



DÍOSPÓIREACHTAÍ PARLAIMINTE  
PARLIAMENTARY DEBATES

**DÁIL ÉIREANN**

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

Leaders' Questions . . . . .	785
Questions on Proposed Legislation . . . . .	793
Waste Collection Charges: Motion (Resumed) [Private Members] . . . . .	798
The Arts: Motion (Resumed) [Private Members] . . . . .	802
Summer Economic Statement 2016: Statements . . . . .	807
Topical Issue Matters . . . . .	832
Summer Economic Statement 2016: Statements (Resumed) . . . . .	832
Estimates for Public Services 2016: Messages from Select Committees . . . . .	859
Ceisteanna - Questions . . . . .	859
Priority Questions . . . . .	859
EU Membership . . . . .	859
Code of Conduct on Mortgage Arrears . . . . .	861
Financial Services Regulation . . . . .	864
Other Questions . . . . .	866
Infrastructure and Capital Investment Programme . . . . .	866
Mortgage Arrears Proposals . . . . .	868
NAMA Assets Sale . . . . .	870
Consumer Protection . . . . .	872
Tax Code . . . . .	873
Insurance Costs . . . . .	875
NAMA Operations . . . . .	877
Statute of Limitations . . . . .	880
Topical Issue Debate . . . . .	882
Cancer Services Provision . . . . .	882
Nursing Homes Support Scheme . . . . .	885
Animal Protection (in relation to hares) Bill 2015: Second Stage [Private Members] . . . . .	888

# DÁIL ÉIREANN

*Déardaoin, 23 Meitheamh 2016*

*Thursday, 23 June 2016*

Chuaigh an Ceann Comhairle i gceannas ar 12 p.m.

***Paidir.***

***Prayer.***

---

## **Leaders' Questions**

**Deputy Michael McGrath:** I beg the indulgence of the Ceann Comhairle. I am sure the Tánaiste will want to join with me in congratulating the Irish soccer team and management on their outstanding success last night. It was a tremendous victory against Italy in Lille. They have done us proud, as have the fans, over the past number of weeks. We wish them all the best in the last 16 games, and Northern Ireland as well.

I want to again raise with the Tánaiste the issue of motor insurance premiums, which continue to soar. She knows the facts pretty well at this stage. There has been an increase of 60% in premiums since the beginning of 2014 and in the past 12 months alone there has been an increase of some 35%. The bottom line is that motorists have had enough of these unacceptable and unsustainable premium hikes. This is now a priority issue, not just for private motorists but for the many businesses which are feeling the brunt of these savage increases. Fianna Fáil put this issue firmly on the Dáil agenda two weeks ago through a Private Members' motion that we put forward. It was agreed unanimously by the House on that occasion.

The motion called for a number of things, but the principal element was the establishment of an independent task force along the lines of the Motor Insurance Advisory Board, which very successfully tackled this issue some years ago. When motions are passed by the House, they represent the will of the Members of Dáil Éireann and, through us, the will of the people we represent. Motions passed by Dáil Éireann cannot simply be ignored by the Government. What steps does the Government intend to take to tackle this issue and implement the measures set out in the motion which was agreed by the House?

Fianna Fáil acknowledges that there is no silver bullet to resolve the issue. While the Government does not control the cost of premiums, it can influence many of the factors behind the level of increases we are witnessing. The problem is that we simply do not know who to believe and do not have the data to reach reasoned conclusions. The industry tells us, for example, that the reason behind the premium hikes lies in the area of claims, in the number of claims and the cost of settling claims. However, the data we have does not back that up. For example,

the total amount paid out by insurance companies on claims for 2014 - the most recent data we have - was 36% less than the amount paid out in 2011. We need measures to tackle false and exaggerated claims and legal costs. We also need a national claims register and to look at the level of awards being made. We must also review the role of the Personal Injuries Assessment Board, PIAB. I welcome the fact that some work is being done in that area. One of the main difficulties as I see it is the fact that the vast majority of claims are now being settled out of court and outside of the PIAB process so we do not have any oversight or transparency and we need a national claims register. Insurance premium increases are typically of the order of €200 to €300, with many increases for far greater amounts. That is not acceptable. We need action. What is the Government doing to tackle the issue on behalf of consumers?

**The Tánaiste:** I, too, congratulate the Republic of Ireland soccer team on what was a momentous win last night in Lille. The match and that goal will rank right up there with the best of our memories of Irish soccer. I say well done to Martin, Roy, Robbie and the entire team and, of course, the fans who, everyone will agree, have done us proud and lifted all our spirits. I say very well done to them and the best of luck.

On the issue Deputy Michael McGrath raised about motor insurance and the reports and reality of sharp increases in motor insurance being charged to some people, as the Deputy is aware, the Government is concerned about it. Motor insurance is a very important part of the household budget and the kinds of increases we have seen have a serious impact. A number of Departments, State bodies and private sector organisations have an interest in the cost of motor insurance. I am advised by the Minister for Finance that he has asked his officials to examine the factors which contribute to the increasing cost of insurance. Deputy McGrath himself set out the multifaceted nature of the increases and the work that needs to be done.

The work is part of an overall review of policy in the insurance sector, which the Department of Finance is carrying out in consultation with the Central Bank and other Departments, agencies and external stakeholders. The objective of the review is to recommend measures to improve the functioning and regulation of the insurance sector. The first phase of the review is focused on the motor insurance compensation framework and that work is nearing completion. The next phase involves examining the factors contributing to the increasing cost of insurance and identifying what short-term measures – as the Deputy said, the matter is urgent – could be introduced to help reduce the cost of insurance for consumers and businesses while also addressing those measures that need more long-term policy implementation.

The issue is a priority for the Minister for Finance. I am sure he would accept the point made by Deputy McGrath on motions passed in this House and the need for follow-up action. I will bring to his attention the fact that Deputy McGrath has raised the matter again this morning.

**Deputy Michael McGrath:** I thank the Tánaiste for her reply but, to be honest, concern from Government is no longer enough - motorists want action on the issue. The Minister for Finance set up a Department-led review of the wider insurance sector a number of months ago and, as part of that, it is looking at issues relating to motor insurance. That is not, however, an independent task force which would be at arms length from the Department, would have an independent chair, terms of reference and a deadline, and whose task should be to examine and identify the root causes behind the level of increases we are witnessing in motor insurance premiums and, most important, to make recommendations as to what we can do to tackle the issue. We have touched on a number of the reasons behind it.

23 June 2016

On Saturday week, there will be a massive protest in Dublin organised by a young man from Killorglin, County Kerry, called Kian Griffin, who is a motoring enthusiast. Thousands of cars will be in Dublin to make the point that people want action on the issue.

I ask the Tánaiste to take the message back to the Minister but also to the entire Government that the response from the Government so far is not satisfactory. It has been inadequate and woefully inept. We need far more action from the Government to tackle the issue. We need the Government to implement the motion and set up an independent task force to get to the bottom of the issue because people are facing more increases of perhaps up to 30% this year if they can get a quote at all. As this increasingly is an issue for both younger drivers and people driving older vehicles, who also are paying higher rates of motor tax, let us deal with it.

**The Tánaiste:** I agree with the Deputy in respect of the challenge it poses and the need for action. The review obviously is the first part of the response by the Department of Finance to the issue. An internal review such as is being done is important and the Deputy will agree it is a complex issue. It is important to identify the variety of factors that are contributing to it. For example, the Personal Injuries Assessment Board, PIAB, is doing its own separate piece of work by looking at the entire quantum and damages that are applied at present to try to bring more consistency into its awards. That also is an important element of it. I take the Deputy's point regarding an independent task force and I am sure that once the review is completed or perhaps in advance of it, the Minister for Finance may consider it. I am sure it is something the Deputy intends to pursue with the Minister and I will bring to his attention his comments today.

**Deputy Mary Lou McDonald:** I also wish to acknowledge the boys in green and to congratulate them and the management on their historic victory. I also wish to recognise the fans, the girls and boys in green on the terraces. Is it not something that two Irish teams have now qualified for the final 16? Let us imagine what we will achieve when we have a single Irish soccer team.

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

**Deputy Mary Lou McDonald:** I have no doubt that we will run rings around them all and win all around us.

**Deputy Mattie McGrath:** Come on Tipp.

**Deputy Mary Lou McDonald:** I wish to raise the issue of homelessness with the Tánaiste by telling her about Áine. She is an 18-year-old young woman and on Tuesday of this week, she presented as homeless to her local council, together with her partner and their four-month-old infant daughter. The council refused to accept she genuinely was in need of emergency accommodation and she was turned away. At 4.30 p.m. that afternoon, she rang the freefone number but no emergency accommodation was available. At 9 p.m. that evening, she again rang only to be told there still was no emergency accommodation. Eventually, at 12.30 a.m., while standing outside Heuston Station shivering and holding her infant child, she was collected by the rough sleepers team and brought to a hostel. Áine's family is just one of ten families turned away from local authorities on that Tuesday, only to be accommodated later through the rough sleepers team. The last of the families was not accommodated until 1.30 a.m. Yesterday, Áine returned to her local council, only to be turned away again. She eventually was accommodated through the freefone service at 8 p.m. As I speak, this young woman yet again is on her way back to her local authority not knowing where she and her family will sleep tonight.

The reason families are being turned away from the local authorities is because there is not enough emergency accommodation and staff members in local authorities are being asked to make an impossible choice between families, that is, between those who will have a bed and those who are sent back out onto the street. I could read out the statistics and the Tánaiste will be aware that homelessness is out of control. She will be aware that on her Government's watch, homelessness has increased by 86% in a single year. Does the Tánaiste accept that the Government's response to the family homelessness crisis to date has failed? Does she believe it is acceptable for a family to be turned away, as was Áine with her infant child, and to be left out onto the streets until the early hours of the morning? What will the Government do today, tonight, this week and this month to address the challenge faced by Áine and others? Finally, will the Tánaiste commit to publishing the Government's housing action plan and to scheduling a full Dáil debate on it before Members rise for the summer?

**The Tánaiste:** As the Government has stated consistently in this regard, it is not tolerable that in Ireland today, families and children such as Áine's are living in emergency accommodation or are having difficulty accessing such accommodation. That is why this issue is a priority for the Government. That is why the housing committee was established before all others and it did its work and made its report. We are all extremely conscious of the legacy of the housing bust and we need to work every day to remedy it and especially to work directly to ensure that families are not left in the situation the Deputy describes. Many of the problems stem, as the Deputy well knows, from the chronic lack of supply of housing, which is causing knock-on problems for everyone - renters, first-time buyers and low-income households. Every possible action is being taken in the most speedy manner to ensure that families will get the housing they need. The housing committee has identified a range of initiatives. The Minister has said that he will respond to that urgently. The question of whether the Dáil will debate the report is one for the business of the Dáil committee to agree on.

We have the new Cabinet Minister with responsibility for housing, planning and local government and a reformed Department to take on these challenges. The action plan for housing will of course address the issue of homelessness. Local authorities are being given greater scope to respond more quickly to the kind of situation the Deputy has described. They have been given more funding to increase the supply of the kind of accommodation that we need. More than 220 families have secured accommodation under the homeless housing assistance payment, HAP, pilot and there is an uplift under this pilot to 50% as announced in the last budget. That has had a positive effect. The work is ongoing. The crisis is not going to be resolved overnight but the Deputy knows that it is a priority for the Government, as it is for everyone in this House, to take action to address the issue, to give as much support as possible and to provide, in the first instance, temporary accommodation to people who find themselves in the position of the woman that the Deputy has outlined.

**Deputy Mary Lou McDonald:** What I know is that last month almost 4,000 people across the State were in emergency accommodation. I know and the Tánaiste knows that this includes more than 1,000 families and more than 2,000 children. What we now know is that we have a crisis in the crisis management of homelessness. It is not simply that families are in emergency accommodation, which is scandalous in itself, but in fact now the pressure is such and the crisis so deep that families cannot access emergency accommodation. I have told the Tánaiste Áine's story. She was sent to the streets. Let me emphasise that this is not the fault of the Dublin Region Homeless Executive or the local councils. As I have said, they are left in an impossible situation in which they simply do not have access to enough emergency accommodation. It is

of cold comfort to Áine and others that the Tánaiste says that this is a matter of priority. I ask her to demonstrate that. What will she do now, this week and this month to address the issue of emergency accommodation in order that Áine is not similarly sent back out onto the streets tonight?

**The Tánaiste:** It should be noted that more than 2,000 sustainable tenancies were secured for homeless households during 2015 which allowed people to exit homelessness. That is very important. The Deputy asked me to demonstrate the Government's commitment. I believe that many of the actions already taken demonstrate that. With regard to providing more emergency accommodation, the increased funding for 2016 that has been made available and is available to local authorities means that they should be in a position to increase the availability of emergency accommodation. We know the amounts that are being spent, for example, on hotel accommodation at present. Again, it is unacceptable and we need to move as quickly as possible from this situation. That is being done.

The programme of rapid delivery housing also demonstrates the Government's intention. Five hundred units are to be provided in Dublin to accommodate homeless households currently in hotels. There is the increase in the homeless funding, as I said, as well as the implementation of a Dublin region homeless pilot for the housing assistance programme. However, I take the point that the Deputy is making. She is highlighting the need for emergency accommodation. If it needs to be increased, and clearly Áine's story that the Deputy has told suggests that it does, the Government will put and has put the funding in place to make sure that happens.

**Deputy Thomas P. Broughan:** I warmly congratulate our wonderful football team for their outstanding victory last night and I wish them well in Lyon on Sunday.

Last Valentine's Day, during the general election campaign, was the 35th anniversary of the horrific Stardust nightclub fire in which 48 young people, mainly teenagers, died and more than 200 young people, mainly citizens in my constituency, were seriously injured. Over the past 35 years, the Stardust Relatives' and Victims Committee, courageously led by Ms Antoinette Keegan, Ms Chrissie Keegan and Ms Gertrude Barrett, has fought for justice for the victims and the families. The committee has been in contact with the Tánaiste many times in her capacity as Minister for Justice and Equality.

The Keane tribunal report in 1982 severely criticised Paddy and Eamon Butterly, the owner and manager of the Stardust, for their reckless disregard for the safety of the people on the premises but its conclusion of arson outraged the communities on the north side of the city. Despite Justice Keane's severe criticism of the Butterlys and Dublin Corporation and a huge file being sent to An Garda Síochána, no prosecution was ever taken against the owners or Dublin Corporation. Since the late 1990s, the conclusions of the Keane tribunal have been systematically demolished by the finding of new and unassessed evidence. In 2001, for example, a brilliant investigation called "They Never Came Home", after the song by Christy Moore, carried out by Tony McCullough, editor of *Northside People*, and his colleague, Neil Fetherstonhaugh, found that there were major deficiencies in the electrical and heating systems of the building and eyewitness accounts which had not been taken into account during the Keane investigation. A number of "Prime Time" programmes on the 20th and 25th anniversary of the fire also seriously undermined the credibility of the Keane tribunal. A distinguished local northside scientist, Ms Geraldine Foy, also carried out a detailed investigation in 2004 and collated new decisive evidence. She found the existence of a first floor store room full of flammable cleaning liquids, of which the Keane tribunal appeared to be completely unaware.

Based on some of those discoveries, I called for a new commission of investigation on the 25th anniversary in 2006. I am renewing that call today. In July 2008, the former Taoiseach, Bertie Ahern, who lived across the road from the nightclub, appointed Mr. Paul Coffey to carry out a study of the papers of the Keane tribunal and to look again at the evidence. Although Mr. Coffey's report exonerated the young people in that it found that arson was not the cause, Mr. Coffey did not ask for a new commission of investigation. However, he said in his draft report that he accepted that a new inquiry was necessary. During the 2011 general election campaign the Taoiseach, accompanied by former Deputy Terence Flanagan, gave a commitment to the Stardust Relatives' and Victims Committee that there would be a new commission of investigation but over the past five years, the former Minister for Justice and Equality, former Deputy Alan Shatter, and the Tánaiste have stonewalled on this. The Tánaiste can bring closure to this matter, just as happened in the case of the Widgery report and the Hillsborough disaster. She can ease the awful pain that hundreds of families in my constituency have suffered for the past 35 years.

**The Tánaiste:** As the Deputy is aware, I have met with members of the Stardust victims committee and heard their concerns about how this tragedy has been investigated. There have been a number of reports to date. I have put in place a process in the Department of Justice and Equality whereby the committee can liaise directly and intensively with officials in the Department who have given a huge amount of time to this issue over recent months. The reason we have done that is to ensure that a comprehensive submission outlining all of the material the committee wishes to have considered in this regard is brought forward. Significant progress has been made in that process and I hope the committee continues to engage with it.

The programme for Government contains a commitment that full regard will be had for any new evidence that can definitively prove the cause of the Stardust fire and I am committed to working with the families should they wish to continue to engage with us on this process. In the course of the engagement, they are bringing forward a range of matters relating to the cause of the fire and also relating to support for the work of the committee which they have identified and which they feel they were not given previously. The committee brought forward a range of issues, and I will not go into detail about them now, relating to support from the Government for the work of the committee. We are certainly committed to continuing to engage in the process. If evidence emerges that the Government and committee are convinced is new evidence, we can progress it further. That work is ongoing.

**Deputy Thomas P. Broughan:** There is a motion in the name of Independents 4 Change, our group and AAA-PBP before the House that I think has widespread support. I remember Deputy McDonald standing beside me at the 35th anniversary commemoration. There is widespread support for the Government to put its name to that motion and set up the commission.

Over the years, I have heard the mantra about new evidence from the former Minister, Deputy Shatter, and the Tánaiste. Surely the litany of private investigations and outstanding investigations by journalists, some of whom I mentioned, such as Rita O'Reilly of RTE, and others, have over the years created a category of new evidence that was not assessed at the time and was not brought to the attention of the Keane tribunal. There were deficiencies in the forensic examination by An Garda Síochána and the Department of Justice, so it seems to me that this mantra does not work anymore.

I mentioned the Widgery report and Hillsborough. There seems to be a great reluctance on the part of this Government and previous Governments to review the work of a tribunal but

23 June 2016

Tony Blair set up the Saville inquiry, which brought forward its report in 2010 that exonerated the people of Derry in respect of the whitewash of the Widgery report. We know about the long struggle of the families of the 96 Liverpool fans who died at Hillsborough to get justice. A new inquest was held a few months ago which produced a verdict of unlawful killing. Antoinette Keegan and her colleagues have carried on a very similar struggle for justice and deserve a similar response from the Government. The Minister for Education and Skills, Deputy Bruton, who is sitting beside the Tánaiste, represents the area, as does the Minister of State at the Department of Health, Deputy Finian McGrath.

**An Ceann Comhairle:** We need to conclude.

**Deputy Thomas P. Broughan:** I ask for their support. This seems to have been one of the greatest cover ups in Irish history.

**An Ceann Comhairle:** The Deputy's time has elapsed.

**Deputy Thomas P. Broughan:** I received a lot of support in this regard from my former party, starting with the former leader of the party, Dick Spring. Former Deputy, Pat Rabbitte, called it a case of corporate manslaughter and spoke about the possibility of unlawful killing. I ask the Tánaiste to set up a commission of investigation to bring closure to the families.

**An Ceann Comhairle:** I regret to inform Members that a minute is a minute, notwithstanding the enormity of the issue raised by the Deputy. Could I plead with Members to abide by the clock?

