuses to pass legislation. Some weeks ago, the Minister held a press conference on the plinth with the Garda Commissioner, whom I salute and wish well. I did not watch it, I heard enough on the radio. The Minister announced that she knew of 200 criminals and was going to catch them all in Operation Thor. If one were picking potatoes, one would not tell the people where one was going to hide the potatoes. In rural Ireland, one does not tell people one is coming after them. No police force in the world gives advance warning to the criminals that it is going after them.

The Minister should listen to the people, protect them in their homes and give the gardaí the necessary resources. They have the intelligence network and the community garda is the primary collector of this intelligence and support. We have one in my area, local Garda O'Halloran, and many other good gardaí, who are living, playing sports, working and socialising in the community, and getting the information and passing it on. The Minister does not want that, however. She wants them to tell and announce. There is no police force in the world that would go out and tell people it is going to go after them. Police forces do not say "We know who you are and we are going to get you." They go out and get the criminals first.

I salute the gardaí in County Tipperary who apprehended the terrible terrorist gang that destroyed a family in the county. We all saw the members of the gang going away in prison vans. That is what the public wants to see. It wants to see these people brought to justice. They should be arrested and given a fair trial with a chance to defend themselves. Then they can go off in prison vans. That is the press conference we want to see. We do not want to see the Minister's sham of a show when she announces a fleet of squad cars. We got nine extra vehicles

and five extra gardaí in the years I have mentioned.

**Deputy Frances Fitzgerald:** I assure the Deputy that €39 million buys more than five cars.

**Deputy Mattie McGrath:** I do not mind. I am talking about when it comes down to areas like Tipperary. The Minister has been given figures by Deputy Pringle and others to show how such areas are being neglected.

**Deputy Frances Fitzgerald:** Why does the Deputy not acknowledge what is being done?

**Deputy Mattie McGrath:** I want to ask the Minister about Garda overtime. I have been told by gardaí on the beat in Tipperary, in the traffic corps and elsewhere, that overtime is going back by the new time. It is not being spent or used. There is pressure from headquarters to save the overtime. That is a damning indictment.

I stood outside a little man's house near the famed Slievenamon at 12 o'clock yesterday. I knocked on his door to ask him if he would consider voting for me. He was shaking when he came out. He told me he had been robbed seven times in the last three years. He was probably a man of 75 years of age. Is it fair that he has been robbed seven times? That is what is going on in rural Ireland.

The Minister is new enough to the job. Her predecessor would not even attend the Garda conferences. He had disdain for the gardaí. At least that cannot be said of the current Minister, who supports the Garda. We need recruitment. We need to stop the haemorrhage of members through natural retirement. I am not saying we should force them to stay on. As Deputy Stanton suggested, we should ask them to do so. If they want to stay on, we should allow them to do so. We need to bring back some of the excellent retired officers who did wonderful service for this State. We should ask them to help and assist in intelligence and in fighting crime.

We are closing our eyes to many other areas. I refer to threats from ISIS and whatever else. No one will tell the Minister that we do not have some of those people in this country, because we have.

I am going to stick to this matter tonight. There is no replacement for community policing. The community garda has the trust of the people. The people trust him. Although we need Garda stations to be open - we have heard the Minister's figures - there is no suggestion that gardaí are sitting in stations twiddling their thumbs. Having said that, I met a garda a year and a half ago when I called on a canvass who told me he was at home feeding his dog because the alternative was to sit in a Garda station with no telephone, no computer and no Garda van. I ask Deputies to imagine that. Should we give bicycles to gardaí to travel around rural Ireland? Individual gardaí sometimes have to cover a quarter of a county in a day. I do not want to say any more about this frightening situation because I would be giving too much information to the criminals. Do we think they do not know? They do. In addition, the technological support that is available to gardaí is outdated and antiquated.

I do not know why the Minister and her colleagues will not tackle the whole legal aid situation. I suspect that the many lawyers and solicitors in this Dáil do not want to tackle their friends. It is a scandal. I have evidence of free legal aid being used and abused, and top-ups being given by criminals to the people who are representing them. Why would they not be able to provide top-ups, given that they are robbing and stealing and getting away with it?

I would like to speak about the revolving door syndrome and the whole repeated bail situation. We have burglars being released on bail while home owners, farmers and small business-people are locked in jail for having difficulties in paying their bills. That is some indictment of this Government, which passed the Land and Conveyancing Law Reform Act 2013 - I call it the eviction Act - to give sheriffs, the Government and the banks the power to attack people's homes, persecute them and put them into prison. At the same time, the real robbers are repeatedly left out on bail.

I repeat that the justice system needs to be overhauled. We were promised a judicial council Bill, but where is it? We were promised the reform of the Judiciary. We were promised an accountable Judiciary. In some cases, judges who are sitting on repossession cases owe the banks tens of millions. If they do not have vested interests and are not on the side of the banks, whose side are they on? This is a shameful indictment of the Government, which promised reform, new politics and new government.

When judges have been appointed since this Government took office, it has been two for Fine Gael and one for the Labour Party. Two and two is four, and one is five, and how many bags full, Minister? That is what is going on. The Government has been punishing the electorate for keeping it out of government for 14 years. Fianna Fáil was in there for too long and it had all its own cronies. The Government parties wanted to balance that up by getting their cronies in. How are ordinary people going to get justice from the justice system when it is packed with political appointees who sometimes act on a nod and a wink?

We have many fine judges and I salute them, but I do not salute those who will not register their interests. The Government promised to introduce a register of interests for judges so that people would know how much the judges owe to banks. In such circumstances, it would be possible to ask judges who are due to deal with certain cases to step aside. Members of the New Land League have had to stand in jails and courthouses. They forced a judge to run off the bench. They demanded that a stenographer be in court as a witness while they told the court how many millions the judge owed the banks. The judges are supposed to be serving the justice system.

The Minister has a limited amount of time left in this office. I wish her well. I want her to take some action and to support the gardaí. The protection of people in their homes is a basic duty of any Government. The people of Tipperary and every other county should not be terrorised and intimidated. The Minister needs to support the Garda by allowing it to spend its overtime budget, rather than clawing back that money. She should give the force the tools of the trade, such as a modern fleet. She should allow gardaí to be armed, if necessary.

I contacted the Minister by telephone once since she was appointed. She took the call. I rang her to tell her that a receiver had approached a farm in Castledermot in the dead of night with a Garda superintendent and a Garda inspector present. I could name them. The Minister knows who they are. They had been crawling over fields with balaclavas and Alsatian dogs. One would not see it in the Third World. This third force was attacking a farmer, Mr. O'Shea, and his family. It was a disgraceful and despicable act. Gardaí had been on reconnaissance around that farm for ten days in advance. This was at a time when the gardaí in Kildare, which is an area with one of the worst ratios of gardaí to the population, did not have a squad car to respond to crimes. We have a garda for every 370 people in this country. There are 30 agricultural officials for every farmer. The whole thing is red tape and regulations.



The Minister needs to give the gardaí the power. She should not engage in tokenism by announcing ten times that there will be 500 new recruits. I ask her to give the force the numbers it needs. If she brings white-collar people in to do desk duties, that will allow gardaí to go out to do what is needed. The Minister needs to remove the supports given to receivers as they do their dirty and lucrative business. Given that they are making a fortune, they should be paying for their own people. Gardaí should not be required to oversee cases in the dead of night that involve men crawling along on their bellies with balaclavas. I do not call them men; I call them cowards and scumbags. They were accompanied by unmuzzled Alsations, which is a crime in itself, as they surrounded a farm and terrorised a family for the benefit of the banks.

Is the Minister working for the banks and the people who broke this country? We have no bankers in jail. I do not envisage that we will. It is a crying shame that we have no banking legislation. The Minister did not address that either. The Taoiseach and the Minister should hang their heads in shame. As I have said, the most basic human right is the right to have one's home. One's home is one's castle. The Minister has failed to defend people in their homes. She has failed to pass legislation that was handed to her on a plate. She has left it on-----

**Acting Chairman (Deputy Frank Feighan):** The Deputy has run out of time.

**Deputy Mattie McGrath:** Good man. Thank you very much. This Government has run out of time. Its time is up. We are going to call time very soon. The public will do that with the peann luaidhe. It will have lead in its pencil this time. The public will make its mark in support of the people who stood with it, rather than the people who promised it everything only to leave it to be attacked and marauded by gangs of lawless thugs in parts of this country.

**Deputy Mary Mitchell O'Connor:** Deputy McGrath helped to close down Templemore.

**Deputy Mattie McGrath:** The Deputy is late.

**Deputy Mary Mitchell O'Connor:** Deputy McGrath was not here when I was here.

**Deputy Mattie McGrath:** Does the Deputy know where Templemore is?

**Deputy Mary Mitchell O'Connor:** He supported the Government that closed it.

**Deputy Mattie McGrath:** The Minister should bring the Deputy down in her car and show her where Templemore is.

**Deputy Frances Fitzgerald:** Deputy McGrath supported the moratorium on Garda recruitment.

**Deputy Mattie McGrath:** Templemore is in County Tipperary.

**Deputy Mary Mitchell O'Connor:** We know that.

**Deputy Mattie McGrath:** Deputy Mitchell O'Connor should get a satnav.

**Deputy Mary Mitchell O'Connor:** Deputy McGrath is playing to the gallery.

**Deputy Willie Penrose:** I would like to share time with Deputy Costello.

**Acting Chairman (Deputy Frank Feighan):** Is that agreed? Agreed.

**Deputy Willie Penrose:** I am pleased to have an opportunity to contribute to the debate

on the Criminal Justice (Burglary of Dwellings) Bill 2015. The purpose of this important Bill is to address a couple of problems relating to bail and the sentencing of prolific burglars of dwellings. I know something about burglary because my family has a shop premises that was subjected to a burglary approximately ten years ago. Somebody broke into our small rural shop and took €10,000 worth of goods from us, even though, peculiarly, we have a Garda station and everything in our local area. That happens because we could have a garda on every corner and burglars would still sweep in and rob from us.