**Deputy Thomas P. Broughan:** I never before had the opportunity to be a Leader.

**An Ceann Comhairle:** May he have many opportunities in the future.

**The Tánaiste:** I recognise what the Deputy said about previous injustices. One should always look at the evidence, have an open mind and not rule out the possibility of a further inquiry or commission of investigation in appropriate circumstances. That is why we have been engaging with the committee over recent months analysing very carefully and taking very seriously the evidence it is presenting to see whether the evidence would lead to a further investigation. It is being looked at very seriously but I think the Deputy would agree with me that given that a previous Government asked for a second report and received a very detailed report that drew certain conclusions, one must consider it very carefully. Obviously, we are all aware of the scale of the tragedy but we are engaged with the committee and will continue to be. The programme for a partnership Government says that if there is new evidence, the issue can be considered and looked at again.

**Deputy Catherine Murphy:** I would also like to be associated with the congratulations to the Irish team, the managers and the terrific fans. I wish them well on Sunday in Lyon. We will also be able to settle an old score by coming out with a win.

No matter what the outcome of the EU referendum in the UK is, and I hope for a Remain vote, Ireland will continue to be a member of the EU. If the debate in the UK has highlighted anything, it is that there is a growing disconnect between EU institutions and ordinary citizens. Debates here on the issue, particularly on the Government side, tend to take an uncritical view of those institutions. They are portrayed as universally good, which is at odds with the views of a very large number of our citizens. Irish people are not stupid - they recognise that we are

a small nation and cannot survive on our own but they also see we were left to carry the can for 41% of the European banking crash. The crippling debt has not only been imposed on us but on our children and grandchildren if it goes unchallenged.

Irish people can also see that the current refugee crisis and the way people are being treated is at odds with the founding principles of the European Union, one of which is human dignity. There is a deference shown in debates and a mindset that we are somehow subservient because of our size, location and level of indebtedness. We have to throw off that mindset and start approaching the European Union confidently and with a critical eye. The arguments made for both the Single European Act and the Maastricht treaty were predicated on how much we were going to receive in return for passing those referenda. It was only when the first Nice referendum failed that the National Forum on Europe was set up to address the growing disconnect between our citizens and the institutions.

We are now at a critical turning point not because of the prospect of Brexit but the issue of TTIP, which looms large. I urge that we approach this with a very critical eye. TTIP represents a profound transfer of power and a fundamental change to the democratic process that once entered into will not be possible to reverse. It is a tipping point. I have been shocked by the lack of debate on this issue in this Chamber, in the media generally, and by our national broadcaster. We need to be questioning and we need to look at the evidence of similar trade agreements that include dispute mechanisms like the one in TTIP. If we are to take a critical position, which I hope we do, we need to be brave and stand over that position even if we are the only ones to take such a position.

Last night on the football pitch, we saw our team throw off the shackles of the small island mentality and their belief saw them through. We need to take a leaf out of that book on the political stage because we can punch above our weight.

Is the Tánaiste aware that in jurisdictions where trade agreements include this mechanism, such as Canada, the number of claims has risen dramatically? One can see the scale on a graph and the costs are paid from public funds. Has the Tánaiste properly evaluated the new price tag on democracy and regulation? Has she properly considered the new special privileges that will be granted to foreign investors and how those new rights do not come with corresponding responsibility? Does she accept that the possible introduction of TTIP will represent a tipping point for democracy as we know it?

**The Tánaiste:** At this point, it would be unwise to speculate on the outcome of the referendum in the UK. Polls appear to show that it will be a close finish. The Government's position is very clear on our preferred outcome. I agree with the Deputy that the debate in the UK has thrown into very sharp relief the citizens' views on the EU, both for and against. It will impact the debate in this country and elsewhere in future in terms of the type of debate we will have and the many issues it has thrown up.

The Deputy mentioned the refugee crisis and the response of Europe to it. It has been a very complex situation. Ireland will have the full resettlement programme in place by the end of September. The relocation programme is now starting to be much more active than it was before. We will have increased numbers of Syrian refugees arriving here and we will be in a position to take up the many offers of help from the public which have been made to the Red Cross. Hopefully we will be able to take up the offers in the coming months as more refugees arrive in Ireland but there was a very slow start right across Europe.

23 June 2016

Regarding the point Deputy Catherine Murphy made, that, of course, will have to be approved by the Oireachtas and there will be a full opportunity for debate in the Oireachtas. It is being negotiated in an transparent way. We certainly want to have as full a debate as possible on it. There is no agreement. There is a long way to go. There are certainly benefits that would, I believe, far outweigh the negatives but certainly there will have to be much further engagement. No doubt the points Deputy Catherine Murphy raised will form part of the debate here in the Oireachtas at the appropriate time.

**Deputy Catherine Murphy:** My questions were primarily focused on TTIP and the changes that it will bring about. Looking at some of the evidence from Canada on the approximate tally of winners and losers, the big winners are extra large companies, the very rich individuals, the investor-state dispute settlement, ISDS, legal sector and large companies. The big losers are the respondent countries. This is information that came from Gus Van Harten, professor of law at the York University of Toronto in Canada, who visited recently and participated with the environmental pillar.

On the evidence that is being looked at, is the Government looking at evidence from other countries where this mechanism has been in place because the graph for claims is significant? If the people will be included in a decision that will be made on their behalf, the offer of us going, as parliamentarians, over to the Department of Jobs, Enterprise and Innovation and looking, and not being able to reveal what we see, is not an acceptable approach.

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

**Deputy Catherine Murphy:** We need to have a complete debate. Whether that debate is taken off campus and we have experts brought in, that debate cannot be a limited debate.

**An Ceann Comhairle:** Okay, I thank Deputy Murphy.

**Deputy Catherine Murphy:** Has the Tánaiste looked at the evidence from elsewhere?

**The Tánaiste:** Of course, the evidence will be looked at and the relevant committee will have an opportunity to have further discussion on this. I have two points to make in its regard. First, all existing regulation, for example, on the environment, labour and food, will be protected. Second, it is important to note that the right of Government to regulate will be protected. Those are two important points in its regard.

### **Questions on Proposed Legislation**

**An Ceann Comhairle:** We move now to questions, not statements, on promised legislation for which we have 15 minutes.

**Deputy Michael McGrath:** Last month the Dáil passed the Second Stage of the Central Bank (Variable Rate Mortgages) Bill 2016. When does the Government intend to bring that Bill to Committee Stage? The Tánaiste might give us an update on that.

It has been reported that RTE will tonight air a report raising serious concerns about the national suicide charity, Console, with some serious alleged irregularities in relation to governance and financial management issues etc. I ask the Tánaiste what current investigations are under way into that matter by the HSE, the Garda or by the charities regulator. It comes at a

time when everyone involved in the charitable sector is seeking to rebuild public confidence in charities so that public support, by way of donations etc. can be maintained as they seek to recover from previous scandals in the past number of years.

**The Tánaiste:** On Deputy Michael McGrath's first question, as he will be aware, the committees are only being set up. There is not yet a date for Committee Stage. Obviously, when the committees are set up, whatever will be the date of Committee Stage is an issue on which the relevant committee will decide.

On the second point the Deputy raised regarding Console, obviously we would all be concerned about reports in the media this morning regarding a leading charity which, I understand, will be dealt with further by RTE tonight. It is essential, as Deputy Michael McGrath stated, that confidence is maintained in the NGO sector. We now have the Charities Regulatory Authority. The HSE has finalised an audit into the Console agency. I can say the HSE has confirmed that it has received no complaints about the important suicide prevention and family support services provided by Console. These services will not be affected but there is the question of gardaí being involved, with further investigation to be done by the charities regulator and bringing information together relating to the issue.

**Deputy Mary Lou McDonald:** I ask about the misuse of drugs (amendment) (No. 2) Bill, which provides for the establishment of supervised injection facilities. Will the Tánaiste give a precise timeline on when we will deal with the legislation? The heads were approved in January 2015 and there is a fear and suspicion that there is an undue delay in dealing with the issue. Could we have reassurance today that the Government is still committed to supervised injection facilities, that it has not resiled from that position and we will see this legislation soon? Will the Tánaiste indicate how soon that will happen?

**Minister for Health (Deputy Simon Harris):** I assure the Deputy that the Government's position remains that we are in favour of supervised injection centres. The heads of the misuse of drugs (amendment) (No. 2) Bill had been approved in January 2015 and additional heads were approved in December 2015. The Office of Parliamentary Counsel is currently drafting the Bill and I expect pre-legislative scrutiny to take place early in the autumn; it will go to the health committee for that. We are proceeding with the other misuse of drugs Bill to deal with issues arising in the north inner city and other parts of the country.

**Deputy Brendan Howlin:** As I did not have a spot on Leaders' Questions today, I join with other parties on my behalf and that of the Labour Party in congratulating the Irish team on the magnificent result gained by them last night. I specifically congratulate the manager and fans. Every other major city involved in this occasion has a fan zone with a big screen. We have done something similar for all-Ireland finals and even for the equality referendum result. Is there any prospect that either the Government or Dublin City Council could by Sunday provide a facility for fans to enjoy the magnificent atmosphere if they cannot get to France?

**An Ceann Comhairle:** That is one for the Tánaiste.

**The Tánaiste:** The Government could certainly approach the relevant bodies. We handled the public screening of the results of the marriage equality referendum very well at Dublin Castle last year. I am sure that could be replicated.

**Deputy Catherine Murphy:** When will the legislation relating to the Cregan inquiry on IBRC be published, as it is due this week? Will it be taken in conjunction with the change in

the terms of reference for the inquiry? The business committee will order the time but I hope the House will collectively agree that this needs to be done before the end of the term, given that the costs are not static and the inquiry must occur in a timely way.

**The Tánaiste:** We expect to have that Bill in the next few days. The intention is to bring it to the House before the end of this session. We can certainly see if the new terms of reference can be agreed at the same time. The Taoiseach will certainly consider that.

**Deputy Bríd Smith:** I ask about the financial emergency measures in the public interest, FEMPI, legislation to be brought to the floor of the Dáil. Legislation indicates that the Minister must consider whether any of the provisions continue to be necessary, having regard to the purpose of the Act, the revenue of the State and commitments in respect of public sector pay and pensions. The FEMPI legislation should not be necessary any more as the Government keeps talking about recovery and how well we will do. A report on this needs to be brought to the floor of the Dáil before 30 June. When will that be brought forward? This is important as there is a cohort of teachers being penalised because of the FEMPI legislation. It is interesting to note that emergency legislation, in penalising public sector workers, can continue to exist when we cannot introduce emergency legislation to deal with the housing crisis.

**The Tánaiste:** The Government has already restated on a number of occasions its absolute commitment to the Lansdowne Road agreement. If there is a report due in respect of the FEMPI legislation, I will revert to the Deputy on the timeframe for that but the Government has consistently repeated its commitment to the Lansdowne Road agreement. We saw the summer economic statement yesterday and the important progress that is being made and we want to make sure that is maintained, in the interest of all our public servants and in the interest of public services.

**Deputy Brendan Howlin:** It is a legal requirement.

**Deputy Bríd Smith:** The law states that the Minister must come back to the Dáil-----

**An Ceann Comhairle:** No, we do not have second-----

**Deputy Bríd Smith:** -----before 30 June. I just need to know the date, please.

**The Tánaiste:** I will revert to Deputy Smith.

**Deputy Michael Healy-Rae:** When will the health (transport support) Bill, which is to provide for a scheme to make individual payments as a contribution toward transport costs for people with severe disabilities, be brought before the House?

Yesterday, the Minister, Deputy Denis Naughten, met with a deputation. There is a commitment in the programme for Government to a liquefied natural gas, LNG, facility in the Tarbert-Foynes area. When will the Government make progress with regard to fulfilling the commitment it has given in the programme for Government regarding Ireland having a LNG facility because this is most important? Can the Tánaiste make a statement on that?

**The Tánaiste:** The heads of the first Bill Deputy Healy-Rae asked about will be available in July and I will revert to him on the second point. I do not have the details on that.

**Deputy Jack Chambers:** I asked the previous Minister for Health a parliamentary question regarding the process of board appointments for the new hospital trusts established by the

previous Government and continued by this Government. The response was that it would continue “pending the enactment of legislation” and the trust would operate on an administrative basis, with appointments made on an administrative basis. Is it the intention of Government to continue to progress legislation in this regard or will it continue with its current interim arrangement around the appointment of people to these hospital trusts?

**The Tánaiste:** The Minister for Health, Deputy Harris, has left. I will have to revert to Deputy Chambers on that. I do not know what the arrangements are but the heads of the Bill in regard to the children’s hospital will be published in July.

**Deputy Jack Chambers:** It is not about the children’s hospital but about hospital trusts.

**The Tánaiste:** I will have to revert to the Deputy on that.

**Deputy Martin Kenny:** I want to ask about the Government’s promise in the programme for Government to train and have more HSE speech and language therapists in place and to increase the number to 1,102, which is a 25% increase. There is a major crisis in my constituency, in particular in County Leitrim, in regard to early intervention and there is no access at all for preschool children to speech and language therapists. I want an assurance that recruitment has started and that additional training will be in place to ensure the service is provided.

**The Tánaiste:** The Government has identified this as a very important area for further investment and money is available for investment to deal with the waiting lists for children, particularly those under five years of age. There are major inconsistencies in the waiting times around the country. There is a real problem in respect of recruitment. The money will be available over the course of this year to deal with those waiting lists but the Minister informs me that there are a number of difficulties in terms of the actual recruitment of speech therapists and occupational therapists. I hope that people who have gone abroad can be persuaded to return and that people will take up those posts because it is an extremely important service. We are committed to developing this service and ensuring that waiting times are reduced and that the service is available in a timely way to children.

**Deputy Brendan Smith:** When is it expected that the financial services and pensions ombudsman Bill will be advanced? In that context, could the Tánaiste give the House an assurance that her colleagues in government, namely, the Minister for Jobs, Enterprise and Innovation, the Minister for Social Protection and the Minister for Education and Skills, will give every possible support to the 70 employees of Liberty Insurance who face redundancy? I hope the Minister for Jobs, Enterprise and Innovation, along with the statutory agencies, can engage with the companies to try to retain the maximum level of employment in that company because the further loss of jobs at Liberty Insurance is a serious blow to the local economy in Cavan.

**The Tánaiste:** It is hoped that Bill will go for pre-legislative scrutiny shortly.

**Deputy Eamon Ryan:** On the Order of Business a couple of weeks ago, I asked for an update on the Employment Equality (Abolition of Mandatory Retirement Age) Bill 2014 and whether the Government intended to reintroduce it. I was promised an update but I have not heard anything. Can the Tánaiste ensure I get some sort of reply, even if she does not have the details with her now?

**The Tánaiste:** The issue is being pursued and we will reply to the Deputy with some further details in the next couple of days. It has not yet been restored to the Order Paper and was

originally a Private Members' Bill.

**Deputy John Curran:** I have two related questions. The first relates to the recently published, and much welcomed, Misuse of Drugs (Amendment) Bill 2016. All sides agree that it is urgent, so can the Tánaiste give some indication of a timeframe for its passage? The programme for Government commits the Government to the development and implementation of a national drugs strategy and I understand work is going on in that regard. Can an update on progress be circulated to Members of the House and arrangements be made for a debate on the strategy in advance of it being published? In this way Members would be able to have an input into the strategy.

**The Tánaiste:** The Misuse of Drugs (Amendment) Bill 2016 is being debated in the Seanad and, with support from this House and the Seanad, it should become law before the end of this term. We certainly hope the legislation will go through as the Garda Síochána has made it very clear that it needs it to be in place so that it can interrupt the trading in prescription drugs which is taking place at present.

The Minister of State at the Department of Health, Deputy Catherine Byrne, is developing the national drugs strategy at the moment and I am sure there will be opportunity, both in committee and in the House, to discuss the details of the strategy in advance. It is extremely important given the damage that drug dealing and the availability of drugs are doing across Ireland, where towns, villages, families and communities are being destroyed by this scourge. We want the strongest possible national drugs strategy and that will be greatly aided by a good debate in the Dáil.

**Deputy Bernard J. Durkan:** The companies (accounting) Bill is promised legislation. Its purpose is to transpose the EU Accounting Directive 2013/34/EU. When is this likely to be brought before the House?

**The Tánaiste:** That Bill is well advanced. It is at drafting stage but much work has been done on it and it is a priority.

**Deputy Niamh Smyth:** Have the orders been issued yet for the changing of ministerial titles and Government Departments? If so, can the Tánaiste clarify if this includes arts and heritage and when any such orders were made?

**The Tánaiste:** They have not been made yet.

**Deputy Jan O'Sullivan:** I am disappointed that there is no timeframe for the Adoption (Information and Tracing) Bill in the legislative programme, despite the fact that the Minister, Deputy Zappone, said she would introduce it before the end of the year. The Tánaiste will be familiar with this matter from her time as Minister for Children and Youth Affairs. Can the Adoption (Information and Tracing) Bill be incorporated into the Adoption Bill which is currently before the Oireachtas and is about to go to committee? That would be an opportunity to deal with this issue which is very important for a number of people in our society.

**The Tánaiste:** I believe the two Bills will be dealt with separately but a huge amount of work has been done. There were some serious constitutional issues to be worked through in respect of the Adoption (Information and Tracing) Bill but I understand that it is now possible to deal with the complex issues in the Bill and I have no doubt it will be a priority this year for the Minister for Children and Youth Affairs, Deputy Katherine Zappone.

**Deputy Jan O’Sullivan:** Can this be kept under review? It is very important.

**Waste Collection Charges: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Bríd Smith on Tuesday, 21 June 2016:

That Dáil Éireann:

notes:

— the steady increase of charges for waste collection and the removal of waivers since the privatisation of waste management;

— the recent outrageous plans to increase the standing charges for the collection of household waste that are proposed by many private waste management companies;

— the severe hardship these rises will inflict on many households and families, particularly the disabled and those on low incomes; and

— the dramatic increase in numbers of households reducing, reusing and recycling over recent years and that the plans to increase these charges flies in the face of the so-called “polluter pays” principle;

calls on the Government to:

— immediately take action to prevent private waste management companies from implementing the planned increases;

— ensure that the Minister for the Environment, Community and Local Government meets with the said companies as a matter of urgency;

— ensure that standing charges cannot be increased out of line with the consumer price index;

— implement rules for maximum pay by weight charges of 11 cent for residual household kerbside waste, 6 cent for food and bio waste and zero cent for recyclables per kilo; and

— reinstate waivers for pensioners, disabled persons, carers, all those whose primary income comes from social welfare payments and low-paid workers in receipt of family income supplement;

and makes the following changes to page 13, item (III) in section 20 “Other conditions to be attached to waste collection permits” of S.I. No. 24 of 2016:

— delete “not less than” and replace with “not greater than”; and

— insert “and also ensure that any fixed or standing charge does not increase in any one year by an amount any greater than the consumer price index as calculated by the Central Statistics Office” after “of the Act”.

Debate resumed on amendment No. 2:

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

“supports the introduction of pay-by-weight charging for household waste collection from 1st July, as the most effective and proven means of managing and segregating household waste, in line with the polluter pays principle, to reduce residual waste going to landfills but also to give households more control over their waste costs, by incentivising people to reuse, recycle and compost better, and providing for more transparency in charging by service providers;

welcomes the following arrangements agreed between the Government and the waste industry to facilitate the effective roll-out of pay-by-weight charging:

— a price freeze for customers for the next 12 months on the basis of their current pricing plans;

— during the second half of 2016, the Government and the waste industry are committed to an intensive public awareness, information and promotion campaign to promote the benefits of the pay-by-weight charging model, support customers in understanding how they can change their waste management behaviour and manage better their waste costs under the pay-by-weight system;

— no later than 1st January, 2017, customers will receive a dual pricing bill listing the amount of waste they are disposing of, their costs under their current price plan and details of the comparative pay-by-weight charge, and they will be given the option to transition, should they so choose, to pay-by-weight charging or to remain on their

current price plan; and

— after the transitional 12 months, the operation of pay-by-weight and of the wider waste market will be reviewed to inform decisions in relation to the arrangements beyond 1st July, 2017;

notes the Government’s intention, in advance of 1st July, to underpin the requirements regarding provision of comparative billing information and the pay-by-weight opt-in arrangements through amendments to the relevant Statutory Instrument, and the intention to keep the operation of the price freeze under review, with further legislative intervention being considered, as necessary; and

acknowledges the commitment of the waste industry to provide a full weight allowance for the 60,000 Health Service Executive patients supplied with incontinence wear to reduce their waste charges, and the Government’s provision of a 50 per cent exemption to the waste industry from the landfill levy in respect of such waste.”

- (Minister for the Environment, Community and Local Government)

**An Ceann Comhairle:** I must now deal with a postponed division relating to the Private Members’ motion on waste collection charges. On Tuesday, 21 June 2016, on the question that the amendment to the motion be agreed to, a division was claimed and in accordance with Standing Order 70(2) that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 96; Níl, 35.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Aylward, Bobby.</i>	<i>Adams, Gerry.</i>
<i>Bailey, Maria.</i>	<i>Barry, Mick.</i>
<i>Brassil, John.</i>	<i>Boyd Barrett, Richard.</i>
<i>Breathnach, Declan.</i>	<i>Brady, John.</i>
<i>Breen, Pat.</i>	<i>Broughan, Thomas P.</i>
<i>Browne, James.</i>	<i>Buckley, Pat.</i>
<i>Bruton, Richard.</i>	<i>Collins, Michael.</i>
<i>Burke, Peter.</i>	<i>Connolly, Catherine.</i>
<i>Butler, Mary.</i>	<i>Coppinger, Ruth.</i>
<i>Byrne, Thomas.</i>	<i>Cullinane, David.</i>
<i>Cahill, Jackie.</i>	<i>Daly, Clare.</i>
<i>Calleary, Dara.</i>	<i>Doherty, Pearse.</i>
<i>Canney, Seán.</i>	<i>Donnelly, Stephen S.</i>
<i>Cannon, Ciarán.</i>	<i>Ellis, Dessie.</i>
<i>Carey, Joe.</i>	<i>Funchion, Kathleen.</i>
<i>Casey, Pat.</i>	<i>Healy, Seamus.</i>
<i>Cassells, Shane.</i>	<i>Kenny, Gino.</i>
<i>Chambers, Jack.</i>	<i>Kenny, Martin.</i>
<i>Collins, Niall.</i>	<i>McDonald, Mary Lou.</i>
<i>Corcoran Kennedy, Marcella.</i>	<i>Mitchell, Denise.</i>
<i>Coveney, Simon.</i>	<i>Munster, Imelda.</i>
<i>Cowen, Barry.</i>	<i>Murphy, Catherine.</i>
<i>Creed, Michael.</i>	<i>Murphy, Paul.</i>
<i>Curran, John.</i>	<i>Nolan, Carol.</i>
<i>Daly, Jim.</i>	<i>Ó Broin, Eoin.</i>
<i>D'Arcy, Michael.</i>	<i>Ó Caoláin, Caoimhghín.</i>
<i>Deasy, John.</i>	<i>Ó Laoghaire, Donnchadh.</i>
<i>Deering, Pat.</i>	<i>O'Brien, Jonathan.</i>
<i>Doherty, Regina.</i>	<i>O'Reilly, Louise.</i>
<i>Donohoe, Paschal.</i>	<i>Pringle, Thomas.</i>
<i>Dooley, Timmy.</i>	<i>Quinlivan, Maurice.</i>
<i>Doyle, Andrew.</i>	<i>Shortall, Róisín.</i>
<i>Durkan, Bernard J.</i>	<i>Smith, Bríd.</i>
<i>Farrell, Alan.</i>	<i>Tóibín, Peadar.</i>
<i>Fitzgerald, Frances.</i>	<i>Wallace, Mick.</i>
<i>Fitzmaurice, Michael.</i>	
<i>Fitzpatrick, Peter.</i>	
<i>Fleming, Sean.</i>	
<i>Gallagher, Pat The Cope.</i>	

<i>Grealish, Noel.</i>	
<i>Griffin, Brendan.</i>	
<i>Halligan, John.</i>	
<i>Harris, Simon.</i>	
<i>Harty, Michael.</i>	
<i>Haughey, Seán.</i>	
<i>Healy-Rae, Michael.</i>	
<i>Heydon, Martin.</i>	
<i>Humphreys, Heather.</i>	
<i>Kehoe, Paul.</i>	
<i>Kelleher, Billy.</i>	
<i>Kyne, Seán.</i>	
<i>Lahart, John.</i>	
<i>Lowry, Michael.</i>	
<i>MacSharry, Marc.</i>	
<i>McConalogue, Charlie.</i>	
<i>McEntee, Helen.</i>	
<i>McGrath, Finian.</i>	
<i>McGrath, Mattie.</i>	
<i>McGrath, Michael.</i>	
<i>McHugh, Joe.</i>	
<i>McLoughlin, Tony.</i>	
<i>Madigan, Josepha.</i>	
<i>Martin, Catherine.</i>	
<i>Martin, Micheál.</i>	
<i>Mitchell O'Connor, Mary.</i>	
<i>Moran, Kevin Boxer.</i>	
<i>Moynihan, Aindrias.</i>	
<i>Moynihan, Michael.</i>	
<i>Murphy O'Mahony, Margaret.</i>	
<i>Murphy, Eoghan.</i>	
<i>Murphy, Eugene.</i>	
<i>Naughten, Denis.</i>	
<i>Naughton, Hildegarde.</i>	
<i>Neville, Tom.</i>	
<i>Noonan, Michael.</i>	
<i>Ó Cuív, Éamon.</i>	
<i>O'Brien, Darragh.</i>	
<i>O'Callaghan, Jim.</i>	
<i>O'Connell, Kate.</i>	
<i>O'Dea, Willie.</i>	
<i>O'Donovan, Patrick.</i>	
<i>O'Dowd, Fergus.</i>	

<i>O’Keeffe, Kevin.</i>	
<i>O’Loughlin, Fiona.</i>	
<i>O’Rourke, Frank.</i>	
<i>Phelan, John Paul.</i>	
<i>Rabbitte, Anne.</i>	
<i>Ring, Michael.</i>	
<i>Ryan, Eamon.</i>	
<i>Scanlon, Eamon.</i>	
<i>Smith, Brendan.</i>	
<i>Smyth, Niamh.</i>	
<i>Stanton, David.</i>	
<i>Troy, Robert.</i>	
<i>Varadkar, Leo.</i>	
<i>Zappone, Katherine.</i>	

Tellers: Tá, Deputies Jim Daly and Regina Doherty; Níl, Deputies Paul Murphy and Bríd Smith.

Amendment declared carried.

Motion, as amended, put and declared carried.

### **The Arts: Motion (Resumed) [Private Members]**

The following motion was moved by Deputy Niamh Smyth on Wednesday, 22 June 2016:

“That Dáil Éireann:

accepts that:

- the arts are essential to the wellbeing and advancement of the Irish people;
- a thriving arts and culture sector makes a positive contribution to the Irish nation; and
- while the arts have an intrinsic value of their own in national life, they also represent an important economic sector, in terms of employment and tourism; and

acknowledges that:

- there is anger, disquiet and disbelief about the effective dilution of the arts as a Cabinet portfolio; and
- public investment in the arts is low by international standards;

commits to:

- protecting the independence of the arts community;
- ensuring a stable, sustainable and secure funding model for the arts with pro-

23 June 2016

gressive increases in State expenditure in line with improvements in the economy and the public finances;

- enabling full community engagement and benefit from State arts funding;
  - supporting the ‘arm’s length principle’ which promotes the Arts Council’s autonomy in disbursing State funding to artists and arts organisations;
  - providing much needed investment in the modernisation of facilities offered by the national cultural institutions, where this is lacking;
  - enhancing arts provision in our education system and, in particular, increasing music provision in primary schools;
  - encouraging all national cultural institutions and, in principle, other bodies in receipt of Arts Council or Government grants to provide discount entry tickets to all young people under the age of 26;
  - supporting, in particular, Irish music and dance, and seeking to embrace fully within the arts sector the organisations which provide education, support and events in these areas;
  - ensuring that local authorities implement a local arts action plan which benefits local communities and local artists and brings the arts directly to the people;
  - re-establishing Culture Ireland as an autonomous entity to promote Irish arts and culture internationally;
  - promoting an awareness of the role of arts in society and to promote philanthropy as the heart of that awareness campaign;
  - fostering greater dialogue and partnership between the national cultural institutions and the universities of Ireland;
  - maintaining the competitiveness of the Irish film industry and film-making in Ireland through appropriate incentives, whilst facilitating the use of heritage in State ownership, where it can be done without prejudice to its integrity;
  - encouraging active co-operation between the Arts Council and the Arts Council of Northern Ireland, in particular tours of the island by selected exhibitions and performances; and
  - examining the introduction of an Arts Capital Grants Scheme, similar to the Sports Capital Programme; and
- calls for:
- cross-party support to be developed on Culture 2025 with its adoption as national policy being subject to the approval of Dáil Éireann; and
  - the restoration of the arts as a distinct and clearly defined Cabinet portfolio providing leadership and State support to the sector.”

Debate resumed on amendment No. 1:

1. (a) To insert the following after “accepts that”:

“— artistic endeavour and creativity define what it is to be human;”

(b) To insert the following after “advancement of the Irish people”:

“and humanity in general”

(c) To delete the words:

“— ensuring a stable, sustainable and secure funding model for the arts with progressive increases in State expenditure in line with improvements in the economy and the public finances;”

and replace with:

“— increasing State funding of the arts to the European average of 0.6 per cent of gross domestic product, GDP; and adding an additional €75 million in funding to the arts in budget 2017;

— removing the ‘availability for work’ requirement for registered artists on jobseeker’s allowance to allow artists to do unpaid work;”

(d) To insert the following after “increasing music provision in primary schools”:

“— ensuring all children have greater access to culture and art as a right, both within and outside education;

— establishing a new fund targeted at promoting access to arts in participation in disadvantaged areas for adults and children;

— opening up existing facilities such as schools and colleges for after-school artistic activities for children and teenagers and opening up the National Asset Management Agency’s, (NAMA, buildings for use by local arts organisations;” and

(e) To insert the following after “calls for”:

“— the establishment of a ‘new deal’ jobs programme to deliver at least 5,000 new jobs in the public sector for artists, offering an opportunity for artists to contribute their skills and creativity to society in areas such as education, special needs, disability, mental health and disadvantaged communities and for the elderly;”

- Deputy Richard Boyd Barrett.

**An Ceann Comhairle:** I must now deal with a postponed division relating to the Private Members’ motion on the arts. On Wednesday, 22 June 2016, on the question that the amendment to the motion be agreed to, a division was claimed and in accordance with Standing Order 72 that division must be taken now.

Amendment put:

<i>The Dáil divided: Tá, 14; Níl, 94.</i>	
<i>Tá</i>	<i>Níl</i>
<i>Barry, Mick.</i>	<i>Aylward, Bobby.</i>
<i>Boyd Barrett, Richard.</i>	<i>Bailey, Maria.</i>
<i>Broughan, Thomas P.</i>	<i>Brassil, John.</i>
<i>Connolly, Catherine.</i>	<i>Breathnach, Declan.</i>
<i>Coppinger, Ruth.</i>	<i>Breen, Pat.</i>
<i>Daly, Clare.</i>	<i>Browne, James.</i>
<i>Healy, Seamus.</i>	<i>Bruton, Richard.</i>
<i>Kenny, Gino.</i>	<i>Burke, Peter.</i>
<i>Martin, Catherine.</i>	<i>Butler, Mary.</i>
<i>Murphy, Paul.</i>	<i>Byrne, Thomas.</i>
<i>Pringle, Thomas.</i>	<i>Cahill, Jackie.</i>
<i>Ryan, Eamon.</i>	<i>Calleary, Dara.</i>
<i>Smith, Bríd.</i>	<i>Canney, Seán.</i>
<i>Wallace, Mick.</i>	<i>Cannon, Ciarán.</i>
	<i>Carey, Joe.</i>
	<i>Casey, Pat.</i>
	<i>Cassells, Shane.</i>
	<i>Chambers, Jack.</i>
	<i>Collins, Michael.</i>
	<i>Collins, Niall.</i>
	<i>Corcoran Kennedy, Marcella.</i>
	<i>Coveney, Simon.</i>
	<i>Cowen, Barry.</i>
	<i>Creed, Michael.</i>
	<i>Curran, John.</i>
	<i>Daly, Jim.</i>
	<i>D'Arcy, Michael.</i>
	<i>Deasy, John.</i>
	<i>Deering, Pat.</i>
	<i>Doherty, Regina.</i>
	<i>Donohoe, Paschal.</i>
	<i>Dooley, Timmy.</i>
	<i>Doyle, Andrew.</i>
	<i>Durkan, Bernard J.</i>
	<i>Farrell, Alan.</i>
	<i>Fitzgerald, Frances.</i>
	<i>Fitzmaurice, Michael.</i>
	<i>Fitzpatrick, Peter.</i>
	<i>Fleming, Sean.</i>
	<i>Gallagher, Pat The Cope.</i>
	<i>Grealish, Noel.</i>

	<i>Griffin, Brendan.</i>
	<i>Halligan, John.</i>
	<i>Harris, Simon.</i>
	<i>Harty, Michael.</i>
	<i>Haughey, Seán.</i>
	<i>Healy-Rae, Michael.</i>
	<i>Heydon, Martin.</i>
	<i>Humphreys, Heather.</i>
	<i>Kehoe, Paul.</i>
	<i>Kelleher, Billy.</i>
	<i>Kyne, Seán.</i>
	<i>Lahart, John.</i>
	<i>Lowry, Michael.</i>
	<i>MacSharry, Marc.</i>
	<i>McConalogue, Charlie.</i>
	<i>McEntee, Helen.</i>
	<i>McGrath, Finian.</i>
	<i>McGrath, Mattie.</i>
	<i>McGrath, Michael.</i>
	<i>McHugh, Joe.</i>
	<i>McLoughlin, Tony.</i>
	<i>Madigan, Josepha.</i>
	<i>Martin, Micheál.</i>
	<i>Mitchell O'Connor, Mary.</i>
	<i>Moran, Kevin Boxer.</i>
	<i>Moynihan, Aindrias.</i>
	<i>Moynihan, Michael.</i>
	<i>Murphy O'Mahony, Margaret.</i>
	<i>Murphy, Eoghan.</i>
	<i>Murphy, Eugene.</i>
	<i>Naughten, Denis.</i>
	<i>Naughton, Hildegarde.</i>
	<i>Neville, Tom.</i>
	<i>Noonan, Michael.</i>
	<i>Ó Cuív, Éamon.</i>
	<i>O'Brien, Darragh.</i>
	<i>O'Callaghan, Jim.</i>
	<i>O'Connell, Kate.</i>
	<i>O'Dea, Willie.</i>
	<i>O'Donovan, Patrick.</i>
	<i>O'Dowd, Fergus.</i>
	<i>O'Keeffe, Kevin.</i>
	<i>O'Loughlin, Fiona.</i>

	<i>O'Rourke, Frank.</i>
	<i>Phelan, John Paul.</i>
	<i>Rabbitte, Anne.</i>
	<i>Ring, Michael.</i>
	<i>Scanlon, Eamon.</i>
	<i>Smith, Brendan.</i>
	<i>Smyth, Niamh.</i>
	<i>Stanton, David.</i>
	<i>Troy, Robert.</i>
	<i>Varadkar, Leo.</i>

Tellers: Tá, Deputies Mick Barry and Richard Boyd Barrett; Níl, Deputies Michael Moynihan and Fiona O'Loughlin.

Amendment declared lost.

Motion agreed to.

**An Ceann Comhairle:** Can Members leaving the Chamber please do so quietly?

### **Summer Economic Statement 2016: Statements**

**Acting Chairman (Deputy Bernard J. Durkan):** I call the Minister for Finance, Deputy Noonan, who, I understand, intends to share time with the Minister for Public Expenditure and Reform, Deputy Donohoe, and the Minister of State, Deputy Eoghan Murphy. Is that agreed? Agreed.

**Minister for Finance (Deputy Michael Noonan):** I welcome the opportunity to discuss the summer economic statement, which outlines the broad parameters that will underpin discussions of economic and fiscal policy over the medium term. In the short term, it sets the framework for discussions on budget 2017 over the coming months. As Members will be aware, the recent stability programme update, SPU, submitted to the European Commission in April was completed before the formation of the Government. Accordingly, the SPU was prepared on a purely technical, no-policy-change basis. This is the established practice in circumstances such as those that applied in April, when the Government remained to be formed following the election.

To put this week's publication in context, it represents a key element of the proposed new budgetary reform framework and the initiation of a process of enhanced engagement by the Oireachtas in budgetary scrutiny. This will be followed by the national economic dialogue next week. The dialogue is an important element of the budgetary framework and its objective is to facilitate an open and inclusive exchange on the competing economic perspectives in advance of budget 2017. Representatives of community, voluntary and environmental groups, business, unions, research institutes, the academic community and the diaspora will be invited to contribute to this dialogue. Oireachtas involvement is very important. Therefore, all members of the Select Committee on Arrangements for Budgetary Scrutiny have also been invited.

The third element of the process, which represents a new departure, will involve the publi-

cation next month by the Department of Public Expenditure and Reform of a mid-year expenditure report. I will leave it to my colleague the Minister for Public Expenditure and Reform, Deputy Paschal Donohoe, to discuss this initiative, which will provide valuable input to the Dáil's consideration of priorities for budget 2017.

A further development is the circulation next month by my Department of tax strategy papers to the relevant sectoral Oireachtas committees. The tax strategy group is made up of representatives from various Departments and political advisors. The tax strategy papers set out existing measures across all tax heads and contain issues for discussion and costed options for tax changes.

Turning to the economic situation, I am greatly encouraged by the latest data showing that the economic recovery is now firmly established, with growth of 7.8% recorded in 2015. The budgetary position is also set on a safe and sustainable path, with a headline deficit of 2.3% recorded in 2015. Accordingly, we have now formally exited the excessive deficit procedure. Under the preventative arm of the European fiscal rules, Ireland will have greater room for budgetary manoeuvre to accommodate increases in Government expenditure and tax reductions in a prudent and sustainable manner. Importantly, the expansion in economic activity initially led by the exporting sectors has broadened, with growth now increasingly driven by domestic factors as both consumer and business confidence continue to recover. This is very important, as the domestic sectors are both jobs-rich and tax-rich.

My Department is forecasting GDP growth of around 5% this year and 4% next year. From 2018 onwards, GDP is expected to grow broadly in line with the potential growth rate of the economy, with positive contributions from both exports and domestic demand. In this context, I should emphasise that economic growth is not an end in itself; rather, it is a means through which a social recovery can be achieved. Growth provides the resources necessary to advance social progress, promote inclusivity and provide high-quality public services to all citizens. That is why economic growth is so important.

The economic recovery is perhaps most clearly evident in the labour market, where we have now had 14 successive quarters of employment growth, representing an increase of almost 160,000 jobs since the low point of the crisis. The latest data show that employment increased by 2.4% year on year in the first quarter of 2016, representing the addition of almost 47,000 jobs. Importantly, the recovery remains broadly based, with gains recorded in virtually all economic sectors reported by the Central Statistics Office, with the construction sector showing particularly strong momentum. In parallel, the unemployment rate has fallen to 7.8% in May, which is down from a peak of over 15% in early 2012.