This Bill provides that when bail applications are made, previous convictions for domestic burglary, coupled with pending charges or recent convictions, shall be considered as evidence when considering whether an accused person is likely to commit further domestic burglaries. The Bill allows the court to decide to impose custodial sentences in cases in which a significant number of burglary offences have been committed within a 12-month period, and to impose such sentences consecutively if appropriate. The main purpose of this legislation is to address issues pertaining to bail and the sentencing of prolific burglars of dwellings. It specifically targets those prolific burglars who have previous convictions and multiple offences for committing residential burglaries. It also grants the court the power to refuse bail in specific circumstances and to increase the sentences imposed on repeat burglars.

Having practised in the courts for 25 years or more, I have to say I have no doubt about the probity, integrity and independence of the Judiciary. It is beyond reproach. Its members are the third arm and are fiercely independent, and rightly so. They consider a huge number of factors in individual situations. I was interested in some of what Deputy Pringle had to say in this regard. A person's home is his or her castle. That is recognised in Article 40.5 of the Constitution. People work hard to put their homes and their businesses together, and we certainly did. They work hard to improve their homes, to maintain them and discharge the substantial mortgages associated with them. Then they return from an evening out or wake up the next morning to find their home has been destroyed, burgled or ransacked, sometimes damaged beyond repair with their valuables taken.

Debate adjourned.

### **Message from Select Sub-Committee**

**Acting Chairman (Deputy Frank Feighan):** The Select Sub-Committee on Health has completed its consideration of the Health Insurance (Amendment) Bill 2015 and has made no amendments thereto.

### **Credit Union Sector: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Michael McGrath on Tuesday, 24 November 2015:

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.

Debate resumed on 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 prudential 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.”

- (Minister of State at the Department of Finance).

**Acting Chairman (Deputy Frank Feighan):** Deputies Seamus Healy, Finian McGrath, Paul Murphy, Tom Fleming and Mick Wallace have ten minutes, with two minutes each.

**Deputy Seamus Healy:** Like many Members of this House, I come from a credit union family. I have been a credit union member all my life and my dad was a founder member of Clonmel credit union. I know the value of the credit union movement throughout this country. It is a very important, volunteer-led social movement, a bottom-up, community-based, not-for-profit people's bank. It has a huge infrastructure right across the country, with 10,000 volunteers, 4,000 staff, 2.89 million members, 342 branches affiliated to the ILCU and €13 billion in assets. It is a support system for middle and low income families in every town and village.

The CP88 regulations, including the cap on savings, loan maturity limits and the regulatory reserve ratio, give rise to serious concerns for the credit union movement. The Government's one-size-fits-all approach has the potential to restrict, undermine and seriously damage confidence in the credit union movement and I appeal to the Minister not to commence these regulations but to defer their implementation into the future. To do anything else would seriously damage the credit union movement.

I also appeal to the Minister for the Environment, Community and Local Government, Deputy Alan Kelly, to accept a credit union offer of €8 billion to tackle the housing emergency. We have 1,500 children living in hotels and hostels and 130,000 families on local authority housing waiting lists. The credit union movement has offered €8 billion to provide off-balance sheet funding to the Government to build and provide social houses. That proposal was prepared by specialist consultants and it dovetails with the core community values of the credit union movement. It has the potential to make a significant contribution to solving the housing emergency and I plead with the Minister to take up the offer.

**Deputy Finian McGrath:** I am grateful for the opportunity to speak on this very important debate on the role of credit unions in Irish society. I welcome this discussion and I urge the Government to listen to all sensible proposals put forward tonight and last night. As someone who was brought up in the credit union movement and is steeped in it, I was a founding member of the INTO credit union many years ago and I strongly support the 2.89 million members in the 342 credit unions affiliated to the Irish League of Credit Unions. Only last night, I met the board of our local credit union, the Marino credit union, and saw at first hand the amazing voluntary work of its members and the amount of time and support they give to the local community. I thank them and commend them for their magnificent work. They also asked me to raise a number of key points in the Dáil tonight. First, the Minister needs to support the six strategic steps policy document. Second, they are concerned at the implications of the signing of CP88

on the credit union movement and they want it deferred. Third, they want the over-regulation and bureaucracy, which are costing small branches money, to be dealt with and they are frustrated about what they cannot do. They have also put forward amazing, ground-breaking ideas to deal with social housing. They are prepared to make some €8 billion available for social housing projects and investments. They also want to deal with the microcredit issue, lending small amounts to the most vulnerable of money lenders. Finally, they are prepared to lend to small and microbusiness.

It is important the Minister and the Government listen to these sensible proposals put forward by members and supporters of the great credit union movement.

**Deputy Paul Murphy:** The problem with the one-size-fits-all approach of the Minister and the Government is that they are treating credit unions like financial institutions, such as banks, when they are no such thing. They are a mass movement with nearly 3 million members, democratically run, rooted in communities, based on volunteers and run not for profit but in the interests of their members.

It is worth looking back to the foundation of the credit union movement in the 1950s by working class people seeing the devastating impact of poverty and the parasitic nature of money lenders taking advantage of that poverty. That has the same relevance today with the economic crisis we are facing. The reality is that credit unions are a major force and have huge potential, with €11 billion in savings and €13 billion in assets. The movement represents a threat to the private, for-profit model of banking that has caused such misery for ordinary people right across the country. We need a publicly-owned and democratically controlled financial sector working in the interests of society and not for the profit of the few and credit unions have a vital role to play. The Anti-Austerity Alliance supports the demands of the credit union movement against the CP88 regulations which will impact negatively on the ability of credit unions to deliver for their members and for society as a whole.

The Government has pointed to a review of the €100,000 limit and a certain transition period but this is not enough as it is, at best, a stay of execution. The whole approach will hamstring credit unions and will not allow them to develop. At today's meeting of the Joint Committee on Finance, Public Expenditure and Reform and in the House yesterday, we heard praise from Government Deputies about the credit union movement. If they were serious, they would back up their verbal support with real support by supporting the call for the postponing of CP88. If it is not postponed, this should become a major election issue with all political parties forced to give their position and the credit union movement not recommending a vote for those who do not support repeal.

**Deputy Tom Fleming:** Families, small businesses and people of modest means could not function without the credit unions. The CP88 regulation, to be signed into law as part of the Central Bank regulations by the Minister for Finance, Deputy Noonan, by 31 December, as currently proposed, is much too restrictive. If this is not deferred and deliberated on with more thought, it will cement the restrictions and it will be up to five years before they can be reviewed, thus strangulating the huge potential of the financial, social and economic role credit unions can deliver on. Of most concern in the regulations is the carry-over of lending restrictions from 1997 which only allow for 10% of credit union loans to have a term of more than ten years. This totally restricts any customer-friendly move into larger loans for houses, etc. It also prevents customers from saving more than €100,000 with their local credit union, which is a most regressive measure. The Irish League of Credit Unions has commissioned a report

to review the current structure of its organisations and the potential for change. Under a new structure, similar to that of co-operative banks across Europe, there would be more co-operation and standardisation among the ILCU's 300 credit unions, with loan decisions potentially being centralised.

As regards capital requirements, credit unions would need to have €1.3 billion in excess capital to transition to this structure but it actually exceeds that at the moment with up to €2 billion in excess capital credit. This shows the potential credit unions have and we ask for the Government's co-operation on this.

**Deputy Mick Wallace:** The Irish people have paid for the recapitalisation of the banks but, sadly, the banks are effectively closed to many of them. It is easy for people with lots of money to get more of it because they are considered a low risk but people who need it most find it very difficult to get it, whether it is for personal reasons or for business. Small and medium-sized businesses struggle to get money from banks today and credit unions are looking to lend to these people. Credit unions want to lend to many people with small and medium sized businesses but are being hampered by the Government. Last year, credit unions had €5 billion available for lending but could not lend it owing to Government restrictions. As previous speakers noted, they also offered to provide several billion euro to help address the housing crisis. If the Government declines this offer, it will give rise to serious questions. For example, would the reason for such a decision be that the Government does not take the housing crisis as seriously as it pretends to take it or is it because it wishes to keep the credit unions in their place and as weak as possible to ensure they are less of a threat to the banks?

If the Minister signs the commencement order for the savings provision of the consultation paper, CP88, as she has threatened to do, a local parish Christmas thrift fund in Wexford, for example, will be unable to use its account in the credit union if its total savings exceed €100,000. This would force the fund, against its members' wishes, into the hands of the big banks, while simultaneously undermining the ability of the local credit union to serve the interests of the local community. It is a no-brainer that the credit unions deserve more support from the Government. Similarly, it is a no-brainer that we should not rely exclusively on large banks to act as a service to citizens because we know they will not do so.

**Deputy Kieran O'Donnell:** I am pleased to speak on this Private Members' motion. I have been a long-time supporter of the credit union movement, which does fantastic work. Working as an accountant prior to entering the Dáil, I dealt with a range of people providing services in the credit union movement. Credit unions operate in every town, village and parish and during the difficult times when the banks were not lending, they enabled many small companies to continue to operate.

The €100,000 savings limit for credit unions will not affect the great majority of savers in credit unions. However, the Government is conscious that it will have an impact in certain cases and I expect it to take on board this issue.

The basic model under which credit unions operate must be retained. Local people build up savings in their local credit union which are then lent to other people in the community to be spent on essential services. This model must be underpinned by a solid financial structure, meaning credit unions must, in terms of their balance sheet, be solvent and profitable. In the long term, they must be also able to pay dividends to their members. In addition to these elements, the credit union movement has a significant role to play in providing funding for social

housing and this issue is being addressed. The way in which loans are structured is also important. The credit union movement has emerged from a very difficult period in a much more secure position than the other financial institutions.