Over the short run, we expect labour market dynamics to continue to strengthen. My Department is projecting that an additional 50,000 jobs will be created this year. As a result, employment is set to exceed the 2 million mark this year for the first time since 2008. These figures are a testament to the continued success of the Government's Action Plan for Jobs, which will help ensure that we reach full employment of 2.1 million by 2018.

Turning to fiscal developments, following a very difficult period, the public finances are continuing to move in the right direction. In fact, I am pleased to state that significant progress has been made in this regard. The underlying deficit of 1.3% recorded last year is further evidence that the public finances are being placed on a sustainable footing. Encouragingly, Ireland has successfully exited the excessive deficit procedure in a timely and durable manner. As

23 June 2016

Members will be aware, from this year the Irish public finances will be subject to the rules of the preventative arm of the Stability and Growth Pact. It is important to point out that our new fiscal objective is to achieve a structural deficit of 0.5% of GDP. Based on the revised trajectory and assumptions set out in the summer economic statement, I am pleased to state that we will achieve this medium-term objective by 2018. It is worth noting that under the new fiscal regime, increases in public expenditure will be sustainably financed and safeguarded from dependence on cyclical revenues. These rules are designed to ensure that fiscal policy enhances economic growth and macroeconomic stability. This is something that should be welcomed.

I am greatly encouraged by the latest Exchequer returns, which provide a real-time indication of the pertaining budgetary position. After the first five months of 2016, tax revenues were three quarters of a billion euro, or 4.3% above expectations, representing an annual increase of 9%, or just over €1.5 billion, when compared to the same period in 2015. This solid performance provides confidence and facilitates an increase in the tax revenue forecast for 2016. This revised projection is for an additional €900 million, which equates to an increase of around 2% when compared to the budget 2016 forecast.

Have I much time left?

**Acting Chairman (Deputy Bernard J. Durkan):** The Minister has two minutes plus.

**Deputy Michael Noonan:** As Members will be aware, our tax forecasts are unchanged in the recent stability programme update, SPU. In view of the strong tax revenue performance since the publication of the SPU, this increase is realistic and within the parameters of prudence. However, I should point out that not all of this additional tax revenue is of a recurring nature.

The summer economic statement highlights the benefits that will be achieved from this Government's policy approach in managing the public finances. These positive developments are clearly seen in our debt levels. Our general Government debt-to-GDP ratio peaked at over 120% of GDP in 2012. My Department is now projecting a debt ratio of 88% of GDP for this year, which is below the euro area average, with the debt ratio set to decline further to 72% by 2021. This means that more of our resources can go towards paying for a fairer society rather than servicing the debt.

With regard to fiscal space, this document sets out that the estimated indicative fiscal space from 2017 to 2021 is in the region of €11.3 billion. For next year, it is currently estimated that there will be just shy of €1 billion available for additional expenditure increases and taxation reductions. This will be distributed in line with the programme for Government, with a split of at least 2:1 between public expenditure increases and tax reductions. My ministerial colleague, Deputy Donohoe, will outline the expenditure issues.

I wish to mention that we have also included provision for a rainy day fund. I believe it is crucial that we plan for the future and that we are ready for any unforeseen events that may occur. With this in mind, I am pleased to state that a contingency fund will be established and it will be known as a rainy day fund. After achieving our medium-term objective in 2018, from 2019 onwards €1 billion will be remitted to the fund each year. I believe this is very prudent. I plan to bring forward a paper at the end of this year or early next year and I will welcome input from colleagues in all parties as to the detail of this rainy day fund and on the triggers that would be desirable before this money could be spent.

**Minister for Public Expenditure and Reform (Deputy Paschal Donohoe):** The publi-

cation of the summer economic statement represents a very significant step in laying out the Government's medium-term strategy for sustaining economic growth, securing sensible and responsible budgetary policies and using the proceeds of both to continue to build services for all. Published a little over six weeks after the Government took up office, the summer economic statement details the economic and budgetary framework within which the Government's ambitious programme for a partnership Government can be delivered. In addition, the statement also plays a pivotal role in providing the foundation stone for a better budgetary process, which provides the opportunity for Government and the Oireachtas - while each continues to play its constitutionally ordained role - to address economic and social priorities.

Today also coincides with a momentous decision by the UK on EU membership. As set out in the statement, our interest is that the UK remain a valued and vital partner for Ireland in Europe and in the EU. Whatever the opinion polls say, no one can predict the result. There are clear risks to Ireland. That is why a core message of the summer economic statement is that we must invest in, and save for, our future.

As the Minister for Finance said, we will have an estimated €995 million available in 2017 to provide for additional expenditure increases and taxation reduction and reform. The programme for Government provides for at least a two to one split of this available fiscal space between public spending increases and tax reductions. At the end of last year, we eliminated our unsustainable deficit. However, this underlines the need for fiscal and economic sustainability balanced with the continued need to provide essential and improved public services. Of course, all of this did not happen by accident. It came about as a result of the sacrifices of the people and difficult decisions. Consolidation measures totalling €30 billion were implemented over the period of 2008 to 2014, with expenditure reductions accounting for two thirds of those measures. A targeted approach was adopted in order to protect key public services and social supports to the greatest extent possible. As the Minister for Finance has outlined, we are now in a very different position. Our deficit is under control and debt is falling as a share of our national income. Nobody speaks now of the troika, promissory notes or the risk of default and yet these are all very recent experiences. This Government will not take expenditure decisions that endanger this hard won position.

One of the positives that this stronger fiscal position is that it allows greater potential for capital investment to increase our public infrastructure stock. The national capital plan published in September 2015 announced an Exchequer capital spend of €27 billion over a six year period. This was primarily targeted at addressing priority needs in transport, education, housing and health care. The scale of the Exchequer component of the plan was developed following a strategic review of infrastructure requirements and taking account of the Government's economic forecasts at the time. It was also planned to ensure that it was fully consistent with both our national and European fiscal rules. Supplementing Exchequer funded investment was investment from the wider semi-State sector and public private partnerships, PPPs, delivering total investment of €42 billion over the period of the plan. On the basis of the latest estimates of national income, the planned level of State-backed capital investment represented an average of 3.2% of national income per annum over the period of the plan.

However, in the programme for a partnership Government, the Government committed to seeking Oireachtas approval for a cumulative additional €4 billion in Exchequer capital investment up to 2021. This was to be targeted in areas such as transport, broadband, education, health and flood defences. I am pleased to confirm that our stronger fiscal position allows us to provide for an even greater level of increase in capital investment than envisaged in the

23 June 2016

programme and to further increase our additional level of investment in our schools, hospitals, transport and other public infrastructure on which people depend. The statement published this week provides for an additional €1 billion in capital investment over and above the €4 billion already signalled in the programme for a partnership Government. This brings the total extra spending on capital investment to €5 billion over the period of the plan, an increase of 18.5% on the previously proposed Exchequer component of the plan and of 12% of the total plan. This will bring State-backed capital investment increase as a percentage of our national income from the previously planned 3.2% to 3.7% over the period 2016 to 2021.

The allocation of this funding will be informed by the outcome of the mid-term capital review. It will provide the Government with an opportunity to consider the scope for an even higher level of capital investment, taking account of the information and projections available at that point on our economy. Of course, any other funding decisions and any decisions that may be made due to this additional funding will be made on the basis of value for money and the best interests of taxpayers.

Against this background, however, new challenges are also emerging. The demand for health care continues to grow. The rate of growth is, at times, increasing more rapidly than the capacity of our service to respond to it. It is critical that we strike a balance between the health needs of our people and the ability of the State to sustainably fund the service. This is why the Government has been able to allocate an additional €500 million to our health service in recent weeks. With this increase, total health spending for 2016 will be €14.1 billion, a year-on-year increase of 6%. This will be used to maintain and improve front-line services, tackle overcrowding and reduce waiting lists. With no scope for further increases in expenditure this year, it is now incumbent on the Department of Health and the HSE to manage this budget in a sustainable way, with all to be held to account for any failure to do so. The investment provides the health sector with the best opportunity to manage within its budget this year. I welcome the development of new accountability measures that the Department of Health is currently finalising. This approach will benefit both patients and taxpayers over the coming years.

Another huge challenge is housing and homelessness. The Government's action plan for housing will set out the details of how the State will increase housing supply to achieve our target of 25,000 homes per year. Reflecting the urgency of this, I launched a €200 million local authority infrastructure fund in conjunction with my colleague, the Minister for the Environment, Community and Local Government, Deputy Coveney. It will enable local authorities to provide access roads, bridges and other vital local supporting infrastructure to enable the development of up to 20,000 homes in areas throughout the country, including areas of high demand such as Dublin and Cork. The fund will be open to all areas.

Meeting the twin challenges of providing additional and better health services and providing the necessary resources to increase significantly the supply of social and affordable housing to address our housing needs will inevitably have consequences for other resources that will be available to fund other priorities but these choices must be made because we must pursue sensible policies.

Regarding public service pay and pensions, I will reiterate what I have said on a number of occasions. The Lansdowne Road agreement provides the Government with the only framework for managing the competing demands of the need for better public services and the needs of those who work within our public services. Under the agreement, the first phase of pay restoration has already commenced. It is progressively weighted towards those at lower levels of pay.

We must continue to develop a way of determining public service pay in a manner that balances the competing interests of the Exchequer, the State as employer and our public service employees. This is why the programme for Government contains a specific commitment to establish a public service pay commission to examine pay levels across the public service, including entry levels of pay.

Since the first public service reform plan was published in 2011, a significant programme of reform has been put in place. Its aim is to improve service delivery and outcomes for users of public services. The need for this is clear. The economic statement projects that total spending is projected to exceed €53.5 billion in 2017, with day-to-day spending broadly in line with that of 2008. As a result of this, it is critical that the process of reform is intensified over and above the significant achievements under the current plans. We must recognise that there can be no return to providing increased resources for public expenditure on the basis of measures or gains that will not be sustained. We must make every effort to identify and drive reforms and change at every level of our services to free-up and maximise the effectiveness of existing resources to meet priority and targeted public service needs.

*2 o'clock*

Taking these decisions is not easy. The previous Government did not shy away from them and neither will this Government. In doing so, our only interest is the future of our society and the economy upon which it depends. This statement is a recognition that social progress and economic growth go hand in hand and that the purpose of a strong economy and sound public finances is to create the fair society to which we all aspire. Only by creating a working Ireland and supporting those in work and those wanting to work can we deliver better schools, hospitals and public services for all who use and rely on them.

**Minister of State at the Department of Public Expenditure and Reform (Deputy Eoghan Murphy):** The summer economic statement is an important stage in a new enhanced budgetary process. The Government's engagement with the Oireachtas is key to that. The summer economic statement will be followed by the national economic dialogue next week. We will then move into the mid-term review into the tax strategy papers. This will be followed by the budget, which will be followed by the relevant legislation. We will then deal with the Revised Estimates process and prepare for the next stability programme update. We are looking at an all-of-year cycle, with constant scrutiny of the numbers. The latter is an important development, particularly when one has new resources coming into play in the form of a new budget oversight committee, which is being scoped at present, and a new independent budget oversight office, which will come into being next year. With these new resources, we hope to have better debate and analysis and, as a result, better decision making by Government. That was not there in the past when we needed it. It is a crucial development that will require more work from all of us in this House.

The rainy day fund is about prudent management of any surplus income coming into the economy in the years ahead as the economy continues to grow. The Minister for Finance has outlined his intentions to engage with the Oireachtas as to how this rainy day fund might work, when it would be deployed and on what terms, the authorisation mechanisms and whether there would be partner funds working in co-operation with that fund. I know we previously had the National Pensions Reserve Fund which built up an important reserve but, unfortunately, that had been deployed almost wholly in one big bang so it was less of a rainy day fund than something to deal with the economic earthquake we experienced. What we are talking about in terms

of building up a rainy day fund when resources are available is making those small but important interventions into the economic cycle in a counter-cyclical manner to help a smooth and adjusted path for growth and to do that in a focused way without having to wait for those major events when the fund would then have to be deployed, as happened in the past. What we hope to get from this new economic cycle, the summer economic statement, the new budget office and the new budget oversight committee is that those interventions will not be necessary in the future and that, through the new oversight of the numbers and the new work we are doing, we will be able to continue to grow the economy in a sustainable and balanced way. That is very important. Nonetheless, prudence requires a rainy day fund to make those small interventions where they may be necessary in the future.

What underpins all of this, the summer economic statement and the debate that is about to begin in respect of the fiscal space and our priorities as a Government, which reflect the priorities of the people, is the increase in jobs. It is the reason we are in this space and are able to do this. This increase is thanks in no small part to the activities of many businesses and small and medium-sized enterprises and the great work they have done to increase employment. It is also thanks to foreign direct investment that much work has been done to shepherd and keep it in the country and the job creation that comes from that. Many of these measures are underpinned by the Action Plan for Jobs introduced by the previous Government and the great gains it made in the past and continues to make today.

The growth in jobs has allowed people to get back to work and make a positive contribution to the economy. I know that when we have these debates and people look for extra resources, they often talk about increasing taxation. If we want to increase revenue to the Government for spending on public services, however, the best way to do so is through activity, productivity and getting people back to work. As a result of getting people back to work, apart from the very tangible benefit for them in their personal, family and community lives, there have been extra resources for the Exchequer. This has allowed us to close the deficit, reduce the debt, increase spending gradually and prudently and make targeted reductions in taxation for those on low and middle incomes. As this happens, it creates a better environment for further job creation and the benefits come again from that. It is important that we can continue the momentum that exists in the context of creating jobs.

The reason we focus on the numbers, which can sometimes seem cold, is because in focusing on the numbers and these headline targets like job creation and deficit reduction, it brings us into the space where we are today where we can focus on the needs of the Irish people and the opportunities for the country in the years ahead. The choice comes down to us, as a Government, working with the Oireachtas as to how best to deploy our resources so that people can benefit from the sacrifices that everyone has made through the difficult years following the financial crisis. This is what the summer economic statement is about. It is about getting that dialogue going about what our choices are as a Government and as a Parliament.

**Deputy Michael McGrath:** I thank the Ministers and Minister of State for their opening remarks on the summer economic statement and the opportunity to make a contribution to this debate. I welcome the fact that we now have a summer economic statement. It is more meaningful that a spring economic statement by virtue of the fact that it is closer in the time cycle to the budget. I also welcome the reforms that are in the process of being established in respect of how budgets are formed in this budget. Not all of the reforms will be in place for budget 2017 but I hope that a number of the important pillars of those reforms can be in place in respect of the forthcoming budget.

Those reforms can only mean something if we do not have a situation where on the Friday before the budget when the White Paper on receipts and expenditure is published, the Government can pull a rabbit out of a hat. This would undermine the entire process so it is good that, four months out from the budget, we know there is likely fiscal space or available resources of the order of €1 billion. I hope that if there are any changes to that over the next number of months, the House is made aware of them and we can have a more informed debate because there have been massive swings very late in the day in recent budgets in respect of the level of resources available to the Government of the day.

I must mention the shadow hanging over this debate and, indeed, the future of our economy, namely, the referendum taking place in the UK today. Fianna Fáil very much hopes that the decision is for the UK to remain within the EU but we must acknowledge that if a contrary decision is made by the British people, it will have very profound consequences for our economy. This is an issue to which we will return later in the day during Oral Questions to the Minister for Finance.

We very much welcome that the economic recovery is broadening. It is a strong recovery that is employment rich but there are major pressures in the economy that need to be acknowledged. I am glad that the Minister for Public Expenditure and Reform has acknowledged the crisis we are dealing with in housing. Not only is that the social challenge of our time for people caught up in the housing emergency, it is also a key economic issue. The lack of affordable housing could hinder our economic development. It needs to be recognised as an economic issue as well as being principally a social issue for those directly affected by it.

The two main issues that received attention in the coverage of the publication of the statement during the week were the increase in the available fiscal space and how it will be deployed between tax and expenditure and the decision to create a rainy day fund with an allocation of €1 billion per annum from 2019 after we have reached a balanced budget. At first glance, the fiscal space for the next five years has increased substantially from €8.6 billion to €11.3 billion but much of that increase relates not to any shift in the fundamentals of the economy or a change in external factors but rather to a decision by the Government in April 2016 to approve a change to Ireland's medium-term budgetary objective such that we will now be constrained by a deficit target in structural terms of 0.5% compared with the previous balanced budget target in the context of our medium-term objective. While many will welcome the greater flexibility this brings, it is not without risk and this should be acknowledged. Ultimately, all borrowing is deferred taxation and it is our firm view that we should aim to continue to outperform the deficit target, run a balanced budget as quickly as possible and establish the rainy day fund. Within the overall annual budget of approximately €70 billion, there are plenty of choices for Government and policy makers to decide upon. One that will receive considerable attention is what happens with income tax and USC. We have a different perspective from the Government on the question of USC. Fianna Fáil policy remains that we should progressively reduce the burden of USC on all income earners. Our ultimate objective is to remove it from all income up to €80,000 per annum and that surplus income would remain liable to USC. It comes down to the fundamental choices we have to face as a country because we cannot have everything. We cannot have as many gardaí on the streets to protect and defend communities as we would like. We cannot have the high-quality education system we would like to have at primary, second and third level if we make choices to deprive ourselves of so much revenue. The Fianna Fáil objective is an ambitious one of reducing and eliminating the USC on income up to €80,000. In our view, it is achievable providing economic growth remains strong. We want to

ensure that public services are prioritised and that children who are on waiting lists for a year or more, even to have an assessment of need carried out, have some prospect of getting that done and that once the assessment is carried out, they will have access to intervention services. It will come down to choices. We do not believe the abolition of the USC in the lifetime of this Government is achievable or desirable in light of the pressures that have clearly been built up on public services. The question of how tax cuts and the proposed abolition of USC over time will be funded is crucial.

One issue that needs to be highlighted is that part of the mechanism for funding is the non-indexation of the taxation system, which does not come without a cost for individuals. That should be acknowledged. According to replies I have received, the gain to the Exchequer from not indexing the tax bands and credits next year will be in the order of €380 million. By contrast, the projected amount of tax relief the Government is planning to provide is in the order of €330 million. This simply means taxes will effectively go up in real terms by about €50 million in 2017 when account is taken of the loss to taxpayers of freezing bands and credits.

There are other taxation commitments made by Government apart from the changes to the USC. Presumably there will be a further move in terms of the earned income tax credit for the self-employed. A very welcome step was made in that direction in the last budget. I imagine the Government will go another way towards introducing parity between self-employed and PAYE workers. There is a commitment on capital gains tax, so the €330 million will not go that far. Of course, there is the option of raising additional revenue. I believe the Government is looking strongly at the issue of a sugar tax of some kind, which may provide additional choices.

We welcome that a rainy day fund will be established. It is an issue we proposed prior to the election but we are concerned at the manner in which it may be implemented. I welcome the Minister's commitment to consult the House and have a debate on this issue and that he is open to ideas on how it can be structured and on what the trigger mechanisms will be for deploying the resources that will over time be built up in the rainy day fund. It needs to be ring-fenced and placed at arm's length and the trigger for accessing it needs to be clear. It should be counter-cyclical as the Minister for State, Deputy Eoghan Murphy, has said. He, Deputy Pearse Doherty and I sat through the banking inquiry and that point about the mistake of pro-cyclical fiscal policy was made time and again. It needs to be changed in the future in terms of the economic governance of the country. That is one of the key reasons this fund is necessary and should not develop into a slush fund of any kind for the Government of the day. The criteria under which it can be deployed need to be clearly defined. It should be deployed when certain economic conditions are met in a downturn - for example, an increase in the unemployment rate of 1% would be one suggested trigger.