As a public representative in Limerick who deals with the credit union movement on the ground, I am aware of the fantastic work credit unions do. Both sides come to this welcome debate from the same position, namely, one of support for the credit union movement. While Deputies may differ on various issues, their differences can be resolved. The credit union movement represents ordinary people and is here to stay. While its voluntary spirit must be retained, credit unions must also operate with professionalism. I wish the credit union movement well and hope the difficulties and issues that have arisen can be resolved over time.

**Deputy Mary Mitchell O'Connor:** The credit union movement was founded more than 50 years ago and it is just as relevant today as it was to its founding members, particularly when considered against a backdrop of banks closing branches and limiting or increasing the cost of their services. While it is widely accepted that better supervision and regulation of all financial institutions, including credit unions, is needed, I am concerned about the impact of the commencement of the remaining sections of the Credit Union and Co-operation with Overseas Regulators Act 2012.

I recently met representatives of a number of credit unions from my constituency and elsewhere who briefed me on the range of services and products that are available or ready to come on stream. A common perception of credit unions is that they only provide basic services, such as small loans for household appliances and holidays or to meet communion and confirmation expenses. This could not be further from the truth. While credit unions are firmly grounded in an ethos of volunteerism and service to their community, they are professionally run financial institutions with electronic and online services and are capable of providing a real alternative to the banking system that let us down so badly. They also contrast starkly with the big banks, which are becoming increasingly automated and, in many cases, unwilling to give their customers the one-to-one service they want.

It is clear that credit unions have implemented in good faith the findings of the report of the Commission on Credit Unions. They have emphasised to me that one key aspect of the report is missing, namely, the development of permissive regulation that would allow credit unions to develop what they believe to be a sound business model. Furthermore, they are calling on the Central Bank to approve the request by credit unions to provide payment account services and debit cards and to increase the limit applied to loans with a term of more than ten years to 20% of total loans and loans with a term of between five and ten years to 30% of total loans. They are also calling on the Central Bank to revert to the 1997 limits on savings which a member can hold with a credit union.

I understand it is the Minister's intention to commence the remaining section of the Act on 31 December. I encourage her and her officials to carefully consider the concerns that will be raised and the recommendations that will be made at tomorrow's meeting with credit union representatives. I recognise that a number of points of concern made by credit unions are a matter for the Registrar of Credit Unions and ask the Minister to prioritise communicating these concerns to the registrar. It should be also clarified that more than 99% of credit union members will not be affected by the €100,000 cap on savings. However, credit union members who want to lodge more than €100,000, for example, members of the Garda, ESB and teacher credit unions, should be able to do so. I look forward to the Minister's contribution.



**Deputy Pat Rabbitte:** The focus of the Government, and rightly so, has been on the credit institutions that almost brought the country to the verge of ruin. This is perfectly understandable but it is important to note that the credit unions did not bring the country to the verge of ruin. It did not emerge that there was a €1 billion black hole in the credit union movement, as the consultants who were brought in at the time estimated.

Credit unions are generally very prudently and cautiously managed. We should not apply to the credit union movement the same philosophy of regulation that applies in the Central Bank. Credit unions are not banks or credit institutions in the normal understanding of those terms. In saying this, I am not reflecting in any way on the current regulator who is, I am sure, a very professional person. However, the dereliction of conduct that we saw inside the banks in recent years was not prevalent in the credit unions. I acknowledge that we had Newbridge, which was regrettable, but the scale of dereliction was very minor indeed.

In Ireland, we have a tendency to overreact and go from one extreme to the other. As a result of the hardship inflicted on people by the dereliction in the banks, we go from 0o to 180o. There does not appear to be an understanding of the ethos of the credit unions in the Central Bank or in its model of regulation. I remember when I brought in the Credit Union Act when I was Minister of State with responsibility for commerce in the 1990s. The first delegation we received was from Latvia, which was one of the new accession states, to look at what the credit union movement was doing for Ireland and whether it could be replicated in their country. There is no doubt that it is a precious institution in a society which spins on the basis of being able to obtain credit, which is something most people who go to work for a wage or salary have no difficulty doing whether for a car or a television. There are many people in local communities for whom credit unions are the lifeblood. There are possibilities in terms of the synergies credit unions might create with the post office network nationally in particular in a context where the banks are pulling back and do not want to engage with people.

It is not possible in the short time I have to go into the kind of detail I would like, but I note the following to the Minister of State, Deputy Simon Harris, who it seems to me is handling this matter. I speak for all sides of the House when I say that he has earned the respect of colleagues across the Chamber since he took office. It is an admiration that has been well earned. I ask him to reflect before he signs off on the points mentioned by Deputy Mary Mitchell O'Connor. This is a democratic, grassroots movement and I ask the Minister of State to engage with its members again to work out a mediated settlement before he signs the order.

**Deputy Paul J. Connaughton:** I thank the Chair for the opportunity to speak on the motion tonight. The important role credit unions play throughout the country has been acknowledged on all sides of the House. There is no one in the credit union movement who does not believe we understand that importance, but there is a specific issue before us tonight and going into the future that needs to be addressed. I am sure all Deputies have received a particular document containing a report of what happened here last night and setting out some of the underlying frustrations in that regard. I cannot go through all five pages in the couple of minutes I have, but I note the main word that emerges from it is “frustration”. The feeling is that while consultation has taken place, it has not been meaningful. There is a view that it has been a box-ticking exercise and something of a one-sided conversation. My only concern in that regard is that it is only last year that representatives of ReBo, the Department of Finance officials and the Central Bank appeared before the PAC. The Department of Finance officials and ReBo were very happy to engage with us on how the conversation was going and the views of the credit union movement, but that was not so much the case with the Central Bank. It was very hard to get

information out of its officials and, at times, it was like pulling teeth. If that is what the League of Credit Unions faces when it deals with the Central Bank, I am concerned. If that is the case, there is a legitimate reason to ask what is going on there. It goes back to something Deputy Rabbitte said. We had light touch regulation which was not enforced ten years ago. We have swung completely the other way altogether, and not only in this instance. That is the case in many areas. People who could have got mortgages ten or 15 years ago cannot get them now. The thing is to find a balance in the middle. It is about finding a way to make this work.

Anyone who is from a rural part of the country knows what the credit union movement means to those areas. The banks have pulled out in many of those areas. If they have not pulled out, one had better be looking for €700 every time one goes into a branch of some banks or one will not be welcome. That is simply not acceptable. There is a different role for both these institutions whether it is the banks or the credit unions and it is a question of finding a happy medium. The conversation should not be about protecting the credit union movement, but about allowing it to grow further and to put down more roots. Deputy Rabbitte, who may not have been aware of my speech, said that there are possible synergies between credit unions and the post office network. These ideas are in their infancy and may not work, but surely it is time to have a conversation as to how to set up one-stop financial services in rural areas using all of these bodies together. That is what the conversation should be about. Whatever issues are coming forward tonight from the Opposition and the Government, the only way to solve this is through further meetings and dialogue. At the heart of all this is how we provide a much stronger service into the future for the credit union movement and how we work with it. That is the key. The movement is the bedrock of many of our rural communities and it is in the cities as well. Credit unions are both urban and rural. Now is the time to act. There is another meeting tomorrow and whatever stumbling blocks are in front of us should be removed because there is a bright future here. I can understand the frustrations.

**Deputy Peter Fitzpatrick:** I welcome the opportunity to speak. In Ireland, 342 credit unions are affiliated to the Irish League of Credit Unions. Between them, they have almost 2.9 million members, over €11 billion in savings, almost €3.5 billion in loans and €13 billion in total assets. These figures show that the credit union movement is a major economic force in Ireland. Over the past number of weeks, I have spoken with a number of credit union managers about their concerns regarding certain aspects of the proposed CP88 regulations. There is a realisation that proper regulation is needed. We all know what happened in the banking sector. As a result of little or no regulation by the previous Fianna Fáil-led Government, there was a disaster for each and every one of us. It caused enormous damage to the country. This must not be allowed to happen again. The Government has a clear policy of supporting the sustainable growth and development of credit unions in Ireland as set out in the report and recommendations of the Commission on Credit Unions. The safety of each and every member's savings and the security of the credit union sector as a whole are an absolute priority for the Government and will not be put in danger as a result of light-touch regulation. The Government is putting in place a number of measures to ensure that credit unions can continue to provide the many vital services to members and to ensure the stability of the sector into the future. These measures have included the establishment of a Commission of Credit Unions, the publication of Credit Union and Co-operation with Overseas Regulators Act 2012 and the establishment of the credit union reconstruction board, ReBo.

It has been argued that the imposition of the €100,000 cap for members' savings will cause great difficulty for credit unions and cause them to be seen as the poor relation of the banking

sector. While I have some concerns in this regard, it is important to look at the real facts. The Minister for Finance has been informed by the Central Bank that the need for credit unions to take large savings from individual members has not been demonstrated under the current credit union business model to date. The average savings held by individual members is just over €3,700. The Minister has been informed that approximately 54% of credit unions currently hold individual member savings in excess of €100,000. However, the total amount of savings in excess of €100,000 in the credit union sector is approximately 1.3% of total member savings. Less than 0.12% of all credit union members have savings in excess of €100,000. As such, more than 99% of credit union members will not be impacted by this measure. The introduction of a maximum individual member savings limit of €100,000 will ensure the protection of members' savings and continue to ensure that credit union funding is significantly diversified and not dependent on a small number of members. We cannot allow a situation to develop whereby the viability of credit unions is dependent on the savings of a small number of members.

I recognise the very important role of credit unions as a volunteer co-operative movement in the State. The Government's priority has always been the protection of credit union members' savings and the financial stability of credit unions. The Government is determined to continue to support a strengthened and growing credit union movement into the future. I am a member of the Dundalk Credit Union as are all my family. We appreciate the good work it has done over the past number of years.

**Deputy Dan Neville:** I welcome the opportunity to contribute to the debate and recognise the role the credit union movement has played.

*9 o'clock*

Down the decades, credit unions have ensured people with no access to the major banks are facilitated to borrow. It is a social movement rather than a banking one in that it responds to a social need and has played an important role in this respect.

There are two sides to this discussion. Those on both sides are genuine in their concerns. I have discussed the situation with credit unions in Limerick, but I also understand the concern the Minister expressed. It is important that there be a meeting of minds on the development of the movement. The credit unions in Limerick told me that credit unions needed to grow their loan books and lend short-term, small, personal loans as well as large, long-term, commercial and home loans.

The credit union movement has changed since it started and forms part of a volunteerism that has contributed immensely to life in the decades since Count Plunkett established the co-operative movement almost two centuries ago. We must ensure the credit union movement's development is not inhibited in any way. The Government does not want to inhibit it, but there must be protection and I hope that discussions are being held. It is important that there be a meeting of minds on the outcome and that both sides be flexible. I urge the Minister to be flexible in the discussions. I am confident that will be the case, leading to a win-win situation. The Minister's credit union advisory committee has had comprehensive discussions with the trade unions. I hope the contribution they can bring to the debate will facilitate an improvement in the movement's future without inhibiting it in any way and will allow it to respond to the needs of and make a better contribution to a society that, like all societies, changes over time.

**Deputy Martin Heydon:** I welcome the opportunity to contribute to the motion. Not for

the first time, I rise to address issues surrounding credit unions while focusing on the movement's key strengths, namely, its scale, its number of branches and its volunteer ethos. These elements have stood the test of time since the movement was first established as an organisation by the people for the people. The large level of trust in the credit union movement is important. As we deal with the regulators and so on, we as a Government have an important job to do in getting the balance right between ensuring we protect members' savings through adequate regulation and ensuring we do not over-regulate and hinder the positive role that credit unions might be able to play economically and socially. This balance is difficult to strike at times.

I have seen what can happen in a large town that does not have a credit union. We in Newbridge lost our credit union more than two years ago. Everyone knows the story. Without focusing on that, the time since has seen a vacuum filled by the rise of moneylenders. They have made hay through punitive interest rates. That is particularly so as we approach Christmas when parents who just want the best for their kids and do not have enough money to make ends meet opt in a moment of weakness for a small loan that turns out to be a crippling burden for the rest of the following year. As such, we in Newbridge welcome that we will have credit union services again in a few months time with the opening of a new branch in the town.

The impending announcement of the personal microcredit scheme is also important as it will allow credit unions the discretion to provide small loans quickly to people who need them to get over the hump.

We must also get the regulatory balance right at the higher end of the scale, that is, people who have a great deal of money in credit unions. There are concerns about the proposal to limit savings to €100,000 per person. It is important to note that this will have no impact on 99% of the movement's current savers and I welcome the Central Bank's commitment to consider appropriate amendments to the regulators where credit unions set out clear paths along which they wish to develop their business models. Further consultation will be key.

The development of our credit union movement is crucial. Through the consultation paper 88, CP88, process of engagement with movement stakeholders, I welcome the focus and discussion on the sector's development. The dialogue on developing card services and payment accounts is key, as we are moving towards ease of access for people and allowing credit unions to compete with the banking sector. Also important will be the dialogue on credit unions' aims in terms of longer-term lending and the provision of mortgages to members.

The post office network presents a major opportunity. Private Members' motions have addressed the strength of that network. Given that considerable synergies can be realised, I would like to see the credit union movement and the post office network working closely in this regard.

**Deputy Arthur Spring:** I am a member of a credit union and a family that has always supported everything that is good about the movement. At seven years of age after one's Holy Communion, one is sent off to open a credit union account. That is how society should be. In terms of social values, what the movement does financially is unique. Deputy Heydon was right in that the movement fills a gap between banks and the extortionate moneylenders who can damage people, especially when they are vulnerable at times like Christmas.

I am a member of the Joint Committee on Finance, Public Expenditure and Reform. In the past four and a half years, we have received several presentations from the credit union movement as well as from organisations involved or interested therein. The news that credit unions

were hoping to get involved in social housing to the tune of more than €1 billion was a joy to behold. It is also a joy to know that most of the movement's institutions did not cause a collapse, get into trouble or do anything wrong by society. In fact, they did the opposite. They helped ordinary citizens throughout the country. Due to one or two rogue outliers, the rest may be punished a little.

I will cite a presentation given at today's meeting of the Joint Committee on Finance, Public Expenditure and Reform. It is available on the Internet to anyone who wants to read it. Mr. Ed Farrell, CEO of the Irish League of Credit Unions, ILCU, stated that it was not against regulation, only seeking better regulation. The middle ground must be worked. All Members will offer anecdotal evidence of why the movement is as prolific and fantastic as it is. It is unique and beneficial.

In terms of tiered capital and smaller deposit levels, the movement's loan-to-deposit ratio and all the other complicated factors that can be found behind the scenes in the treasury section of a bank are fantastic, but that is not what people are concerned about. Rather, they are concerned about whether they can make deposits or take out loans. Not only should credit unions expand their offering and get into electronic forms of payment and communication, but also they should move to the next level and become mortgage funders. Banks are moving away from day-to-day activity and have less so-called key man knowledge of their borrowers. In a credit union, lending is done by local people who know what is happening. They do not lend recklessly but in the best interests of their communities.

CP88 has been a problem for a long time. The Central Bank and the Department of Finance do not have the same level of tacit knowledge that we have built up as parliamentarians immersed in society and as members of credit unions. I am of the opinion that there needs to be a focus on the grassroots. Regulators want to be able to hit a moving target in the event that there is something wrong with it. That is acceptable but it is not acceptable if it is to have a negative effect on the credit union movement. The overall rationale is to try to get credit unions to develop in a way that is best for society. That is what we are trying to nail tonight.

**Deputy Michelle Mulherin:** I welcome the opportunity to speak on this motion. Apart from some imprudent lending by a very small number of credit unions, credit unions do a magnificent job. There is a mighty group of volunteers throughout the country who ensure credit unions offer a vital service to so many people by way of lending. There are many credit unions in my county doing fantastic work. There are credit unions in Ballina, Castlebar, Westport, Swinford, Balla, Kiltimagh, Louisburg and Ballinrobe. I commend all the people involved.

From speaking to some members and staff involved in running the credit unions, I have learned that this has become a more scary time to be volunteering in a credit union because of regulation, scrutiny and a new dynamic within the banks. It has been explained to me that a traditional domain of the credit unions was giving out student loans, small loans of €1,000 or €1,500 that might be repaid within a year or year and a half. Now the banks are vying for this business. This is a little ironic considering the difficulties we have with banks lending to businesses. We want the banks to lend to businesses to get the economy moving and to have investment in growth, yet they seem to be targeting what was traditionally credit union business. The banks are depersonalising the relationship with the ordinary citizen by not wanting to accept cash valued below a certain amount. "Talk to the machine" is basically the philosophy of the banks. This is in stark contrast with the very human experience one has when one enters a credit union.



From speaking to people in credit unions, one could not but have many reservations about regulation CP88, lending restrictions, too much red tape and activity people fear will constrain their ability to develop more business. I would like to believe there will be ongoing dialogue on this because it is in all our interest that the credit unions become the success we need them to be. I acknowledge and totally understand that the motivation of the Minister and all concerned is to protect people's savings and ensure the viability of the credit unions. However, we must get the balance right. Deputy Heydon referred to this.

I very much welcome some of the good initiatives that are emerging and ongoing. One is the personal micro-credit initiative, which will mean people receiving social welfare payments will not have to go to moneylenders. One should also consider the initial discussions on post offices and shared services. We should bear in mind the examination of the idea of credit unions assisting with the provision of social housing. Credit unions are not precluded from mortgage lending but the manner in which the rules are constructed at present is surely an impediment. These issues need to be teased out further until we get the right balance.

**Deputy Timmy Dooley:** I welcome the opportunity to contribute to this really important debate on the credit union movement. I have had an opportunity to listen to people on all sides of the House and am somewhat perplexed as to why the Government parties are dividing the House tonight. I understand they intend to call a vote against the motion we have tabled. This beggars belief given the contributions that have been made. I hope, therefore, that we will see Members break ranks with the Government tonight and support the Fianna Fáil motion.

The credit union movement is and has been an enormous enabler for hundreds of thousands of families. Its reach and impact are truly immeasurable. There is scarcely a family across the State that has not had recourse to the support of credit unions, be it to send children back to school or teenagers to college, or in respect of burials, christenings, weddings or unexpected illnesses in the family. From crisis to celebration, the credit union movement has been in place to support communities and society generally.

The credit union exists solely to support its members. Juxtapose that with the objective of the commercial financial institutions, which exist principally for the purpose of supporting and benefiting their shareholders. Profit and return on investment are the keys, while the credit union movement's activity is not for profit. Its key drivers are serving members and providing an appropriate structure to assist communities. It is not an exclusive club; anybody can join.

Without a doubt, we have come through the biggest financial crisis in the history of the State. Commercial banks were decimated. By and large, the credit union movement survived that entire period, with a couple of notable exceptions. In general, because of the management structures that were in place and the key local focus, as alluded to by Deputy Spring, and because of appropriate risk assessment, prudent lending and solid investments, the movement survived and is in a healthy position. We know the potential that exists in terms of the difference between loans and reserves. The figures are €11 billion and €3 billion.

Let us not fool ourselves here: the credit union movement cannot stand still. It is in a competitive environment and needs to serve the changing needs of its members. Lifestyles have changed and people's expectations, demands and needs change. That happens with new generations. Therefore, the credit union cannot just be restricted with all the regulations that are set out but with no potential to broaden its range of services and investments. It requires the support of the Legislature and Executive.

There is less competition in the marketplace now. We know the way banks are trying to repair their balance sheets. We all recognise that this has to be done and that it is important but, by and large, the credit unions are taking up the slack and helping people who really need help most. The credit unions' reach can now be greater, particularly because of the lack of competition. In addition to regulation, new lending opportunities and investment opportunities are needed.