We also believe that a sensible approach would be to link payments into the fund to some volatile element of the State's revenue base - the obvious one is corporation tax. June's Exchequer figures show that the State took in €774 million more in taxes in the first five months of the year than the Government expected. The figures for the period up to the end of May were announced at the beginning of June and 63% of the outperformance came from corporation tax receipts mirroring the performance last year when over €2 billion above what was anticipated for corporation tax receipts was received.

Fianna Fáil very much welcomes these strong Exchequer figures. However, the risk associated with treating corporation tax receipts as permanent can be seen from the fact that the top ten multinationals account for about a quarter of the overall corporation tax revenue and the top

50 multinationals pay about half of all corporation tax. There is a dependency and volatility there which needs to be recognised. The risk of building up permanent expenditure commitments on the back of that volatile revenue base has to be considered by Government. Should international trading conditions deteriorate, this revenue stream will inevitably come under pressure. There are many changes in the international tax environment. Those changes and the behaviour and response of multinational corporations have contributed to the increase corporation tax revenue that we are benefitting from as a country.

The economic statement makes considerable play on the need for a supportive business environment. This is something with which we concur. However, delivery of this commitment is what matters. Fianna Fáil has very much put the issue of equal tax treatment with the PAYE sector for the self-employed on the political agenda. We welcome the Government's commitment to deal with that issue in the forthcoming budget and presumably in the following budget to bring the tax credit up to the full €1,650.

I made the point previously that the extension of capital gains tax relief announced in the last budget was inadequate as it restricted the benefit to the first €1 million of gains. In contrast, the UK has a far simpler, clearer and more attractive relief of a flat 10% rate on entrepreneurial gains of up to £10 million. This limit has increased threefold since the relief was first introduced. The reality is that given the mobile nature of much of the investment, we are competing for that investment with our nearest neighbour and other jurisdictions.

The summer economic statement is largely silent on the question of other issues that impact on family finances and on the viability of many businesses. The only mention of mortgages is a vague commitment to take action on mortgage arrears and while this is welcome, it does not address the ongoing problem of scandalously high variable rates. Fianna Fáil has been consistently campaigning on this issue and we look forward to the Committee Stage debate on the Central Bank (Variable Rate Mortgages) Bill. Hopefully, it will be brought forward to the finance committee early in the autumn. This legislation strikes the right balance between the bank's need to make a profit and the borrower's right to be treated in a fair manner. Under the legislation, the Central Bank will be required to carry out an assessment of the state of the mortgage market and should the Central Bank conclude that a market failure exists, the legislation empowers it with a range of tools to influence standard variable rates being charged. The outcome is what is important in the issue of rates. Some progress has been made to date, which I have acknowledged. I hope there will be more progress before the finance committee has an opportunity to consider the legislation on Committee Stage.

Other items are important for businesses. Interest rates are important, not just for families in terms of personal rates and mortgages but, as Deputy Calleary has pointed out on many occasions, SMEs in Ireland are paying interest rates way above the European norm. The cost of credit, insurance and energy is an issue. I raised the issue of motor insurance during Leaders' Questions earlier today. Insurance costs, which are being reviewed by the Department of Finance, are increasingly a concern for businesses because of the increased costs.

We look forward to the debate on the summer economic statement and to the other reforms in the budgetary process, which are currently being discussed and debated. Hopefully, some of them will be in place for the forthcoming budget and we will certainly play a full and constructive part in that regard.

**Deputy Dara Calleary:** I, too, welcome the chance to speak on the summer economic

statement but the reality is that, today, Brexit hangs over this debate like Banquo's ghost. When we gather on Monday for the national economic dialogue, we will have a result and we will, hopefully, have a sense of direction from the Government as to how that result will be dealt with because, whatever happens, there must be change at the heart of Europe and the European economy. I have felt for some time that the Government has not prepared for the eventuality of a Brexit. We will need, in the event of a British decision to leave, an immediate and rapid response involving a roadmap as to how the Government will deal with it. If we do not see that, this document and debate will be irrelevant. The budgetary figures and the figures contained within it will all have to be reviewed and recast in the light of the new environment.

I welcome the decision to increase investment in capital expenditure and while I note there is still a commitment to the review in 2017, I repeat my earlier call that this review needs now to be brought forward, particularly in light of the increased envelope of spending. Investment in infrastructure is an effective means of ensuring that everybody feels the benefits of the recovery. Every region should feel the benefits of the recovery, from new hospitals and roads to a proper national broadband scheme, public transport and a range of other projects. The previous Government's capital plan, as presented last year, fell well short of achieving that and Ireland now lags behind the OECD average with the quality of our infrastructure dropping four places to 24th in 2015. Efficient infrastructure, in telecommunications, energy, transport, water and broadband, is vital to support national competitiveness and employment. While there appears to be a multitude of reasons for the decline in the quality of infrastructure, notably the maintenance nature of the previous capital programme, we must ensure that we begin rapidly to catch up, and I reiterate my call for a review of the current capital plan. According to IBEC estimates, 95% of capital expenditure is currently on maintenance. That sets the challenge of the limits of the current capital plan. It would be to the benefit of that plan, if that review was brought forward and if the kind of dialogue the Minister wants with the Oireachtas, but also with various partners, was engaged in at an early stage so that there could be a sharing of information and ideas around a capital plan that would deliver, both to the people and the regions regardless of where they were, value for money.

The capital plan is also the element of the summer economic statement that provides employment and employment opportunities. I thought one of the benefits of leaving the spokespersonship on enterprise - I am sure Deputy Cullinane would agree - would be that the cheerleading around the jobs action plan would stop or I would not have to hear as much about it. I did not realise that the three Ministers, as cheerleaders, were as good as the former Minister for Jobs, Enterprise and Innovation, Deputy Richard Bruton, around the nature of that plan. The plan should be tied in to the capital plan in terms of both regional delivery and employment delivery of projects. That employment delivery should be attached to fair employment laws and conditions. The delivery of the capital programme should be attached to whatever projects can deliver in terms of employment creation, as well as in terms of regional competitiveness. Finally, I say to the Minister of State, Deputy Eoghan Murphy, that it is essential that we bring in reforms through our procurement laws so that small companies get the benefit of investment in the capital plan and access to tenders for various projects in it because our procurement rules are frightening small companies away at present. We may deliver both a capital plan and additional expenditure, but it must mean something for SMEs as well and that is the instrument by which we can deliver on it.

Public sector pay was referred to by the Minister, Deputy Donohoe, and his remarks were important. We support the Lansdowne Road agreement and it is beginning to deliver. How-

ever, it is important that the commitment the Minister gave, in terms of the public sector pay commission, is moved forward rapidly. The summer economic statement does not contain any provision for a post-Lansdowne Road agreement scenario and over the course of its implementation in the next five years, I hope there will be a replacement agreement and a structure put in place. We need to begin that process quickly because 2017 will not be long coming upon us. If the Minister wants the kind of dialogue and engagement he aspires to, the process of establishing the commission and its work should be got under way without any further delay. We want to see issues of equal treatment for newly recruited staff in the public sector, particularly those in education and in An Garda Síochána, dealt with as a matter of priority over the next number of weeks and months as the commission starts its work.

The public sector has contributed a significant amount to the recovery. The recovery and the sacrifice the Minister spoke about have crystallised in terms of extra productivity but also lower wages, and it needs to be a partner in the recovery in the fullest sense. I welcome the reports this morning that negotiations are under way with An Garda Síochána around a new framework. The work done by the Minister, Deputy Donohoe's predecessor in terms of the fire service workers has giving us a vehicle and an opportunity to begin rewarding and restoring more staff, and that needs to be increased.

One criticism I have relates to the programme for Government. The summer economic plan is laid out, but the programme for Government that comes with it is not costed and has a range of commitments that are not timed. We get no sense of how they connect with the economic plan. The funding made available, as Deputy Michael McGrath stated, has as much to do with changes in rules as anything else and in many areas, that funding is badly needed. However, what we have within the programme for Government is a range of ambitions and promises without a timeline and costings. For example, the Minister said that the Government housing plan would be published later in the year but we have a plan published by an Oireachtas all-party committee last Friday last which should offer a framework in that regard. It will be a test of the seriousness of this Government about taking the views of the Oireachtas on board regarding how much of that action plan, the development of which was shared by Deputies, including the Acting Chairman, Deputy Durkan, from all parties, is enacted.

Housing is merely one issue. The health service is another issue. The Minister increased the Estimate again last week and that proved the point my colleague, Deputy Kelleher, has consistently made that the Estimates process for the health service over the past five years was, at best, flawed and, at worst, an annual lie for the amount that had to be provided in Supplementary Estimates. That provision is no longer available and unless that funding delivers on waiting lists, emergency rooms and services to patients, it will have been for nought. The Minister made commitments a number of weeks ago about performance budgeting and how that funding will be delivered and make people's lives better. I would like to see those proposals brought forward as soon as possible so that we get a sense before the recess of how the effectiveness of this funding will be measured. The HSE and the Department of Health need to get their act together when it comes to budgeting for the health service because the people who are paying for their ineptitude in that regard are patients and those on waiting lists and that must stop. I look forward to the Minister's proposals in that regard.

The notion of fairness was at the heart of the recent election campaign and was one of the reasons the Ministers' party returned with so many fewer Deputies. Fairness must be at the heart of the delivery of this programme in terms of its ability to deliver better outcomes for people, as I stated, in health, education, our public services, growing communities facing the

brunt of crime and for regional communities. Just because one lives in Dublin, one should not benefit from an economic recovery or enjoy the consequences of the recovery while other communities are shut down.

The Minister spoke about the reform of public services, but this should not mean withdrawal of public services. Reform has been the mantra for many public service changes in recent years. There has been the withdrawal of services from weak communities, regional communities and communities within this city in the interest of putting services online. We need to come up with a public service modernisation programme that involves people and puts people's interests, rather than the interests of accountants within the Civil Service, at the heart of it. That is public service transformation. The delivery of better service does not mean the withdrawal of services. That is a trend that we need to take control of also.

Deputy Michael McGrath has spoken about the microeconomy and we have a large macroeconomic statement. On Monday and Tuesday next, the Minister will get an indication of the micro problem, of people's home economy and of the economy in education and health when he meets Departments. Unless this plan, the tax strategy papers and the final budgetary process end up delivering for people in their homes as well as for the country, this budget process reform will be for nought. Unless we deliver a whole-of-government approach to improving people's financial circumstances not just at budget time, but with the costs they face on a daily basis and which they cannot control such as pressure within schools, universities and hospitals, economic recovery will be a concept alien to the majority of the population. We must not forget the goal of a fairer system of employment and more robust employment law for those in weak jobs. One lesson to be learned from the tenure of the previous Government is that it is not just the Departments of Finance or Public Expenditure and Reform that have a role in delivering recovery; it must be an entire whole-of-government approach. Until this is done, the notion of a recovery will continue to be something that the majority of households and people do not see, as they still live with the consequences of the cuts in expenditure from recent years.

This will be the test of budget reform. Budget day may not have the big bang announcement any more but we will see how measures have an impact on households not just with income tax and services, but across a range of costs felt by people. If people feel their life is better on 1 January next year, as the measures from budget 2017 kick in, we will have had some input into the process. We will have engaged people in the macroeconomic recovery.

**Deputy Pearse Doherty:** Cuirim fáilte roimh an deis seo labhairt ar ráiteas eacnamaíochta an tsamhraidh. Tá an ráiteas againn, sa deireadh thiar thall, agus is féidir linn plé agus scansáil a dhéanamh air. The summer statement indicates boldly in its second paragraph that "decisive policy action means that the public finances are now in a better position". It is important we look at that premise, which could have been the Fine Gael election slogan. That premise was rejected. It is a despicable and mindless rewriting of history, brushing aside the years of need-less and painful austerity as somehow worth it. We have already heard talk of the tough decisions, when in reality Labour and Fine Gael simply followed the EU's handbook on how to do austerity. Like all troika governments that followed the handbook, it was booted out of office by the people when they got the chance.

As we all know, growth in the Irish economy has been greatly aided by external conditions, namely, a weak exchange rate, trading partner growth, low oil prices and accommodative monetary policy. There have been bumper corporation tax receipts so far in 2016 but much like 2015, we are still at a loss to explain them. We saw corporation tax coming in at €1.18 billion,

some €484 million or 41% ahead of profile. That is not a sustainable basis on which to build a sound economy, no matter how tempting it is to spin it that way. This year, we benefited from a fluke with €1.5 billion extra thanks to the upward revision of Government expenditure in 2015 by reflecting a reclassification of State transactions with AIB. If this accounting exercise had not happened, we would be in big trouble, with overruns in health and elsewhere already. We have seen a Supplementary Estimate only possible as a result of this accounting exercise. This will not happen next year or the year after and then we will see how tight and unreasonable these fiscal rules are.

The main purpose of this statement is to squeeze Fine Gael's narrative into the fiscal space figures and, luckily for the Government, nobody is disputing the Department of Finance figures this time around. They are what they are. Let us be clear. My party has never supported these fiscal rules and we campaigned against the austerity treaty that brought in these rules. The rules do not allow us the necessary budgetary flexibility to deal with emergencies or pressures in society. They are far too restrictive. At the same time, we have always called for the need to reduce one's deficit, not spending beyond one's means and bringing down the national debt. As Sinn Féin argued, these rules have the potential to cripple our ability to provide services and invest in our infrastructure. Economically and politically, they are bad rules that need to change. As outlined in our manifesto, Sinn Féin would seek support for changes at an EU level and in the shorter term we will work to achieve the type of flexibilities to these rules that have been afforded to other States within the EU. Sinn Féin has been consistent therefore, unlike others, in our approach.

It is heartening to see some of the organisations and politicians in parties who were so vocal in their support for the rules now come around to our position, especially on the need for changes so that investment can be made. It is a bit pitiful that the Minister for Finance - one of the architects of these rules and supported by Fianna Fáil - is now begging the European Commission to change the rules that he helped design and sell to the Irish people in that referendum. Sinn Féin has been proved right. There is a growing consensus that the rules do not work and must be changed significantly. We now have the unedifying spectacle of the Taoiseach writing to the EU looking for a way out of these rules. There have been countless debates, both in this House and in committees and elsewhere, about the need to circumvent the rules by inventing special purpose vehicles that are off-balance sheet. That is just a way around the rules.

The rules allow choices to be made and Sinn Féin argues that until the rules are changed, we will always put forward proposals to comply with them. The choices are there for any Government. As much as Fine Gael and Labour in the past would like to argue that there were no choices, there is always a choice. That is why we in Sinn Féin have produced alternative budgets consistent with the fiscal rules year after year. We have demonstrated very clearly that we are the party which understood the application of these rules.

The net fiscal space is €11.3 billion of choices to be made over the next five years. This figure is not set in stone and can be expanded with discretionary tax measures, and in this regard I am glad the Government has taken Sinn Féin's lead on additional taxation measures such as the proposed sugary drinks tax, an increase in excise on tobacco products and the tapering of tax credits for high earners. We called for those in parliamentary questions some years ago. Sinn Féin believes the Government can go further in this regard and central to this is not carrying on with the most reckless tax cut in recent times, namely, around cutting or phasing out of the universal social charge, USC.

23 June 2016

The Fine Gael and Fianna Fáil promise to abolish or severely cut USC is populist and reckless. I welcome Deputy Michael McGrath's earlier comments that abolishing the universal social charge in this Government term is not on, but he is trying to have it both ways. His party wants to abolish USC on incomes up to €80,000, which will cost billions of euro each year. Of course, people on low incomes must be taken out of the USC net, and that is why, from the tax's introduction, Sinn Féin has campaigned to ensure that up to 1 million people are brought out of its net. It is not possible to be a tax-cutting party while promising to make the necessary investment in our economy and to maintain, never mind improve, our health services or provide housing for families who are homeless. It is nonsense to suggest all this can be done at the same time. Now is the time to invest in and repair our economy and not to start the ball rolling on the road to ruin again.

The Minister argues his tax cuts for the better off will be funded by other tax increases and by non-indexation. Non-indexation is already factored into the fiscal space and it has been the policy of the State, for right or wrong, for the past eight to nine years. It is not as if this is a major change that will offset costs. It is pure misrepresentation to present this as offsetting those reckless tax cuts. Likewise, the Revenue Commissioners have unambiguously stated that tax increases on tobacco cannot be relied on as a revenue raising tool. Those opposite know this as it is published in black and white. My party supports increases in excise on cigarettes on a systemic basis as part of a health policy but not in trying to find a few extra bob. The mind boggles when I note the assertion in the summer statement that "A broad tax base that ensures financing of public expenditure is crucial", but the Government is intent on taking €2.54 billion out of the tax take by 2021. USC could bring in €5.6 billion by 2021, and it would bring in that amount every year based on non-indexation.

If the Minister does not want to listen to Sinn Féin's arguments regarding not abolishing the USC, not getting rid of this annual tax of €5.6 billion by that year, then he should listen to the European Commission, the Irish Fiscal Advisory Council and the ESRI, all of whom have criticised, in one way or another, the Minister's plans in this regard. The Minister must consider the housing crisis and the hospital waiting lists. Does it appear that we can afford to go without €5.6 billion in tax revenues each year? God help us when the next shock hits, particularly in light of the Minister's constant erosion of the tax base. The Minister of State, Deputy Eoghan Murphy, should know this because we dealt with it at the Joint Oireachtas Committee on Finance, Public Expenditure and Reform. The fiscal crisis that hit this State was partly down to the fact that the former Minister, Charlie McCreevy, reduced taxation to an unsustainable level. That is what happened. It was camouflaged by the fact that stamp duty and other property-related taxes were coming in. There will be an economic downturn; there is no doubt about that. The only question relates to its intensity and when it will strike. A big risk in this regard is corporation tax. The summer statement does not give any information regarding the massive increase in corporation tax or the increase in its concentration among large companies. It should have been noted in the summer statement that the concentration of corporation tax receipts has risen, with over 40% of corporation tax paid by just ten companies in 2015. I think it was said that it was 25%, but in fact 40% of corporation tax receipts were paid by ten companies in 2015. That is up from 21% in 2009. In 2015, corporation tax payments from the top ten companies amounted to 6% of total Exchequer tax revenue. That is approximately the same proportion of overall Exchequer tax revenue accounted for by stamp duty in 2007, at the height of the boom.

The Government is just repeating the mistakes of the past. It is staring us in the face. God help us if this goes belly-up. Columns will be written to the effect that it was obvious. It will

be stated that ten companies accounted for 40% of corporation tax receipts and the Minister cut one of the most stable forms of taxes, which is on income and which brings in €5.4 billion every year, because this type of unstable tax increase was happening. It is McCreevy stuff, it is wrong and it caused massive problems across Irish society. We have a responsibility in this House to have a proper and informed debate and to point out the risk. The Minister can use terms such as “prudent”, “broad-based” and all the rest, but what he is saying is nonsense. It is nonsense and it is reckless.

The Minister talks the talk with regard to public investment to safeguard our future and he acknowledges that “higher levels of investment are crucial in supporting balanced regional growth, eliminating capacity constraints and enhancing the growth potential of the economy”. However, he does not walk the walk. Even taking account of the additional cumulative €5.1 billion capital investment, Ireland will still be among the countries with the lowest level of capital investment in the EU and the planned increases are certainly not transformative. Everybody is saying there is a housing emergency and we want to build more houses but we cannot because we need the European Commission to change the rules and help us to invest. If the Minister decides not to go ahead with his tax-cutting agenda in October’s budget to achieve the net effect of providing tax relief amounting to €330 million, he could invest €1.3 billion next year in building houses for the homeless. He could invest that in the services that Deputy McDonald was talking about when she referred to the mother with her child who could not get access to emergency services.

These are the choices both Ministers and the Minister of State are making. That is Cabinet responsibility, folks. They cannot walk around and say, “We hear your pain, we feel your pain”. They are making these damn choices and they are deciding to sacrifice these individuals and these sectors of society because they think it is more politically beneficial that they cut income tax rates on the false premise that cutting these rates will create jobs. Somehow, the Government is already creating jobs. It claims jobs are being created by the spade load, yet tax rates are still high. The Government cannot have it both ways. The fiscal space allocated to capital investment next year is 6%, yet 33% of it is devoted to tax cuts. That is the priority of this Government. If the Ministers do not want to listen to us, they should listen to IBEC, to the European Commission and, most importantly, to our small and medium-sized enterprises, which are crying out for capital investment. The best way to stave off any economic shock in the future is to ensure we have the investment in our society at this time.

Moving on to current expenditure, the assertion in the programme for Government that there will be an additional spend on public services by 2021 is a clear attempt to pull the wool over the public’s eyes. The expenditure commitment of €6.75 billion is clearly shown as the con job it is in the summer statement, particularly as €2.5 billion of it has already been committed and that the additional spend - if we are to believe the figures - will be just €4.25 billion over five years. Unfortunately, it gets worse. This €4.25 billion does not even give the full picture because the expenditure projections do not make any allowance for inflation. Does the Government really believe the cost of medicine is not going to increase in the next five years? Does it really believe the cost of maintaining schools will not increase in the same period? This is mind-boggling stuff. It does not account for that or for public pay increases beyond 2018 and it understates demographic pressures. The Irish Fiscal Advisory Council recently asserted that a standstill estimate of expenditure, which would maintain the current level of public services and benefits given a full accounting for demographic changes and inflation, would result in an additional €6 billion of public expenditure by 2021. A standstill position means people on social

welfare get increases in line with inflation, inflation is built into non-pay issues and pay rises in respect of inflation. What would be left of the fiscal space if that were the case? The answer is there would be €750 million to be spent over five years. That figure is important because it is the real amount of money the Government has in terms of service enhancements or fixing the problems we have in health, education and dealing with all the different pressures.

I will hand over to my colleague, but I look forward to dealing with the idea of a rainy day fund. It will be slush fund for the Government. We will have opportunities to talk about that. We suggested a rainy day fund, but we did not suggest leaving those who are being soaked at this point without the necessary supports and protections from Government. I am sure we will get an opportunity in the coming days to discuss that in more detail.

**Deputy David Cullinane:** We first need to acknowledge a simple truth: the Ministers' Government has no mandate. The policies it will implement in terms of current and capital expenditure and public sector recruitment and pay were roundly rejected by the electorate. They do not even have the support of the majority of Members in the House. The Ministers' roles derive not from the people but from the Fianna Fáil Deputies who sit opposite them in this Chamber. This is called new politics. New politics has to mean new policies. It has to be about changing direction and it has to mean a departure from the old.

I am positive about Ireland's future, but only if we make the right choices. We all know that political choices are down to us as politicians. It is we who can make those choices. We can choose to give tax cuts to the wealthy or we can invest in public services. We can choose to protect the top 14% of income earners or we can invest in our hospitals and our schools. We can choose to build houses and sustainable communities in the here and now or we can pretend we are putting money away for a rainy day. The choices set out in this summer economic statement fail the fairness test, yet again. We need to move away from the very narrow view that the Irish people exist to serve the economy, when it should be the other way around.

I present the Ministers with the figures from the stability programme update that underpin the summer economic statement. They show total Government revenues as a percentage of GDP dropping from 2017 to 2021, and total expenditure as a percentage of GDP dropping during the same period. While these figures will need to be adjusted, the Minister's dealt with the matter in a disingenuous way. He referred to State-backed capital investment as a percentage of GNP and not State investment as a percentage of GDP. When we factor in the figures, we can see that, as the economy grows, the Government is raising less and spending less as a percentage of GDP. This Fine Gael-Independent Government, propped up by Fianna Fáil, is actively shrinking the State, while issuing press releases stating that this is about building for the future. These are policies that would make the British Tory party blush.

What can we say about the projections in the summer economic statement and the policies the Government is ready to impose on the people? It means more pressure on our health system, more patients lying on hospital trolleys, more band aid solutions and more missed targets as impossible budgets are allocated to hospitals in order to force the increased privatisation of the system. It means more pressure on our education system which is already running at undercapacity even before demographic pressures and international standards on classroom sizes are factored in. It means more pressure on housing and infrastructure as communities and businesses grow but have to do so within reduced capacity.

Capital investment is one of the key issues, indeed possibly the key issue, that we are faced

with today. When we think about capital investment, we usually think of roads, infrastructure and the mechanisms that facilitate trade and business activity but capital investment is also houses, health and education. Usually, when these issues are raised in public debate, they are talked about as expenditure, as a cost, as if housing serves the same social and economic purpose as shopping online. It does not. When we build houses, when we increase capacity in our health service and when we lower class sizes, we are investing in the future. That is the big difference between building an economy and building a society. This is why, after nine years of chronic underinvestment in these areas, after the bank bailout of Fianna Fáil and the unequal austerity measures of Fine Gael and the Labour Party, we have in Ireland today a chorus of diverse voices all calling for the same thing, namely, public investment in social and economic infrastructure.

We hear it from IBEC, which in a briefing last week said that the current fiscal rules should take on board the unique demographic pressures we face and the associated need for capital investment. It said that Ireland had access to the cheapest money in history and should be able to borrow to spend on badly needed infrastructure. IBEC is saying this. It then went on to say that it was unconcerned about the associated rise in national debt as capital investment taps into a wider economic dynamic. We will leave to one side my astonishment at IBEC suddenly advocating public investment after being supply-side cheerleaders for so long but on this issue IBEC is right. The Irish Congress of Trade Unions has also called for greater investment over tax cuts for the elites, for the wealthy and for the top 14%. Patricia King said recently that investing in quality public services like health and education would boost economic growth, achieve a better quality of life for all citizens and help create a more equal society. She said that these services should be funded through a system of fair and progressive taxation and in this she is correct.

We also had the European Commission calling for greater capital investment. It said in its country report in February of this year that “the current levels of capital expenditure in Ireland are barely sufficient to replace the existing stock of public capital” and that “Ireland is now witnessing the emergence of capacity constraints in public infrastructure.” It has no confidence that we are investing correctly in capital investment.

This is not news to the people of Ireland. When Fine Gael took it upon itself in the last election, very foolishly, to tell the Irish people to keep the recovery going, it got a very harsh lesson in what happens when one believes one’s own spin and bluster. There has been a modest recovery, and we recognise that, but the reality is that the vast majority of Irish households do not feel it because it is not in their wages and it is not in services. There are more people working but they are working in low-pay jobs with high social cost overheads. The Minister said the previous Government’s approach to expenditure reductions was a targeted one and how right he is. The top 14% were cosseted and protected and not one cent of extra income tax was sought from them while those who rely on our public services, those who rely on our hospitals and our schools, those people now on hospital trolleys and the 2,000 children now sleeping in emergency accommodation are victims of the Minister’s targeted approach, which was cut after cut after cut in public services. People are now seeing the true cost of that.

We live in a State where essential public services have been downgraded or privatised in order to pay for tax breaks for high earners and to provide investment opportunities for private corporations in waste, health, education, housing and water. After 2018, the Government is going to start saving for a rainy day, or so the spin goes. How many families have to be put up in hotels for the Government to see that, for many, it is already raining on them, and very heavily?

23 June 2016

I now turn to public sector pay and pensions. As the Minister is well aware, the FEMPI Acts need to be unwound. This process has begun under the Lansdowne Road agreement, which runs out in 2018. A new collective agreement would need to be put in place to finally shut down FEMPI and yet there is no recognition of this fact in the summer statement, not one single mention of what happens post-2018 except for the establishment of a commission to make recommendations. When I questioned the Minister on this yesterday, he said that it was not his job to pre-empt any possible new collective agreement to replace the Lansdowne Road agreement, especially as that would be a bad negotiating strategy. What type of strategy is it that says that when one is working out a new pay deal, one puts €1 billion a year on the table, not just once or twice but three times for a rainy day, but no provision at all for increased public sector pay? What type of strategy is it to argue for the continuation of economic emergency legislation by announcing €5 billion in tax cuts over five years because the emergency is, according to the Minister, over? This Government has just announced more than €8 billion in tax cuts and unspent revenue over five years but says this has no influence on its negotiating position with public sector unions. I can imagine public sector unions scratching their heads at such a strategy. Astonishingly, there is no provision for pay equalisation in the statement. The Minister made passing reference to it in his speech today but no longer can this State stand over a two-tier pay structure in the public service. No longer can the sore that there is in classrooms and hospitals continue. If the Minister believes in the principle of equal pay for equal work, he has a responsibility to deal with this issue but there is no mention of it in this statement.

We recognise that provisions have to be made for the winding down of FEMPI. Sinn Féin's recent Ard-Fheis recognised that public service workers play a vital role in our society and yet many of the newer entrants have been penalised by the two-tier pay structure brought in by the last Fine Gael-Labour Party Government. Sinn Féin will continue to support the demand that this unfair two-tier system be replaced with a fairer system that rewards people based on their work and is not defined by when they began their career. It is Sinn Féin's view that FEMPI needs to be unwound in an equitable and structured way, with emphasis on low to middle income workers before those on more than €65,000 who are already due to receive significant elements of pay restoration under the Lansdowne Road agreement due to the unwinding of the Haddington Road agreement.

On a deeper note, there is an intentional sleight of hand here in these figures. For the years 2017 and 2018, the net fiscal space is exclusive of public sector pay restoration. However, for the years 2019, 2020 and 2021, no provision is made for future pay restoration. This is not net fiscal space for those three years. It is, in fact, a sleight of hand and an attempt to make the figures look rosier than they actually are. The Minister has to be straight with people and clear with public sector workers. He has to give them hope that he will do the right thing and that there will be further restoration in 2019, 2020 and 2021 for those on low and middle incomes in the public sector. He knows that is the reality but he has left it out of this because he wants to distort the figures and pretend that this is net fiscal space when, in reality, it is not.

It has to be pointed out that Government's policies, as outlined in the summer economic statement, are extremely short-sighted, as well as ideological. The Minister is committed to shrinking public services and to tax cuts for the wealthy and high earners and is committed to outsourcing as much of the State as he possibly can. He does it with a smile but it is his intention, nevertheless. In Sinn Féin, we stand against all of this and we stand with the ordinary people of Ireland. We stand with low to middle income workers, 77% of whom earn less than €50,000 a year.

There are alternatives and every year we in Sinn Féin have put forward costed, fair and deliverable alternatives.

*3 o'clock*

We publish policy documents on child care, housing and health. We are the only party that has set out a costed route to a genuinely universal health system. Others talk about it but we have costed it and have set out a strategy that would lead us to a fair, equitable health service for the first time. Sinn Féin holds the fundamental belief that inability to pay should not deny access or the opportunity to lead a full, long and healthy life. In order to have universal health care, we need to increase capacity in the system and progressively replace private spending by members of the public with public spending.

Sinn Féin believes that one of the fundamental rights in any society is the right to a home. That is why in our election manifesto, we committed ourselves to building 100,000 social and affordable homes, which is what needs to happen. I have heard an awful lot of spin since the election from this current Government about what it may or may not do about housing. What people outside this Chamber need is real action and not rhetoric and not more false promises but I do not see that reflected in this statement.

I will finish as I started. New politics is old wine in new bottles unless it means new policies and a change of course. The Minister talks about new politics and he says he wants to listen to us on this side of the Chamber and yet what we see before us mapped out for the next five years is more of the same - more of the same neoliberal economic policies, more of the same tax cuts for those at the top who do not need them and no real hope for those who depend on public services, those on trolleys, those in emergency accommodation and those living in poverty. We in Sinn Féin provide that hope and I do not believe that what has been presented to us today is the fair way to manage our economy over the next five years.

**Deputy Joan Burton:** I would be grateful if the Acting Chairman could advise me when 15 minutes have elapsed, as I am sharing time with my colleague, Deputy Sherlock.

This is the first full-on Fine Gael budget or economic plan that we have seen, unmitigated by any left-of-centre force-----

**Deputy Paul Murphy:** We will be fine without the Labour Party.

**Deputy Joan Burton:** -----so this is what Fine Gael is planning, and there are a few things I want to draw attention to in it.

Under the summer economic statement, the share of public spending in GDP will decline from 28.9% in 2016, which is already one of the lowest in any advanced country, to 25.3% in 2021. This is a shocking decline over a five-year period in the share of public spending and is unprecedented, particularly for a country in recovery. Even though I understand that many people in this Chamber do not believe there is any recovery, but there actually is. When I entered Government, 330,000 people had lost their jobs. Now, as the statement sets out, more than half of those people are back at work. We still have a long way to go. The fall in the share of public spending from 28.9% in 2016 to 25.3% in 2021, however, is very shocking, and if the Minister, Deputy Donohoe, gets a chance to explain anything to us - better still, the Minister for Finance, Deputy Noonan - I would like him to go through those figures with us.

23 June 2016

The share of gross current spending in GDP is set to decline from 26.7% in 2016 to 22.6% in 2021. It will fall very dramatically over the five years unless, of course, these figures are wrong, although we must take in good faith that the Department and the Ministers have put in the figures as honestly as they could. Gross capital spending is set to increase, as was pointed out by the Ministers in their statement, from 2.2% of GDP in 2016 to 2.7% in 2021. However, even this increase is below what is required. Why is this happening? The planned growth in spending is only a fraction of the rate of growth in GDP, as both Ministers have said in their statement. Between 2016 and 2021, nominal GDP cash value is set to increase by 29.3%. That is a really good rate of growth, one of the best growth rates of any European country. However, over the same period, planned increase in gross current spending is 9.6%, as opposed to an increase of 29.3%. Over the same period, therefore, the planned increase in gross current expenditure is 9.6%. Taking account of the faster increase in capital spending, which I have acknowledged, total gross expenditure increases by only 13.3%.

The summer economic statement is grounded in the EU fiscal rules and specifically in the expenditure benchmark rule, EBR. The EBR states that, unless funded by additional taxation measures, spending should only grow in line with the sustainable or trend rate of growth in the economy, that is, GDP. If this rule is followed, then the share of public spending in GDP will remain broadly stable. However, the Government plans only to allocate just over half of the fiscal space, 51%, to increases in spending. Some 23% of the space, or €2.54 billion, is allocated to the abolition of the USC in a way that will favour the better off, and I will come back to that if I have time. Indexation of the tax system could be achieved for approximately €1.8 billion. Of the fiscal space, however, 23% is allocated to the rainy day fund, that is, €3 billion in the later years of the statement's period at a rate of €1 billion a year. This is totally unnecessary since adhering to the fiscal rules is sufficient to keep the public finances safe. I know it is catchy and sounds attractive and given what people have been through and suffered, it sounds fantastic that we will put all that money away towards the end of the five-year period and lock it away and keep it safe, but from whom? Is it from people? Is it from our economy, while cutting in effect the share of current spending very dramatically over the five years?

This is why I say this is the first example of what Fine Gael, as an admittedly very conservative, right-wing party, would do on its own. It has been allowed to do this, notwithstanding the fact it is in government with a number of Independents, without any let or restraint apparently being imposed on them by those in government. Having listened down through the years to the Minister for Transport, Deputy Ross, however, I know that he is generally of a very conservative fiscal outlook. He is not in any way lacking in any kind of humanity but he is very conservative. Maybe he has been the cheerleader of this extraordinary turnaround in terms of how to produce a recovery for everybody in this country in a way that is fair and geared particularly at getting more people back to work, with low-income and middle-income people then sharing as much as possible in the fruits of any growth or increase.

I will give the Minister my honest view. I know he means very well but to allocate so much money to a rainy day fund is absolutely ridiculous when the need to restore public services is so acute. For instance, we must still get more people back to work. We have already heard people commenting in the period that this new Dáil has been operating on the need to invest in the health services and the Minister has done some of that in the additional allocations. We know we must invest in housing for our increased population.

I want to make two other points. There is no provision in this at all for increasing social welfare rates. Last year, the year before and the year previous to that, I devoted significant

amounts of money to this. For example, when I was Minister for Social Protection I devoted €200 million of additional spending each year simply to meet the population pressures of the growing number of older people in our society, to maintain their pensions and to maintain particular measures such as the free travel pass, which is iconic to older people in Ireland, and with regard to people in receipt of carer's allowance and disability allowance.

There is no provision for public pay restoration beyond 2018. The Minister and I know, because we were involved in this discussion when we were in government together, that the priority, of course, is to unwind the financial emergency measures in the public interest, FEMPI, legislation and make provision through the Lansdowne Road agreement. However, according to the table on page 27, the roll-out of the Lansdowne Road agreement stops at the end of 2018. There is an additional €300 million for each of those years, together with the additionality for this year. What will happen to public sector pay between 2019 and 2021? Nada - nothing. Is this realistic? I am not sure it is totally realistic. Frankly, I am surprised, and I am sure it did not escape the Minister's attention.

Everything is being sacrificed down the road for the rainy day fund. It starts in 2019 to be built up to €3 billion. Perhaps it is simply a bargaining chip for potential negotiations that will take place in the years from 2019 to 2021. Perhaps the Minister will enlighten us on his thinking.

I wish to speak about the tax package and the approach to tax mentioned in the plan. The tax package in the plan appears to have a built-in bonus for the better off. In contrast, in the recent general election campaign, the Labour Party - I thought Fine Gael agreed with this - envisaged abolishing the universal social charge for anyone earning less than €72,000. Fianna Fáil's plan was to go slightly higher, at €80,000 if memory serves me right, and Sinn Féin's plan was to stop at approximately €21,000. It was very low. We proposed that it be capped for anyone earning more than €70,000, and for anyone earning more than €120,000 relief would be clawed back.

The plan in the summer economic statement seems unfair and unwise in a recovering economy. While there is provision for more capital spending, it is limited and not sufficient to address bottlenecks in the economy and the population and demographic pressures the country faces, with growing populations of younger people and older retired people. This alone requires €200 million extra of social welfare spending in every year, as it has done since 2011.

The rainy day fund is a catchy idea but difficult to fathom. In an economy which has faced enormous limitations on capital expenditure due to the crisis from 2008 on, it seems odd to set aside €3 billion for the fund. Furthermore, I repeat that it is not required under EU fiscal rules. The small matter of the Lansdowne Road agreement is not addressed after 2018. In effect, there is no provision for public sector pay restoration after 2018.

When in government, the Labour Party worked to produce a balanced recovery that would increase employment. As we left the Government, unemployment had decreased to 7.8% from a high of more than 15%, which we had inherited from the previous Government. Many people, particularly young people and older unemployed people aged over 52, are still unemployed and very anxious to get back to work, to get into work or to get an apprenticeship or training, particularly if they are young and beginning their careers. Older people in their 50s face many obstacles to getting jobs if they have been unfortunate enough to lose them.

People throughout the country have made heroic sacrifices. Fine Gael has acknowledged on many occasions the sacrifices people have made. They deserve much better in terms of restoring the level and quality of public services and the development of a fairer and more progressive tax system, rather than favouring tax cuts which proportionately benefit the better off and the highest paid.