The crux of this debate tonight is the necessity to give full recognition to the Commission on Credit Unions, established in 2012. The credit union movement got behind that and fed into it. The movement supports all aspects of it. The Government intends to deliver piecemeal, with all the restrictions and none of the potential for growth. The Government lacks a strategy on the potential to grow the credit unions, and it is restricting them absolutely.

Before I left my office, I had an opportunity to state on Facebook that I was coming to the Chamber to address this issue. I had a flood of responses, one of which is worth reading:

Timmy I thought the credit unions were owned by the members, it always helps for the little things that arises such as children returning to school college fees and maybe the odd home improvements. The banks wont entertain the smaller person for loans to do such things so where are they to go is it the money lenders this government wants them to go to and as for education do they not want the ordinary man [or woman] to give their children a chance to go to university. This government is a disgrace...

I appeal to the Minister to set aside the politics, accept the motion that has been tabled and support the credit unions.

In doing so, he would supporting not the institution but the people throughout this country whose lives, children and communities depend on a vibrant credit union movement that needs to grow to meet society's demands and requirements. The Minister of State would thus put in place a structure that has proved that it can withstand the kind of financial disaster we have come through.

I appeal to the Minister of State to talk to the Government Whips and avoid dividing the House tonight. It seems ridiculous to do so because it would say that the people in this Chamber are out of touch with the daily reality facing many people.

**Deputy Charlie McConalogue:** I am glad to speak on the motion. It is disappointing, however, to find ourselves here yet again trying to get the Government to understand the impact that its proposals for the remaining sections of the credit union Act 2012 will have on the credit union movement. This issue has been debated in the House on a number of previous occasions. Fianna Fáil has already tabled a Private Members' motion on the matter. Deputies across the country have been lobbied by members of local credit union movements on the impact of the proposed sections.

As we can see, there are significant numbers of people in the Visitors Gallery with an interest in the motion and in the future of the credit union movement. At various times we have debated at length what is happening in the banking sector over the last three or four years, as well as in the 2007 to 2009 period. On those occasions the Visitors Gallery was an empty place. Nobody from bank branches came along to see what was being debated. That is because the services provided by our banking sector are primarily about profit and business, whereas the role and work of the credit union movement are about providing a service to local communities.

It carries out its business in a way that has the needs of the community at heart, thus ensuring that families are supported in going about their daily business. That is all part of the model that puts them at the centre, rather than trying to derive a profit for shareholders. That is why there are from 350 to 400 credit union branches across the country, with nearly 3 million members.

At a time when banks are pulling out of towns and villages, and reducing their branches across the country, credit unions are doing everything within their power to remain rooted in their communities. They are serviced and driven by local volunteers, so we want to see that model continue and thrive. However, there is real concern about the Government's proposals to enact the remaining sections of the credit union Act unamended and without taking the time to consider their impact. The Act's provisions were developed at a time, in 2011 and 2012, when the Minister for Finance expected that significant cost would be involved in resolving issues in a number of credit unions. At the time, he estimated the figure at between €500 million and €1 billion. The reality as it unfolded, however, has been entirely different. So far, a total of €35 million has been used by the Credit Union Resolution Fund, while at the same time €29 million went into the fund. Therefore the net cost to the State of resolving issues in the credit union sector has been €6.4 million. That should be compared to the €64 billion the banking sector has cost this State in having to resolve associated issues. That point should be taken on board because the credit union sector has emerged quite intact considering the challenges it faced. In light of that, the proposals contained in the 2007 Credit Union Act are unduly restrictive in not allowing or facilitating the credit union movement to grow and continue to serve communities, as it has done very well in the past.

I urge the Minister of State to take on board the substance of the motion before the House. He should ask the Minister for Finance, Deputy Noonan, to pause, engage with the sector and recognise that there are real concerns. In addition, there are dangers involved in the restrictions that will be imposed on the credit union movement if he pursues his current actions without taking their impact into account. I call on the Government parties to support this motion and recognise that we should all work together to ensure this movement continues to go from strength to strength.

**Deputy Sean Fleming:** I welcome the opportunity to speak in support of the motion. I genuinely believe that the motion has the full support of every Member of Dáil Éireann. I listened to several speakers and what has been said on the Government and Opposition sides is indistinguishable. Everybody is singing off the one hymn sheet in support of the credit union movement. It would be a disservice to politics, therefore, if in a short while people decided to oppose what they actually said here in the Chamber. That would be damaging to politics in public life, so I ask people to vote as they believe they should. Every member of the Government should be able to support this motion.

Credit unions are voluntary organisations employing 4,000 people, as well as 10,000 volunteers. They have a network that is unequalled anywhere by any other organisation. They are there to help with family events, car loans, home improvements or purchasing furniture. Many people at this time of year are obtaining loans to tide them over the Christmas period because there is a lot of expenditure involved. Loans may also be required when children go back to school in the autumn or when sons and daughters attend third-level colleges. That is because the grants they receive may not be sufficient to keep them in college, so there is a real risk that students may have to drop out of third-level education. I know of some people whose children would have had to pull out of courses but for the availability of a credit union loan to tide them over for a year or two.

First communions, confirmations and other events can place a big burden on low-income families. The credit union is a comfort blanket for many people. It would be a bad day's work for anybody in the Oireachtas to do anything to damage that particular safety net, so I ask people to support the motion before us.

Earlier today we had several presentations from people involved in the credit union sector, including one from Mr. Ed Farrell, the CEO of the Irish League of Credit Unions. He said that almost 3 million members have savings in excess of €11 billion and assets of over €13 billion. It is a voluntary and a visionary movement, which is what we need to see in Irish society. That is what makes it different. It is a grassroots, non-profit organisation.

One of the problems is that the credit union movement is not for profit, while the financial sector is the opposite. Consequently, the financial sector does not like organisations that are not operating to its profit agenda. This is a final move by the regulatory authorities that are doing some of the bidding of the large financial institutions, including banks. They want to squeeze out those who are eating away at their profit base. We should be resisting that.

The credit union movement was founded for a social purpose. It is unique, yet I am sure the regulatory authorities do not fully understand or appreciate it. I suspect that many of those involved in the regulatory area, and their families, have never had to go to a credit union, so they do not fully get it in simple English. Credit unions serve a broader agenda and have a number of strategies which banks could well adopt. The major issue is that at least €8 billion is available for investment. Let us consider the position of the country. There is a shortage of social housing. I realise a pilot scheme is going ahead, but we are several years into the housing and homelessness crisis. A total of €8 billion is available but it cannot be lent for social housing. That is an example of how the country has not done a proper job in marshalling the resources available to solve the problems we have. We need to see urgent action on social housing.

We are discussing this motion because the final sections of the Credit Union and Co-operation with Overseas Regulators Act are due to commence in January 2016. The regulations will place limits on the savings credit unions can take from their members. They will also limit the type of investments they can make. I realise people will say that over 90% of people will not be affected by this, but the Government will damage the view people have of the credit union movement as a strong movement if it puts these unnecessary restrictions in place.

The people who have spoken in the Oireachtas today do not have a problem with regulation. They want good sound regulation, but not overzealous regulation. There are not against regulation; they are for it. We were addressed today by Kevin Johnson, chief executive of the Credit Union Development Association. His presentation was interesting, although there is not enough time to go through all of it. He outlined for the committee the range of business model configurations in which the credit unions would like to be involved. We all know the traditional credit union business model. It deals with low-cost loans and long-term savings. The credit unions want to transition to a business model with a broader range of savings and lending products and, ultimately, to a mature credit union movement. This would have a business model with a full retail service and a wide range of financial products. Of course, those in the banks and financial institutions will not want that because it might reduce their profitability and bonuses. They want to get back to the big salaries they had before the bust. No doubt that is where they are heading. It is important that the advice of people who have a different ethos is heeded.

We heard a presentation from Sean Hosford, chairman of the Credit Union Managers' Asso-

ciation. He made it clear that credit union managers support a strong regulatory framework for credit unions, as recommended by the Commission on Credit Unions. In the past three years, the credit union board of management teams have successfully introduced major regulatory changes. The relevant people in the Central Bank simply do not get it. It is easy to deal with two, three or four banks and take the approach that one size fits all. However, when dealing with hundreds of credit unions, one size does not fit all. Anyone who believes it does is showing that he does not understand the job he has been charged to do on behalf of the public in the regulatory authority.

Those representing credit unions are frustrated because they want to be involved in micro-credit or lending small sums of money to the most vulnerable people who are being pushed towards moneylenders. They are making significant sums of money available and they are keen to make these funds available for social housing, something I have mentioned. In particular, they are keen to lend to small and micro-businesses. Most people in Ireland are employed by small businesses which employ fewer than ten people. People refer to small businesses but they really mean micro-businesses that employ a small number of people. These businesses are known to the local credit unions. The people working there know who they are. In County Laois we have seen a number of amalgamations, including the credit unions in Mountrath and Durrow, St. Canice's Kilkenny Credit Union and the credit union in Portlaoise as well. That is fine. People are happy and they accept that it will make the movement stronger. The credit unions will be more professional in the way they do their business. They will have a strong presence in the towns I have mentioned. Indeed, they may have a better presence because they will have better back-up.

This week we are bringing forward a motion that is vital in the interests of the credit union movement and its members. We believe the motion represents the last realistic chance to ensure the sector can operate on a level playing pitch against the interests of the big banks. That is important. This is a business, but it is a not-for-profit business. That is what we are here to support.

I join all my colleagues in calling on the Minister to press the pause button. I recognise that at this late stage he has arranged meetings with the credit union movement, but there is no need to proceed at the beginning of January as he is planning. There is time to review these measures to ensure one size does not fit all and tiered arrangements are put in place for credit unions.