In 2014, 2015 and this year, we achieved improvements in the living alone allowance for the first time in 22 years, a small increase in the weekly pension, and a 75% or 80% restoration of the Christmas bonus, which goes not just to pensioners but to people in receipt of the loan parent allowance and the long-term unemployed. What will happen to all of this? The money is there for 2016, according to the Estimates that have been published so far, for measures such as the Christmas bonus. If the regime set out is followed, is the Government really telling us that public sector spending as a share of overall GDP and a share of the overall economy over a five-year period will fall dramatically? From an economic point of view, in terms of demand in Ireland and people having confidence and spending, it is a recipe for returning to much darker horizons for the Irish economy. The Minister promised that there would be a new way of doing politics. Unfortunately, we only received notice of this approximately one hour before it was published. We did not really get anything like a real briefing from the Minister's officials, because the rules do not really seem to have changed as yet. For heaven's sake, it would be worth the Government's while talking to people about what is in the statement, because I can tell the Minister it will not do the general health of the economy and the growth of the economy an awful lot of good.

**Deputy Sean Sherlock:** I welcome the fact that time has been devoted today for statements on the summer economic statement. If I may make a request, I ask that at some stage time be provided in the finance committee or the budgetary control committee so we can have a more iterative process and a question and answer process to interrogate the points made heretofore on the macroeconomic piece of the economic statement and the microeconomic element.

If we take some of the points made on the universal social charge, there is a difference in emphasis between the parties. In its manifesto, my party made a commitment to abolish the universal social charge for the first €72,000 of an individual's income. A school of thought seems to be emerging here, and whether there is common ground to be found on the treatment of the universal social charge on a cross-party basis remains to be seen. As I said, we need to have a more iterative process in committee to discuss how we can find some common ground on this.

I wish to speak specifically on the summer economic statement as it relates to next year. I do not want to go too far beyond next year, given the political ferment we are in at present. I acknowledge the projections, but the net message of the summer economic statement is that approximately €300 million is to be made available for additional tax cuts and approximately €600 million is to be made available for additional expenditure in 2017. The Irish Fiscal Advisory Council, IFAC, has described the sum as a contractional one. The ESRI, in its quarterly economic commentary for summer 2016, states that economic growth in GNP terms will be 4.8% in 2016 and 4.3% in 2017. The ESRI has reported an indicative slowdown in global trade and pointed to the uncertainty surrounding the outcome of the Brexit referendum as having an adverse impact on the trade sector of the Irish economy. The ESRI is pointing to "domestic sources of growth, investment and consumption [as] the main determinants of the increase expected in Irish economic activity."

We argued at the last election for a ratio of 2:1 between investment and tax reductions. This seems to be what is being outlined in the summer economic statement. However, one could argue for a better ratio in order to deliver on the indexation of welfare payments, smaller class sizes, transport infrastructure, health care and so on. Consider also capital investment for productive purposes, be they broadband, schools or roads. If the Government sets up a rainy day fund for economic downturns or externalities over which we have no control, the question arises as to whether we are being risk averse. Should we consider investing in infrastructure to fund economic growth instead of simply leaving money on deposit? Also, the 2:1 ratio only applies after the rainy day fund has been created. We need a closer interrogation of what the fund is about and what it will mean. A more detailed analysis of the issues is required. If we understand the proposal of the rainy day fund correctly, it will commit €1 billion per annum between 2019 and 2021. When will proposals be tabled in the Dáil for the fund's creation?

On Tuesday, the Taoiseach told us that the total amount available to the Government over the next five years was an estimated cumulative of €11.3 billion. The space for 2017 has increased to approximately €1 billion, with €1.2 billion available in 2018. This is the supposed logic for bringing forward spending in 2017 for “infrastructure and social issues”, to quote the Taoiseach from Tuesday. I do not want to spend too much time discussing the projections beyond 2017, but we welcome those relating to the increase in capital expenditure. We wonder whether we could be more ambitious in that regard with a view to expansionary economic activity.

Since my colleague has discussed the public sector pay elements and the Lansdowne Road agreement, I do not want to dwell too much on them, but we in the committee debated the 2016 Estimates yesterday and it is our view that, if the promise of a new budgetary architecture is to mean anything in terms of a truly collaborative approach to governance where the primacy of this House supersedes that of the Executive, there must be a better consultative process for budget 2017. If the House rises in July and returns in the autumn, the space for such a discussion is limited. We want to interrogate further whether there is common ground to be had between parties on budget 2017, particularly regarding the taxation on work side.

We feel that there is greater scope for more capital expenditure. Although we acknowledge the increases, there is a positive multiplier effect. The programme for Government includes clear commitments on regional economic growth and targets for the number of jobs that it seeks to create outside of the Dublin area. If one is realistic about that job creation, though, one needs an Atlantic corridor strategy that links the three main cities beyond Dublin, namely, Cork, Limerick and Galway. Issues of connectivity between the three must be considered, including capital expenditure on roads infrastructure, if the job creation target of 130,000 plus outside of Dublin is to be achieved during the lifetime of this Government.

We need to get away from the anachronistic policy provision whereby there is an increase in expenditure every year via a Revised Estimate presented to the House relating to, for instance, health. We are all of the view that, if a Department is allocated an amount of money for a year, justifying a Revised Estimate for same should be difficult if the people within the Department have already made spending projections. We go through this choreography and pageantry around Revised Estimates every year. If we are to examine performance and reform within the public sector, we must determine how to move away from the architecture of Revised Estimates. If we are considering budgetary arithmetic in a truly collaborative fashion, we should seek to ensure that Departments have enough money to do the jobs that they need to do. We must be a bit more lateral in our thinking.

The summer economic statement is a point-in-time assessment of where we stand now and speaks to the challenges ahead. We must devote more time in committee to delving into how the multi-annual expenditure ceilings will operate, how the publication of the updated public spending code will operate and what the establishment of the Irish Government Economic and Evaluation Service, IGEES, means to the allocation of public money in terms of greater levels of transparency and efficiency. Evidence-based decision making so as to ensure that we spend public money in ways that will be of maximum benefit to the people of Ireland is vital.

The summer economic statement makes reference to the increase in the minimum wage. It is proposed that the minimum wage be increased to €10.50 per hour over the next five years. I hope that we could have a further discussion about this proposal in committee. For example, how is the Low Pay Commission proposed to operate? The Labour Party has argued for a living wage and has clear proposals on how this can be achieved. To our minds, the sum of €10.50 after five years is not where we want to go, given that the House passed a motion on 1 June that supported the call for a programme of incremental increases in the national minimum wage until it was pegged at 60% of median earnings and for a living wage of €11.50 per hour to be adopted throughout the public sector. There was a clear statement by the House, agreed by all parties, that contradicts the summer economic statement. If we are in the paradigm of new politics, we must respect the fact that there was a clear motion that was the majority view.

I want to return to the question of the Low Pay Commission. The Minister, Deputy Donohoe, made a very specific reference to public service pay. He reminded the House that “the programme for Government contains a specific commitment to establish a public service pay commission to examine pay levels across the public service, including entry levels of pay.” We welcome that proposal. We await the details of the establishment of the Low Pay Commission. It is fair to ask when the commission will be established. What will its exact remit be? How will it be constituted? Will it include members of the trade union movement? How is it proposed to deal with entry levels of pay? I echo the points made by Deputy Calleary earlier with regard to the statement made today by gardaí on restoration of pay for new entrants. It is important that we deal with this issue and find a mechanism through which a positive outcome can be achieved for new entrants.

I would welcome a further discussion on the local investment fund at the relevant line committee. We need a further interrogation of what this €200 million fund will deliver in 2017. It is not entirely clear how individual local authorities will compete for this remarkable pot of money.

I think we have to acknowledge the increases in capital expenditure. We would like to interrogate further with the line Ministers each of the points raised here today. Perhaps that can happen on a cross-party basis as part of an iterative process. We need to move beyond the tribes. If the paradigm shift in relation to how we do business in this House is to be meaningful, we must take a collaborative approach to reaching consensus on policy provisions.

**Acting Chairman (Deputy John Lahart):** I thank the Deputy. I will bring the comments he made at the outset to the attention of the Ceann Comhairle.

## **Topical Issue Matters**

**Acting Chairman (Deputy John Lahart):** I wish to advise the House of the following matters in respect of which notice has been given under Standing Order 29A and the name of the Member in each case: (1) Deputy Frank O'Rourke - transport in Kildare North; (2) Deputy Caoimhghín Ó Caoláin - amending regulations to facilitate senior citizens in Border counties in accessing long-term nursing home care in nearby facilities north of the Border with a full entitlement under the fair deal scheme; (3) Deputies Fergus O'Dowd and Declan Breathnach - the funding of spinal cord injury services to reduce patient waiting times for operations, such as spinal cord stimulation implant surgery, and the designation of this type of injury as a long-term illness for medical care access; (4) Deputies Niamh Smyth and Brendan Smith - the announcement of 70 job losses at Liberty Insurance in counties Cavan and Dublin on 22 June 2016, whether these jobs can be protected, and whether there are plans for job creation in counties Cavan and Monaghan; (5) Deputy Billy Kelleher - the need for specialist oncologist support for patients with sarcoma to be retained at St. Vincent's hospital in Dublin 4; (6) Deputy David Cullinane - the services provided by University Hospital Waterford to patients with type 1 diabetes such as insulin pump therapy, the number of vacant endocrinologist posts, the average waiting time to see an endocrinologist or a diabetes consultant at the hospital and the number of cardiac patients at the hospital who are also diabetics; (7) Deputy Jim Daly - the need for legislation to rebalance liability between parties to an action concerning a personal injury, notwithstanding the separation of the Judiciary and the State; (8) Deputy Dessie Ellis - plans to substitute methadone with suboxone; (9) Deputy Alan Farrell - the prioritisation of the delivery of the metro north project in line with the previous Government's commitment; (10) Deputy Clare Daly - the spike in the use of Shannon Airport in County Clare by the military of the United States of America and whether this is connected to the military exercises of the North Atlantic Treaty Organisation in Poland; (11) Deputy Brid Smith - the commitment of some large waste management firms to the proposed freeze in any increase in charges for their service; and (12) Deputy Anne Rabbitte - deficiencies in paediatric diabetes services in County Galway.

The matters raised by Deputies Billy Kelleher, Caoimhghín Ó Caoláin and Anne Rabbitte have been selected for discussion.

### **Summer Economic Statement 2016: Statements (Resumed)**

**Deputy Richard Boyd Barrett:** I would like to share time with Deputy Paul Murphy.

**Acting Chairman (Deputy John Lahart):** Is that agreed? Agreed.

**Deputy Richard Boyd Barrett:** I would like to start on a positive note because we are often accused of being naysayers.

**Deputy Eoghan Murphy:** I would not do so.

**Deputy Richard Boyd Barrett:** No. That is good. It must be the new politics at work again. I welcome this discussion on the summer economic statement. While I would not say the new budgetary process is revolutionary, it will certainly represent an improvement if it works out. I hope that rather than being something tokenistic or decorative, this process will mark a serious attempt to open up the budgetary process and allow for a serious debate on the budgetary proposals made by the Government and the Opposition. Voices from civil society

need to be allowed into that debate as well. I think this would be positive.

I see this process as being connected to what is being referred to as “the new politics”, which is a phrase that is becoming somewhat tiresome. I would be a little more optimistic about the new politics in the context of the seismic shift that took place in the recent general election. New forces, particularly from the left, have come into the Dáil on the back of significant politicisation and mobilisation in society in general in the aftermath of the 2008 crash. I think the public at large has become far more sophisticated in its attitude to what is going on in the political sphere, far more knowledgeable about economics and far more involved in debates about why the crash happened and how it was responded to. Frankly, I do not think many people inside or outside the Dáil knew what a bondholder was before 2008. These days, we can go to the nearest bus stop to hear a fairly sophisticated discourse on bondholders and bond yields. As things have changed, the mass of the public has engaged in a positive and more politicised way with what happens in here and with economic debate. I think that has forced the political system to take debate more seriously. I hope this budgetary process will see that change reflected.

It is nice to win a victory, or a few victories, at the outset of this budgetary process. I refer to the Government’s decision to back off on water charges, in effect, and to back away from bin charge increases. The overwhelming rejection of this regressive form of taxation by the majority of the people, which was an absolutely critical factor in the general election, has sent a salutary message to the establishment political parties. This has been reflected in the decision to suspend water charges. Obviously, we will continue to fight for the abolition of such charges. Those who spoke loudly on the streets and at the ballot box as they demanded a change of direction with regard to tax policy have won some tremendous victories on foot of such mobilisation. The establishment has been forced to concede. I joked briefly with the Minister, Deputy Noonan, outside that he seems to have been turning to the left. Maybe I should now start referring to comrade Donohoe and comrade Murphy.

**Deputy Eoghan Murphy:** That is going too far.

**Deputy Eugene Murphy:** I assume Deputy Boyd Barrett does not mean me when he refers to “comrade Murphy”.

**Deputy Richard Boyd Barrett:** We will not go too far.

**Deputy Paschal Donohoe:** The Deputy should not get carried away.

**Deputy Richard Boyd Barrett:** I was vaguely amused to hear the former Minister, Deputy Burton, asking what Fine Gael will do now that it does not have the left-wing influence of the Labour Party to mitigate its right-wing neoliberal tendencies. The irony is that in its first few weeks in power without the Labour Party, Fine Gael has been forced to do left-wing things that the Labour Party was not willing to do in the last Government. In the first few weeks of this Government, Fine Gael has had to make certain changes in the face of massive pressure from a popular movement.

Having said those positive words, I want to move on to the more serious side of this debate. The broad thrust of the Government’s economic statement is to laud itself for the increase in growth rates, the recovery in the economy and the increase in employment. I assume Deputy Burton was alluding to us when she suggested that certain people do not recognise that there is something of an economic recovery. It is not the case that we do not recognise it. We cannot dispute that significant growth rates are taking place again and that there has been a significant

decrease in unemployment. However, the issue for us is whether that growth is sustainable in the long term. We want to make sure it is not the kind of growth we saw prior to 2008. That sort of growth was lauded up until 2008 but then produced the biggest economic crisis in the history of the State. No one in the establishment predicted it would come crashing down, although the left did, but no one in the establishment, whether economists or politicians, saw it coming. The key question, therefore, is whether this is sustainable growth or the kind of growth that could lead us back to the disasters of 2008 and what followed.

Linked to this is the question of whether the growth is actually producing a real improvement in the living standards and quality of life of ordinary citizens. In other words, is the growth shared evenly? I would and will argue that this is not the case. The type of growth we are pursuing, and the strategy the Government is pursuing, is not sustainable and is recreating the dangers that led us into the last crash. The major beneficiaries of the economic growth are not ordinary people, who are not seeing it in their incomes and living standards, but the usual suspects, that is, vulture funds, landlords, banks and a very small and wealthy elite. They are doing very well. Profits are going through the roof. The banks that we bailed out are or will soon be back in profit. The vultures are making an absolute fortune. Landlords are creaming it at the moment. The rich are getting richer by every single measure.

On the other hand, as the UNITE report on pay in the economy concluded categorically, we are a low-pay economy. It is clear that the period of the recession was used by those in Fine Gael and in Fianna Fáil who support the market-for-profit approach as an opportunity to further attack wages and conditions for ordinary workers. This is probably best summed up in the yellow pack entry rates for teachers that the Government tried to impose on nurses, although they have successfully resisted. However, we saw young teachers out on the streets the other day. Disgracefully and just because of their age, they are being asked to work for 10% less than those who just happened to come into teaching a few years before them, even though they have the exact same qualifications and do the exact same work. This is symptomatic of how those who subscribe to the neo-liberal, for profit, pro-market approach to economic management want to encourage a race to the bottom in terms of wages and conditions and see it as the basis of so-called economic growth. However, it is one that does not translate into better living standards.

This is most sharply expressed in the housing crisis. We have more people working but their earnings are so miserable that they cannot put a roof over their heads. Given the three years extra he or she will have to work, the lower entry rates and so on, the average public sector worker will earn during his or her lifetime approximately €300,000 less than someone recruited before the crash. That is the cost of a house. It is as simple as that. People entering the workforce on average earnings, who in a previous generation would have been able to afford a house, will not be able to afford a house. It is as simple as that, something which is sharply expressed in the current housing crisis.

The question is whether the Government strategy is designed or likely to deal with those contradictions, namely, the unsustainability of certain types of growth, the unequal sharing of the economic growth that does exist and the growing inequality between a small number of “haves” and a huge number of “have nots”. This brings me to the issue of the fiscal space. It is tempting to paraphrase and slightly adapt the dictum that “there are lies, damn lies and statistics” to “there are lies, damn lies and the fiscal space”. Even the Irish Fiscal Advisory Council has indicated that the Government is still playing around with figures or not being entirely honest on the issue of this so-called fiscal space given its refusal to factor in demographics and our growing population and how that eats up the fiscal space. It refuses to factor in property

inflation, pay agreement commitments and so on after 2018. The €11 billion shrinks in reality to considerably less. There was some debate about how much less but even the council is saying it is very much less.

What this means for ordinary people, to translate the debate about fiscal space and how it is calculated into a language that ordinary people can understand, can be put like this. It is how a Government can say it is spending more than anyone else but it is actually spending less. It says that it is spending more on health than anyone else, but of course it is given demographic pressures and so on. However, proportionately, are we spending more or less on the services people need given the demands on those services? No matter how much the Government goes on about how it is spending and will spend more on health, in reality we see services being pulled in a whole range of areas, an ongoing crisis in our accident and emergency departments, waiting lists and so on. When one factors in the pressures of a rising population and rising demand, the cost of drugs and all the rest of it, in reality what the Government is proposing in terms of health expenditure simply will not deal with the level of prices we are facing.

Last night, we had an extensive discussion on all sides about how much we love the arts and how important and what a good investment they are. However, when we proposed an amendment to the motion providing that we would spend a bit more real money in the arts, Fine Gael and Fianna Fáil refused to do it. They will not even raise, as suggested by us, the pathetic level of investment in arts from the current level of 0.1% to 0.2% next year. They will not even do that, which is absolutely shocking.

This brings me to the question of the fiscal rules, the Government's strict adherence to them and the madness and irrationality of that approach. In simple terms, the fiscal rules state that if a country's private banks go bust, the country has to borrow €64 billion to bail them out and the rest of society pays a cruel price. However, if we want to invest in health infrastructure, social housing that is desperately needed, the arts, education or even forestry, we are told we cannot do it. We are allowed invest in propping up private banks but we are not allowed invest in things that would make life better for people or, God forbid, give people a wage increase. That is out the window.

I apologise to Deputy Paul Murphy, but I will conclude on this point. The real issue that is absolutely missing in terms of a sustainable economic outlook and perspective is the question of wealth redistribution. That is simply not on the Government's agenda. It is the inequality in the distribution of wealth and the control of capital by a tiny number of banks and multinationals, which the Government keeps nurturing and point blank refuses to tax, that is at the heart of the economic instability at national, European and international levels. The Government is not willing to address that and staunchly protects the 1% and puts all the pain, caps and restrictions on the pay, conditions of employment and the services of ordinary people.

**Acting Chairman (Deputy John Lahart):** Deputy Boyd Barrett has been eating into his colleague's time. I call Deputy Paul Murphy.