**Deputy Robert Troy:** I welcome the opportunity to speak to this vital motion in support of what is a critical sector in our community. In watching the debate, I have been struck by the number of people from across parties who have come out and spoken so strongly in favour of this motion. The Opposition regularly gets criticised for bringing forward motions but everyone has been complimenting and has been supportive of this motion. In that context, I hope the Government will take on board not only what Opposition Deputies have said but also what Government backbenchers have said. One of our own backbenchers from my constituency who did not speak on the motion waged war in the local newspaper some months ago. He said he was going to go to war with the Minister for Finance because of these draconian regulations due to be signed at the end of this year. I do not know about winning the war or the battle, but I hope the Deputy does so and I hope the Minister will press the pause button. I hope the Minister will consider the serious concerns held by the 3 million members of credit unions, the 4,000 people employed in this area and the 10,000 volunteers working with the credit unions.

Another thing struck me about the debate. The former Minister, Deputy Rabbitte, spoke



about greater synergies with the An Post network. That Deputy had three years sitting at the Cabinet table to bring in greater synergies and to work to support credit unions, but he did not do it. Talk is cheap, but we do not want cheap talk from any Government backbench Deputies. We want to see action. We want to see addressed what the Minister of State, Deputy Harris, referred to as the perceived impacts. This is not perception. It is a hard fact. The reality is that if the provisions are commenced at the end of the year, there will be a cap of €100,000 on the savings an individual member can lodge with credit unions. What signals does that send in terms of the feasibility and security of savings in credit unions? It sends out a negative signal. It is giving banks an unfair advantage. The new lending restrictions give the banks an unfair advantage over the credit unions. The overwhelming majority of credit unions are financially sound, compliant and ready to provide more services. It is acceptable that the measures being debated in the House were conceived at a time when the Minister for Finance, Deputy Noonan, thought it would take €1 billion to support or prop up this vital sector. It did not take a fraction of that cost. We need to get real and deal with the realities in front of us today. The credit unions provide an invaluable service in our communities. They support people where banks will not. They operate in communities where there are no other financial services or institutions. Credit unions are keen to grow, expand and provide greater services. It is regrettable that many of the proposals they have brought before the Minister and Department in recent years have not received the necessary approval to enable them to grow and provide greater services to their communities.

All we are asking is for the Minister to press the pause button, stop, reflect, negotiate and engage with the people in this sector. We can look forward then to how we can support and grow this critical sector. That is the view across all political parties. That is all we want. I call on the Minister to press the pause button and go back to the drawing board.

**Deputy Bobby Aylward:** I welcome the opportunity to speak on behalf of credit unions, which are a trusted financial provider at the heart of many communities in this country. The recent flood of communications we have all received from members of credit unions are a very stark reflection of the great concern that currently exists. This concern surrounds the consultation paper issued by the Central Bank in November 2014, better known as CP88. It is a very pressing regulatory issue which will significantly impact on the capacity of credit unions to thrive and develop.

I listened intently to the debate yesterday, as the Minister of State, Deputy Harris, twice referred to the perceived impact of the regulatory changes contained in CP88. Dismissing the concerns of so many people involved in the credit union movement in the manner in which he did is grossly inappropriate and downright arrogant. The reason that so many letters and e-mails have flooded into the postboxes and in-boxes of Deputies of the House is not because of the perceived impact but because credit unions and their members are well aware of the true impact of CP88.

The proposal to impose a cap of €100,000 on the savings that an individual member can hold in a credit union has the potential to damage confidence severely in the sector. Credit unions are currently required to maintain a regulatory reserve ratio of not less than 10% of total assets. This crude and blunt instrument does not take account of the risks faced by the sector. A risk-weighted system, matching capital or reserve to risk, is more appropriate for the modern and progressive credit union movement.

A desire to use surplus funds for broader social based and community needs has often been

expressed by credit unions. The CP88 investment regulation allows little or no breathing space for the placement or management of such funding. The rules should also allow for centralised investment for home loans, social housing and SMEs. Regulations must afford credit unions the opportunity to benefit from central investment vehicles which would improve returns and allow them to become more involved in important social projects.

It is only right that a comprehensive review is conducted on how the commission's recommendations are being implemented, and whether the legislation and regulations reflect the current needs of the 3 million credit union members. The Minister must take additional time to ensure that the knock-on effect of such regulations do not have a negative impact on the members, volunteers and staff which make up the backbone of this valuable movement. A working group, involving representatives of the industry, should immediately be initiated to examine the regulatory structure. No further red tape should be imposed on credit unions until such time as this happens. I call on the Minister to refrain from commencing CP88 while considering the recommendations made before him in this House and the Irish League of Credit Unions' six strategic steps in its vision for the future.

If properly regulated, credit unions can deliver much more for members and local communities in areas such as housing, small business and credit union facilities for the most vulnerable. Before this request is dismissed, I ask the Government to heed a message very strongly. Whatever myth exists in its mind that the credit union movement has been engaged with, listened to and properly consulted needs to be completely dispelled. The continuation of this course of regulation will ensure that the movement will wither into irrelevance and pass into history as the great movement that came and went on the island of Ireland. Is that the enduring legacy that the Minister, as a legislator, wants to come to pass for coming generations? These are the words of Mr. Brian McCrory, president of the Irish League of Credit Unions and secretary of the World Council of Credit Unions. The message was dispatched to the in-box of every Deputy earlier today and I, like every other speaker, ask the Government to step back and listen to our proposals.

Small savers and those who want small loans have benefitted from credit unions over the years and we do not want to destroy the movement; rather, we want to maintain it. It fulfils an important role which the banks currently do not, and the Government should listen to this side of the House and give us support.

**Minister of State at the Department of Communications, Energy and Natural Resources (Deputy Joe McHugh):** I want to acknowledge all of the contributions on both sides of the House, which were constructive. Deputy Connaughton pointed out that we have to keep the conversation going and if ideas can be fed through it is important that happens. The Government has shown its commitment to the credit union movement in Ireland by establishing 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, volunteer ethos and community focus, while paying due regard to the need to protect fully members' savings and financial stability.

The commission report was co-authored and agreed by key stakeholders, including credit union representatives. The process was a participative one, with wide representation from the credit union movement. The agreed commission report sets out the blueprint for the viability of credit unions into the future. Its constituent elements are interrelated and mutually reinforcing. The Government fully accepted all recommendations in the commission's report which was

presented to it in March 2012. Over 60 of these recommendations are contained in the Credit Union and Co-operation with Overseas Regulators Act 2012, which is the first new legislation for credit unions in 15 years.

The 2012 Act 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. This has provided credit unions with the necessary time to ensure that the required processes and procedures are in place prior to the implementation of each tranche. The report of the commission on credit unions made a number of recommendations regarding the strengthening of the regulatory framework for credit unions. It also recommended that regulation making powers be delegated to the Central Bank. Therefore, it is a matter for the registrar of credit unions to make regulations and set limits for credit unions, including savings limits.

In keeping with this, the registrar of credit unions is introducing new regulations for credit unions. Regarding these regulations, it must be clear 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, to maintain sector stability and to protect the savings of credit union members. In line with the recommendations of the commission on credit unions, and having regard to international best practice, the Central Bank conducted a consultation process in December 2013 on a proposed two-tier regulatory approach as set out in consultation paper 76, CP76.

The Central Bank stated that feedback received on CP76 indicated that the majority of respondents were of the view that a tiered regulatory approach should not be introduced at this time given the amount of change that the credit union sector is currently undergoing. Following on from this, in November 2014 the Central Bank conducted a second full consultation process in the form of consultation paper 88, CP88. A regulatory impact analysis was also conducted on the new regulations. While the proposed regulations are not of a specific tiered nature, the registrar will be provided with powers to make appropriate and timely changes to regulations where it is considered necessary.

At the current time, it is the Minister'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. The Government has no role in setting regulations for a strengthened regulatory framework for credit unions.

The Minister for Finance and the Government are aware of and recognise the concerns of the credit union movement regarding 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, who has stated that this measure is being introduced to ensure the protection of members' savings and that credit union funding is sufficiently diversified and not dependent on a small number of members.

The Minister for Finance has emphasised that his officials have been in constant contact with representative bodies. He met credit union representative bodies on 12 November 2015, when the perceived impact of the new regulations was discussed. At that meeting the Minister asked credit union representatives to revert with their specific concerns and he has committed to communicate these concerns to the registrar. Further follow-up meetings between the Department of Finance and the representative bodies will take place tomorrow.

It is recognised that for a business to grow it needs to develop its business model and credit unions, while not-for-profit entities, need to grow income to ensure sector viability. When the Minister met representative bodies the week before last, they were invited to share any business model development ideas they may have to introduce new income opportunities to the sector to ensure future growth and sector viability. The Minister looks forward to receiving proposals that will support and grow income and maintain viability while protecting members' savings.

It was mentioned by a number of Deputies yesterday that the sector has €8 billion available for investment in social housing. While my colleague, the Minister for the Environment, Community and Local Government, is primarily responsible for the formulation and implementation of policy and the preparation of legislation on housing, Department of Finance officials are scheduled to meet Department of the Environment, Community and Local Government officials later this week to discuss the proposals.

**Deputy Niall Collins:** People throughout Ireland are asking why the Government is continuing to attack communities. This latest approach by the Government is impacting so heavily on the credit union movement that this is the second occasion in six months we have had to debate the issue. We have had issues with regard to libraries, courthouses, schools, post offices, Garda stations and even public health centres. There is a credit union in every community and the difference between the credit unions and the banks is the credit unions know their members and their business. The figures justify and support that and when they have stated they can deliver, they have delivered. Previous statements that it was going to cost €1 billion to bail them out of a black hole were found to be false and not the case.

In the very short period of time I have available in this debate, I want to raise an issue which I also raised in the previous debate on credit unions. A number of credit unions in my constituency in Limerick invested in products in the former Anglo Irish Bank, which became IBRC. Those investment products are being burned as part of the special liquidation of IBRC but the legislation allows the Minister to instruct the special liquidator to honour some payments. I ask again that my local credit union, Mungret, Patrickswell, Clarina and Crecora, MPCC, credit union is considered by the Minister in the context of instructing the special liquidator to honour the investments made in the former IBRC. Are we presiding over a case where the only bondholder being burned by the Government is the credit union movement? Will the Minister of State bring this to the attention of the Minister? I ask the Government to desist with regard to CP88. There is no point in the Minister of State and all of his colleagues coming into the House this evening crying crocodile tears and stating they support the credit union movement but voting down the motion. It will make people even more cynical about politics.

**Deputy Barry Cowen:** I welcome the many members of credit unions who are in the Gallery. They include management, staff and directors. I thank all of those who contributed to the debate and I acknowledge those who, although in the minority, have committed to support the motion and have spoken in favour of it. On proposing the motion, my colleague, Deputy Michael McGrath, elaborated on its contents. He highlighted the implications if the measures contained in the CP88 document are signed by the Minister, Deputy Noonan. Yesterday evening, before the debate started, the Minister, Deputy Noonan, left the Chamber. He is not in the Chamber this evening nor are many of his colleagues. I ask him to inform us on his absence and give us a good reason as to why it is the case. Deputy Rabbitte seemed to intimate this area is solely the responsibility of the Minister of State, Deputy Harris, but I doubt this is the case.

I note what the Minister of State stated yesterday. He and the Minister of State, Deputy

McHugh, who is present, spoke on behalf of the Government and the Deputies who are party to the Government. Deputy Troy and others alluded to the fact that they spoke about the perceived implications of the measures contained in the recommendations in CP88, if signed by the Minister, Deputy Noonan.

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

**Deputy Barry Cowen:** There is nothing to be perceived about the implications for the credit union movement. What is factual is that if this goes ahead in the form in which it has been presented, the future viability of credit unions is at risk. It goes without saying we all acknowledge, compliment, thank and congratulate the credit union movement throughout the country for the work, help and assistance it gives to communities, to such an extent that up to 70% of the population are members of credit unions. In my county, there are 35,000 members in Tullamore, 9,000 in Clara and up to 50,000 or 60,000 throughout the county. Credit unions are integral and vital parts of communities.

We know banks are withdrawing services throughout the country. We heard Deputy Mulherin speak about the difference between the atmosphere in a credit union office and that in a bank office. We see interaction, vitality and engagement in a credit union office, while we see staff in banks introducing customers to machines. Earlier this year, Ferbane in my county lost Ulster Bank, which was the last bank in town. I heard Deputy Heydon from Kildare speak about the vacuum being created by the loss of the credit union in Newbridge over the past two years. He should inform his colleagues because they will face the same vacuum in their communities in the coming years if what is proposed in CP88 is signed by the Minister.

Over the past four years, we have seen the Government stand idly by as post offices went to the wall. We have seen Garda stations closed and social welfare offices withdrawn from communities. All of this is in addition to the threat that exists that the loss of credit unions will take away whatever bit of vitality could be perceived and held in communities. We have seen no effort to address the deficit that exists in many towns and villages and no overhaul of commercial rates or dedicated plans for towns and villages.

Like many of his colleagues in Fine Gael and the Labour Party, the Minister of State, Deputy Harris, recognises the value of credit unions. He spoke of the Government's amendment to the motion, which would have us believe it addresses the concerns and fears being reiterated by members throughout the country. He accepts, of course, the commission's findings in their entirety and the independence of the registrar, but does he, and it appears that he does, accept the selective implementation of the registrar's various recommendations on this document as it is at present? He forgets, and does not acknowledge, the omission of other recommendations which might assist credit unions in helping and assisting small and medium-sized enterprises, and which may help with mortgage lending and go beyond the restrictive 10% cap being put on mortgages for more than 25 years.

The Minister of State, Deputy Harris, also stated there is provision in the amendment, and I also heard this in the contribution of the Minister of State, Deputy McHugh, for the Government to explore the possibility of an input from the credit union movement with regard to the social housing dilemma we have. What exploration is required, when a credit union has the capacity to make available through a central fund, similar to the Canadian model, funding to local communities and local authorities to build houses in their area? Yesterday, I was at a meeting at which the Department of the Environment, Community and Local Government spoke about



the Estimates and looking back at the spend this year. This time last year, it made a commitment with regard to a €4 billion investment over five years, whereby there would be 7,500 new homes throughout the country this year, 4,000 of which would be new builds. The number that was built was 200, which is five per local authority. My county must have been the exception because it got eight, although this was over the past four years. The credit union movement has at its disposal investment capacity in this sector for local authorities and even a return of 2% would be far in excess of what is being received in the banks at present.

Members of the Government parties should not give us the platitudes we have heard. I will be honest, and I do not like saying this, but I am a bit worried about some of the condescending tones I heard from some of the speakers on the other side of the House. The credit union movement is professional and forward thinking, which is well capable - and more than capable as has been said by some speakers - of meeting the demands of the economy as we know them. It is much more capable when it is compared to the way in which the banks conducted their business. I heard Deputy Nolan of the Labour Party state yesterday that the debate will have very little effect. Regardless of the vote, he called for more engagement. This sentiment personifies in my mind and for my party the lack of appreciation of the ramifications of this Administration's governance.

*10 o'clock*

There must be political consequences. I have met representatives of credit unions over the past number of months, including a senior delegation from the Irish League of Credit Unions, ILCU, last week, and I spoke to people in the Credit Union Development Association, CUDA, as well. It became quite apparent to me that this had to get political, as members of Fine Gael and the Labour Party, as the Government, need to accept and face the consequences of their actions. For example, when our party put in place a four-year programme to close the gap between income and expenditure, it suffered the political consequences, despite the fact that the current Government continued along that path and closed the gap by the final third necessary. That was to the Government parties' benefit but, more importantly, it was to the country's benefit. We suffered the political consequences of putting that in place, rightly or wrongly. We accepted the decision of the Irish people of putting those opposite into government and taking it from there.

The last Government capitalised Irish banks; the Irish people capitalised them. This Government told us after the June 2012 summit that there would be retrospective bank recapitalisation, as there should have been, but we doubted it was the game changer that the Government argued it was. It was a footnote at the bottom of the agreement. Instead, we have seen higher mortgage interest rates, 2% above the European average, with a bank veto on solutions proposed by customers, mass evictions, no social dividend from NAMA and €8 billion of credit union soft deposits sitting in banks ever since. Is it not gas to think that, having been saved by the Irish people, banks are now propped up by the credit unions with €8 billion of investment? The same credit unions are barred from competing in the way they can and should in the market. It is time for the members of Fine Gael to face up to the political consequences of their actions. It is time for those party members to realise the power in the hands of the Minister for Finance, Deputy Noonan, with respect to the ramifications of what they sign and when they sign it.

Many have spoken of how, earlier today, representatives of the ILCU, CUDA and the Credit Union Managers' Association came before the finance committee. There was all-party agreement, on the suggestion of Deputy Michael McGrath, that the committee should meet the

registrar, and a date has been fixed for 16 December. The committee has written to the Minister, Deputy Noonan, asking him to withdraw or withhold his intention to sign CP88 at least until that meeting takes place. He claims he has passed on the concerns about the perceived implications of what is contained within it to the registrar in recent weeks, following his meeting with representatives of those bodies on 12 November. Yet, all of a sudden, he has agreed to meet representatives of the credit unions again tomorrow. That comes after hearing what we have said and what members have said throughout the country, and with Members from his party and the Labour Party reminding him of the issue.

In the likes of Offaly there are 50,000 or 60,000 credit union members and - make no mistake about it - my colleagues and I will remind each and every one about the ramifications and political consequences arising from the Government's actions if it goes ahead with this. As I said earlier, it is hiding behind necessary rectifications and controls in the way financial institutions have to be monitored. I accept that. There was scaremongering from the Minister for Finance with regard to credit unions; it was not from a consultant, as Deputy Rabbitte argued. The Minister for Finance for this State said it would take up to €1 billion to rectify the harm that might exist in credit unions, but it took only €40 million.

The Government thinks it can hide behind regulators and registrars while saying it accepts all that is contained in the commission's recommendations. It will stand idly by when the registrar selectively chooses from those recommendations and puts that under the nose of the Minister for Finance. At this eleventh hour, he still thinks there are "perceived" ramifications, but there is nothing perceived about our putting a second motion before this House. It is time to wake up and smell the coffee. It is time for the Government and its party members to realise that if they vote for this, they should not expect members of credit unions to vote for them.

Amendment put:

| <i>The Dáil divided: Tá, 67; Níl, 45.</i> |                               |
|---|-------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                    |
| <i>Breen, Pat.</i>                        | <i>Adams, Gerry.</i>          |
| <i>Burton, Joan.</i>                      | <i>Aylward, Bobby.</i>        |
| <i>Butler, Ray.</i>                       | <i>Boyd Barrett, Richard.</i> |
| <i>Byrne, Eric.</i>                       | <i>Broughan, Thomas P.</i>    |
| <i>Cannon, Ciarán.</i>                    | <i>Browne, John.</i>          |
| <i>Carey, Joe.</i>                        | <i>Calleary, Dara.</i>        |
| <i>Coffey, Paudie.</i>                    | <i>Collins, Joan.</i>         |
| <i>Collins, Áine.</i>                     | <i>Collins, Niall.</i>        |
| <i>Conaghan, Michael.</i>                 | <i>Colreavy, Michael.</i>     |
| <i>Connaughton, Paul J.</i>               | <i>Cowen, Barry.</i>          |
| <i>Conway, Ciara.</i>                     | <i>Crowe, Seán.</i>           |
| <i>Coonan, Noel.</i>                      | <i>Daly, Clare.</i>           |
| <i>Corcoran Kennedy, Marcella.</i>        | <i>Doherty, Pearse.</i>       |
| <i>Costello, Joe.</i>                     | <i>Ellis, Dessie.</i>         |
| <i>Creed, Michael.</i>                    | <i>Ferris, Martin.</i>        |
| <i>Deenihan, Jimmy.</i>                   | <i>Fitzmaurice, Michael.</i>  |
| <i>Deering, Pat.</i>                      | <i>Fleming, Sean.</i>         |

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| <i>Doherty, Regina.</i>         | <i>Fleming, Tom.</i>           |
| <i>Dowds, Robert.</i>           | <i>Grealish, Noel.</i>         |
| <i>Doyle, Andrew.</i>           | <i>Halligan, John.</i>         |
| <i>Durkan, Bernard J.</i>       | <i>Healy, Seamus.</i>          |
| <i>English, Damien.</i>         | <i>Healy-Rae, Michael.</i>     |
| <i>Farrell, Alan.</i>           | <i>Kelleher, Billy.</i>        |
| <i>Feighan, Frank.</i>          | <i>Kitt, Michael P.</i>        |
| <i>Fitzgerald, Frances.</i>     | <i>Lowry, Michael.</i>         |
| <i>Fitzpatrick, Peter.</i>      | <i>Mac Lochlainn, Pádraig.</i> |
| <i>Hannigan, Dominic.</i>       | <i>McConalogue, Charlie.</i>   |
| <i>Harrington, Noel.</i>        | <i>McDonald, Mary Lou.</i>     |
| <i>Harris, Simon.</i>           | <i>McGrath, Finian.</i>        |
| <i>Hayes, Tom.</i>              | <i>McGrath, Mattie.</i>        |
| <i>Heydon, Martin.</i>          | <i>McGrath, Michael.</i>       |
| <i>Humphreys, Kevin.</i>        | <i>McLellan, Sandra.</i>       |
| <i>Keating, Derek.</i>          | <i>Maloney, Eamonn.</i>        |
| <i>Kehoe, Paul.</i>             | <i>Moynihan, Michael.</i>      |
| <i>Kelly, Alan.</i>             | <i>Murphy, Paul.</i>           |
| <i>Kyne, Seán.</i>              | <i>Ó Caoláin, Caoimhghín.</i>  |
| <i>Lawlor, Anthony.</i>         | <i>Ó Fearghail, Seán.</i>      |
| <i>Lynch, Ciarán.</i>           | <i>Ó Snodaigh, Aengus.</i>     |
| <i>Lynch, Kathleen.</i>         | <i>O'Dea, Willie.</i>          |
| <i>Lyons, John.</i>             | <i>Pringle, Thomas.</i>        |
| <i>McCarthy, Michael.</i>       | <i>Smith, Brendan.</i>         |
| <i>McEntee, Helen.</i>          | <i>Stanley, Brian.</i>         |
| <i>McFadden, Gabrielle.</i>     | <i>Tóibín, Peadar.</i>         |
| <i>McGinley, Dinny.</i>         | <i>Troy, Robert.</i>           |
| <i>McHugh, Joe.</i>             | <i>Wallace, Mick.</i>          |
| <i>McLoughlin, Tony.</i>        |                                |
| <i>McNamara, Michael.</i>       |                                |
| <i>Mitchell O'Connor, Mary.</i> |                                |
| <i>Mulherin, Michelle.</i>      |                                |
| <i>Neville, Dan.</i>            |                                |
| <i>Noonan, Michael.</i>         |                                |
| <i>O'Donnell, Kieran.</i>       |                                |
| <i>O'Donovan, Patrick.</i>      |                                |
| <i>O'Dowd, Fergus.</i>          |                                |
| <i>O'Mahony, John.</i>          |                                |
| <i>Perry, John.</i>             |                                |
| <i>Phelan, Ann.</i>             |                                |
| <i>Phelan, John Paul.</i>       |                                |
| <i>Rabbitte, Pat.</i>           |                                |
| <i>Ring, Michael.</i>           |                                |

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| <i>Ryan, Brendan.</i>  |  |
| <i>Spring, Arthur.</i> |  |
| <i>Stagg, Emmet.</i>   |  |
| <i>Stanton, David.</i> |  |
| <i>Tuffy, Joanna.</i>  |  |
| <i>Twomey, Liam.</i>   |  |
| <i>Wall, Jack.</i>     |  |

Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Barry Cowen and Michael Moynihan.

Amendment declared carried.

Question put: "That the motion, as amended, be agreed to."

| <i>The Dáil divided: Tá, 67; Níl, 45.</i> |                               |
|---|-------------------------------|
| <i>Tá</i>                                 | <i>Níl</i>                    |
| <i>Breen, Pat.</i>                        | <i>Adams, Gerry.</i>          |
| <i>Burton, Joan.</i>                      | <i>Aylward, Bobby.</i>        |
| <i>Butler, Ray.</i>                       | <i>Boyd Barrett, Richard.</i> |
| <i>Byrne, Eric.</i>                       | <i>Broughan, Thomas P.</i>    |
| <i>Cannon, Ciarán.</i>                    | <i>Browne, John.</i>          |
| <i>Carey, Joe.</i>                        | <i>Calleary, Dara.</i>        |
| <i>Coffey, Paudie.</i>                    | <i>Collins, Joan.</i>         |
| <i>Collins, Áine.</i>                     | <i>Collins, Niall.</i>        |
| <i>Conaghan, Michael.</i>                 | <i>Colreavy, Michael.</i>     |
| <i>Connaughton, Paul J.</i>               | <i>Cowen, Barry.</i>          |
| <i>Conway, Ciara.</i>                     | <i>Crowe, Seán.</i>           |
| <i>Coonan, Noel.</i>                      | <i>Daly, Clare.</i>           |
| <i>Corcoran Kennedy, Marcella.</i>        | <i>Doherty, Pearse.</i>       |
| <i>Costello, Joe.</i>                     | <i>Ellis, Dessie.</i>         |
| <i>Creed, Michael.</i>                    | <i>Ferris, Martin.</i>        |
| <i>Deenihan, Jimmy.</i>                   | <i>Fitzmaurice, Michael.</i>  |
| <i>Deering, Pat.</i>                      | <i>Fleming, Sean.</i>         |
| <i>Doherty, Regina.</i>                   | <i>Fleming, Tom.</i>          |
| <i>Dowds, Robert.</i>                     | <i>Grealish, Noel.</i>        |
| <i>Doyle, Andrew.</i>                     | <i>Halligan, John.</i>        |
| <i>Durkan, Bernard J.</i>                 | <i>Healy, Seamus.</i>         |
| <i>English, Damien.</i>                   | <i>Healy-Rae, Michael.</i>    |
| <i>Farrell, Alan.</i>                     | <i>Kelleher, Billy.</i>       |

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| <i>Feighan, Frank.</i>          | <i>Kitt, Michael P.</i>        |
| <i>Fitzgerald, Frances.</i>     | <i>Lowry, Michael.</i>         |
| <i>Fitzpatrick, Peter.</i>      | <i>Mac Lochlainn, Pádraig.</i> |
| <i>Hannigan, Dominic.</i>       | <i>McConalogue, Charlie.</i>   |
| <i>Harrington, Noel.</i>        | <i>McDonald, Mary Lou.</i>     |
| <i>Harris, Simon.</i>           | <i>McGrath, Finian.</i>        |
| <i>Hayes, Tom.</i>              | <i>McGrath, Mattie.</i>        |
| <i>Heydon, Martin.</i>          | <i>McGrath, Michael.</i>       |
| <i>Humphreys, Kevin.</i>        | <i>McLellan, Sandra.</i>       |
| <i>Keating, Derek.</i>          | <i>Maloney, Eamonn.</i>        |
| <i>Kehoe, Paul.</i>             | <i>Moynihan, Michael.</i>      |
| <i>Kelly, Alan.</i>             | <i>Murphy, Paul.</i>           |
| <i>Kyne, Seán.</i>              | <i>Ó Caoláin, Caoimhghín.</i>  |
| <i>Lawlor, Anthony.</i>         | <i>Ó Fearghaíl, Seán.</i>      |
| <i>Lynch, Ciarán.</i>           | <i>Ó Snodaigh, Aengus.</i>     |
| <i>Lynch, Kathleen.</i>         | <i>O'Dea, Willie.</i>          |
| <i>Lyons, John.</i>             | <i>Pringle, Thomas.</i>        |
| <i>McCarthy, Michael.</i>       | <i>Smith, Brendan.</i>         |
| <i>McEntee, Helen.</i>          | <i>Stanley, Brian.</i>         |
| <i>McFadden, Gabrielle.</i>     | <i>Tóibín, Peadar.</i>         |
| <i>McGinley, Dinny.</i>         | <i>Troy, Robert.</i>           |
| <i>McHugh, Joe.</i>             | <i>Wallace, Mick.</i>          |
| <i>McLoughlin, Tony.</i>        |                                |
| <i>McNamara, Michael.</i>       |                                |
| <i>Mitchell O'Connor, Mary.</i> |                                |
| <i>Mulherin, Michelle.</i>      |                                |
| <i>Neville, Dan.</i>            |                                |
| <i>Noonan, Michael.</i>         |                                |
| <i>O'Donnell, Kieran.</i>       |                                |
| <i>O'Donovan, Patrick.</i>      |                                |
| <i>O'Dowd, Fergus.</i>          |                                |
| <i>O'Mahony, John.</i>          |                                |
| <i>Perry, John.</i>             |                                |
| <i>Phelan, Ann.</i>             |                                |
| <i>Phelan, John Paul.</i>       |                                |
| <i>Rabbitte, Pat.</i>           |                                |
| <i>Ring, Michael.</i>           |                                |
| <i>Ryan, Brendan.</i>           |                                |
| <i>Spring, Arthur.</i>          |                                |
| <i>Stagg, Emmet.</i>            |                                |
| <i>Stanton, David.</i>          |                                |
| <i>Tuffy, Joanna.</i>           |                                |
| <i>Twomey, Liam.</i>            |                                |



25 November 2015

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| <i>Wall, Jack.</i> |  |
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Tellers: Tá, Deputies Emmet Stagg and Paul Kehoe; Níl, Deputies Barry Cowen and Michael Moynihan.

Question declared carried.

The Dáil adjourned at 10.25 p.m. until 9.30 a.m. on Thursday, 26 November 2015.