**Deputy Paul Murphy:** I congratulate the Government on what is an effective act of misdirection. This is a trick of magicians and worthy of Houdini. The Government points to the fiscal space and seeks to have a debate on the crumbs while ignoring the debate about who owns and how to distribute the big massive cake. It is remarkable. The term "fiscal space," which was not used 12 months ago, is now dominant in the discourse and has limited the whole debate to an extreme degree, but that is part of the purpose of it. It is a neoliberal straitjacket

which says that public expenditure cannot be increased to deal with crises, including housing, even though we have the money. The term also plays a very useful ideological role of limiting the debate to extremely narrow parameters which were effectively accepted by all of the big four parties in the course of the general election campaign. The reality is that the fiscal space is a tiny prison cell of neoliberalism and we have to break out of it. The figure of €1 billion is an arbitrary amount of money which is fixed by Thatcherite rules and is, precisely, crumbs when compared to the big cake we should be talking about - a GDP of €231 billion, €51 billion in corporate profits, and nearly €9 billion paid each year in interest and principal payments to bondholders. Our starting point is to fundamentally reject the neoliberal, economic and ideological straitjacket represented by the fiscal rules and fiscal space. We do not accept that the problems faced by ordinary people can be dealt with by operating within those rules. The rules have to be broken.

The second point is to challenge the other premise referred to in the first line of both the foreword to the Government's summer economic statement and the press statement from the Minister for Finance, Deputy Noonan, which says, "Economic recovery is now firmly established". I suggest that the Fine Gael investigation into the election result should get its work done quickly, because it does not look as though they have learned very much. The lesson is that one cannot just say there is an economic recovery and expect people to believe it. For people to believe it they have to experience it in their daily lives, but they are not experiencing it in their daily lives.

The question must be asked: what does the Government mean by economic recovery? If it means GDP figures, massive increases in corporate profits of 45% since 2009, a wealth increase of over 60% for the richest 300 people in the last five years, and bondholders getting paid - then, yes, there is a recovery for them. However, if it means an improvement in living standards or income for ordinary people then there is not a real, substantial recovery for the majority. Gross income will not recover to pre-crisis levels until 2017 and disposable income will not recover to pre-crisis levels until 2018. Ireland was found to have the second highest level of wage inequality among the 15 pre-2004 member states of the EU, and we have 80,000 people still on job activation schemes, 180,000 people unemployed and 29% of the population living in deprivation. These people are not experiencing a recovery. How does the Government explain the gulf between the impressive GDP headline growth rates and people's lived experience, which does not reflect that growth?

There are two core reasons for this. One reason is that a significant part of the exceptional GDP growth rate is fictitious. It is driven by US multinational corporations that use Ireland as a tax haven. There is useful report by *The Irish Times* about the top 1,000 companies in Ireland. Three of the top ten companies are the top three corporation tax payers and the top three in terms of receipts in corporate profits in Ireland, but they are tax inversions: Medtronic, Ingersoll Rand and the Eaton Corporation. Between them they made €6 billion in profits, one sixth of the total profits of €36 billion reported by the top 1,000 companies combined. While these companies have some operations in the State, they remain headquartered in the US and in reality that is where their top management is. Therefore, the GDP figure is fictitious and is overstated.

A more realistic reflection of the real economy are the figures for domestic demand, which have just recovered to pre-crisis levels. However, to the extent that a recovery does exist, it is about distribution. Where are the fruits of that recovery going? The top 10% of people took 47% of the benefit of the increase in direct income between 2012 and 2014. That is not accidental. I argue that this is the result of a conscious policy of the 1% in this State and right

across the world to use the crisis to unleash a significant assault by the corporations and the rich against the 99% and to effect a significant transfer of wealth. To illustrate the point, I refer to European Commission figures which show that the percentage of the adjusted wage share as a total of GDP has fallen from 53% in 2008 to 41.2% last year. It is projected to fall to 40% next year and to 39% the following year. That is a concrete view of a shift in wealth from work and labour to capital. The most striking expression of this, with regard to the inability of this growth to resolve the crisis, is the housing crisis. Consider the stark figure of 2,000 children who are homeless right now. The Minister for Finance's proposals for a rainy day fund have to be seen in the context of that housing crisis.

The statement refers to saving extra money for when it is needed to cover the expenditure requirements for a fairer society even when times are tough. Does the Minister for Finance not believe that times are tough now for the 2,000 children who are homeless? If it is not a rainy day now, with the crisis we face, then what would a rainy day look like? The reality is that we actually have a rainy day fund already. It is the Ireland Strategic Investment Fund - the money that was left in there after the bailout. There is still €5.4 billion that has not been allocated. That money should be used right now and it would go a long way towards building the 100,000 homes we need. However, we cannot do this within the framework of the fiscal rules because Government spending cannot increase beyond the medium-term potential economic growth rate. There we have a concrete illustration of how the rules are a block to dealing with the crisis. If that is true of this rainy day fund today, it is also likely true of the Minister's rainy day fund in the future, because the moments we would like to use it are the moments of significant economic crisis. So what is the fund actually for? I believe its purpose was contained in the Minister's statement, when he said it was "to ensure that liquid assets are available to be deployed in a timely and counter cyclical manner to help smooth the business cycle." We saw that with our last big rainy day fund, the National Pensions Reserve Fund, when €20.7 billion of that fund was used to bail out AIB and Bank of Ireland. The question must be asked: is this what the rainy day fund will be used for again? Is it for future bailouts for bankers and developers the next time they crash the economy and need rescuing from their own bad gambling debts?

This whole debate, in reality, is about the contrasts between impressive growth rates and massive increases in profit and the wealth held by the top 1% and the top 10% of the population versus the reality of daily misery, poverty, deprivation and creaking public services. The contrast speaks to and is an indictment of the neoliberal policy that the Government pursues and the capitalist economic system that the Government stands over and defends. It is reminiscent of Marx's definition of a capitalist crisis as unemployed capital at one pole and an unemployed worker population at the other. If the Government's policies and this capitalist profit-driven system remain in place then that is not going to fundamentally change. If any more recovery occurs, the vast bulk of it will flood upwards towards the top 1% and 10%, as opposed to supposedly trickling downwards. To deliver a real recovery in living standards for the 99% majority we need a left-wing government and socialist policies, a government that would set about an economic recovery from the point of view of improving people's living standards and public services with environmental and economic sustainability. This means breaking with the entire model of capitalist development of this State, which is held by all the establishment and political parties and which, effectively, is about hawking Ireland as the place for multinationals to come and pay very little tax, where there is little data protection and labour regulation. That model of economic development has failed. It is fundamentally flawed and is incapable of delivering sustainable recovery.

*4 o'clock*

We need a socialist model of development that would be economically and environmentally sustainable and based on democratic public ownership, public investment and planning. That would mean payments to the bondholders would stop and we would impose an immediate moratorium on all payments of principal and interest and establish a debt audit commission to pursue a strategy of debt repudiation - that we would not pay debt that is not our debt. It would mean a massive increase in public investment. What the Government proposes in this statement is pathetic relative to the fact that we are approximately half of the EU average and are significantly below the historical norm in terms of public investment in Ireland, which is below the EU historical norm average. An extra €250 million next year would build another 1,400 council homes. That is how completely inadequate it is. There is a need for massive public investment to resolve the housing crisis and to invest in our infrastructure, including our water and transport infrastructure.

It is not enough to invest only in those sectors. Investment is needed in wealth-producing sectors in the economy. We need to develop a manufacturing base. As a percentage of employment in the economy, the manufacturing base accounts for approximately half what it is in the rest of the European Union. The capitalist class, the private sector, shows no indication that it is going to resolve that and create a more sustainable base for the economy. This points to the need for public investment in these areas - for example, in green energy, which the private sector has proved extremely unwilling to consider or to take the risk of investing in.

Fundamentally, there has to be a different model of ownership and control of our economy - for example, we own the core group of the banking sector in this economy but we do not control it or use it as a lever in the interests of the economy as a whole and in the interests of ordinary people, by providing credit. Instead, in effect, we have been running society in the interest of the banks. We need public democratic ownership of the banks but we should not stop there.

The core levers and core sectors of the economy as a whole - construction, natural resources, the big multiples, logistics, distribution, transport, telecommunications - should be in public ownership. Then we can plan to meet the needs of ordinary people and develop our economy on a sustainable basis. The model the Government pursues, one backed up by Fianna Fáil and the ideologists of the 1% in this country, has absolutely failed and we need to take a very different direction. All of those choices and policies, or most of them, require breaking the EU fiscal rules. They require breaking out of this tiny prison cell that is the fiscal space but so be it. It is a choice between obeying the diktats of neoliberalism, the fiscal rules or the rules of capitalism, or meeting the needs of ordinary people, using the vast wealth that exists to resolve the crises we face. Let us break those rules and join with others across Europe in fighting for a very different sort of Europe, which would be needed to make any of these changes sustainable, for a rupture with the Europe of the 1% and a Europe of authoritarian neoliberalism and with the capitalist system and for democratic and socialist change across Europe.

**Deputy Mick Wallace:** According to one of the early lines in the Government's document, "Economic recovery is now firmly established" but I do not think anyone who had to knock on doors a few months ago could be under any illusion that the majority of the people feel this economic recovery. I happen to live in one of the more deprived counties in Ireland, Wexford, and at that time, there was 23% unemployment which is very frightening given that the State boasts in the region of 8% nationally. If we are to talk about economic recovery, we need to talk about it for the people of Ireland. If so many of the people are not feeling the economic recovery, are

we reading it wrong? How are we looking at it?

In Dublin, everything is far more rosy generally speaking for business than in the countryside but rent must be very challenging for people. It has become very difficult to make those ends meet. Many of the good jobs lost in recent years have been replaced by yellow pack jobs. There has been a dumbing down of well-paid jobs, working conditions and job security. We understand that has not only happened here. People are striking on the streets of France every day over similar issues. The French Government is trying to change labour laws, which diminish the rights of workers in different ways. There are just over 100,000 people on the housing list. Maybe the Government is going to tackle this in some positive way and will take on board some of the measures of the Committee on Housing and Homelessness which, while it did not deliver everything that it could, delivered some things and it would be good if the Government took them on board.

We are being told that 11% of the children of Ireland live in poverty. Surely one of the top priorities and challenges of the Government is to do something really strong about that. The Euro Health Consumer Index found that in early 2016, Ireland had the longest hospital waiting times in Europe. Children with special needs face a yearly lotto which determines their access to special needs assistants, SNAs, in schools. These are issues we have raised many times over the past few years. Figures released under freedom of information show that 20,000 children are on hospital waiting lists, with some waiting up to four years to see a specialist. It is little wonder that the Euro Health Consumer Index is a bit concerned.

I have listened to some of the debate today and there seems to be a general recognition that our expenditure on infrastructure is not good enough and will not be good enough given the projections that exist. It seems to be almost a game to see how economic figures can be played with. Unless everyone here is getting it wrong, it looks as if our investment in infrastructure will be a major challenge in the years ahead. Will the Government address that or will it just toddle along and hope that everything will work out all right? Our lack of investment in infrastructure is glaring and is a huge problem for the State. Has any thought been put into making an independent assessment of our long-term infrastructural needs? Has one ever been carried out? It would be very interesting. There is much to be learned in this area and it looks as if there are serious problems coming down the tracks if we are not to change direction.

I am sorry I have so little time.

**Deputy Maureen O’Sullivan:** It would be great if we could bottle some of the delight, enthusiasm and positivity from last night’s match and bring it to our economy and today’s economic statement.

I did not get the opportunity to speak on other Estimates. I would like to make a couple of points on justice. We know the Garda need more resources, in terms of the increase in numbers, equipment, technology and asset profilers, but there is another aspect to this, namely, prevention. In many Departments, the prevention aspects are the Cinderella part when it comes to budgets.

This area will require cross-departmental co-operation with the Minister for Children and Youth Affairs in order to continue resources and support for the diversionary projects run through the Department of Justice and Equality. Such projects are in place in the north inner city, and are positive and creative ways of diverting and encouraging young people away from

crime and anti-social behaviour, thereby building resilience and strategies for them to cope with problems, in particular intimidation from drug debt. That intimidation fuels even further drug-related activity. I am particularly pleased that we will have mini-CABs, something for which I have asked for a number of years.

We discussed the arts yesterday. If there could be a link between arts, justice and children and youth affairs, there would be potential to consider much more creative preventative measures for young people. In the long run, that would be much more cost-effective.

I refer to the language used in the summer economic statement, which refers to growth of 7.8% and states that our budgetary position is on a safe and sustainable path. We know that offers very little comfort to those who are struggling, whether through illness, disability, mental health issues, a lack of decent work, poor housing, emergency housing or homelessness. While a rainy day fund is all very fine in theory, it is very difficult to accept when resources and funding are needed now to deal with very basic matters.

In the foreword, I was struck by the phrase “Recovery is now firmly established”. I would love to believe that. It is probably true for certain sections of society, but we know that it is very definitely not universal. In mid-April, I, Deputy Wallace and others sat on the Committee on Housing and Homelessness, which continued until the week before last. The committee brought home to us the stark reality of life for those in very difficult and deplorable living conditions, whether because of mortgage difficulties, increases in rent or mental health or addiction issues, who ended up homeless and in emergency accommodation. The talk of economic recovery is meaningless while that situation persists.

We can do things right. Sophia housing on Sean McDermott Street was opened this week by the Minister, Deputy Coveney, and it provides excellent accommodation. Last year, Peadar Kearney House opened and the year before that Patrick Heaney housing. We can do things well, but a sense of urgency and impetus are required to get things going. There is no economic recovery if over 2,000 children are living in emergency accommodation, people continue to live in direct provision and we consign former prisoners and those in recovery from addiction to a revolving door.

We have to be ambitious about the housing targets. The cranes are back and building is going on, but my fear is that a certain kind of housing is being built, which is mainly for workers in companies such as Google. The type of housing that is needed for those who require social and affordable housing is further down the line. Funding is core and I hope the recommendations from the Committee on Housing and Homelessness will be taken on board.

The Minister and I share the same constituency, and I know that he knows that economic recovery is not firmly established in parts of Dublin Central. Unemployment levels, for example, are still considerably higher than the national average of 8% and are higher again for young males with addresses in Dublin 1. Our city has huge potential when it comes to culture and heritage. There are areas which are very much in need of repair and maintenance. Our city needs to be more energy efficient and we need more retrofitting of buildings to attain climate change targets and ensure we are cost efficient. There is great potential for local long-term unemployed people to be targeted with a policy of positive discrimination. We know that decent work has to be at the core of employment because there is no point in saying that our employment figures are rising if people are not in decent work that allows them to live with dignity.

The summer economic statement is probably good for investors and economists, but I do not represent many of them. That brings me to our growing dependence on foreign direct investment. Recently, TASC warned about this as being increasingly problematic. Total employment in the sector is estimated at 174,000 people out of a total employment of 2 million. I do not think any other European country approximates to that level. The nominal corporation tax rate is 12.5%, but we know the effective rate is far off that. It would be good to see a commitment to more openness and transparency so that we know exactly what revenue is being generated.

Since 2000, there has been a major deficit in the number of GPs in the city centre. There are very significant and serious health needs in the area. There is a correlation with those from lower socio-economic groups when it comes to ill-health, rates of cancer and obesity. We have been waiting on a primary care centre for a long time, and it will not be in place for another three years. We need public expenditure on services as well as capital projects.

We are a small and open economy and the experience of the recent crisis years demonstrates the swings. The usual line is that recession will lead into recovery, but recovery also leads into recession unless it is managed efficiently and fairly. We know the contrast in our constituency between the high-flying economy and the debris for families.

I am always struck by two lines from a Don Baker song of 20 years ago or more, “[L]iving in a one room slum ain’t easy... No place for kids to play while you build your motorway”. It is very sad that we are seeing that happen again in recent years. Economic choices are available, and what will happen in the north inner city can be challenging but it can also be the micro of the macro in addressing those challenges.

**Deputy Thomas P. Broughan:** I am grateful for the opportunity to make a brief contribution to the discussion on the summer economic programme. Unfortunately, it is another prime example of Government spin and window-dressing, without placing any real emphasis on the major challenges facing our country, which has been deprived of significant capital investment for the majority of the past decade. There is no attempt in the statement to address the decline in living standards and suffering of much of our population, to which previous speakers alluded.

I welcome the inclusion in the statement the necessary elimination of FEMPI legislation. It is well past time. We should have gotten rid of FEMPI before now. We know the tremendous negative impact it has had, especially on pensioners and across the public service. It should be a priority for the forthcoming year.

A number of speakers referred to football. In some respects, the document before me, given the day that is in it, reminds me of the great Jock Stein who led Glasgow Celtic to very successful championships in Scotland and Europe over many years. He said one can have all the plans one likes, but one obviously has to contend with the other team. Given the day that is in it, the other team may face dramatically changed economic circumstances tomorrow. We hope that will not be the case, but it could be.

I note with interest that the fiscal space is expected to be around €1 billion for 2017 and just over €11 billion over the four-year period up to 2021. I agree with earlier speakers that this seems a very restrictive space for the State and our national economy to be placed in given the investment required in areas such as health and housing. The Minister stated the Government is compliant with four of the five commitments set out in the Programme for a Partnership Government and has exceeded one of them, but the ambition of eliminating the deficit by 2018 and

our debt to GDP ratio by 2021 should not be at the expense of the critical current and capital spending required by our population, given that we have had almost a decade of austerity.

The establishment of a rainy day fund was mentioned. On balance, it was a good decision years ago. The former Minister, Charlie McCreevy, established the National Pensions Reserve Fund. As an earlier speaker said, the raid on the fund and its transfer to bankrupt financial institutions has been one of the most deplorable results of the crash and the following years. I hope on this occasion a rainy day fund is ring-fenced, perhaps in the same manner as the Norwegian sovereign wealth fund. It should be used for future pensions and investment in health and housing, in particular. I hope the rainy day fund will not impact badly on projected spending in the early 2020s.

The budget strategy to allocate the available fiscal space 2:1 in favour of investment in public services over taxation reductions is a small step in the right direction. We must pick up on the deficit. Deputy Wallace suggested we need an audit of the infrastructural deficit. I mentioned the metro north plan in the context of public transport to the Minister for Transport, Tourism and Sport, Deputy Ross, a few weeks ago but we need fundamental investment in housing, health and education in particular.

I am a member of the Oireachtas Select Committee on Arrangements for Budgetary Scrutiny, which I hope will lead to the new estimates committee I proposed many times in recent Dáileanna. I am cognisant of the need to equality proof, gender proof, regional proof and carbon proof budgets, and to do so with greater foresight than was the case with year-on-year planning. I am sure the Minister, Deputy Donohoe, will remember some budgets where poverty proofing amounted to an exercise in box ticking. We must get away from that and have real interactions. We had no input whatsoever into the summer economic statement, as is evident from the contributions of Members. I hope this is the last year that will be the case. The Minister, Deputy Donohoe, came before the committee but I was attending another meeting. There must be a real willingness in the Departments of Public Expenditure and Reform and Finance to engage on a partnership basis with the new budgetary committee. Yesterday, we heard from the equivalent parliamentary budget office in the UK to the one we hope to establish about how it interacts with the treasury committee there. In future, there should be real engagement from the Department of Public Expenditure and Reform and the Department of Finance in terms of incorporating the stability programme update, SPU, figures from the spring statement into the summer statement, and again in October, so that from now on budgets will no longer be a big mystery and surprise on the day, as we will all have taken part in them and all the suggestions the Minister, Deputy Donohoe, has heard from Deputies will form part of the budget.

**Deputy Thomas Pringle:** The dominating feature of the summer economic statement is the commitment by the Government to phasing out the universal social charge, USC, over the next five years. I support the organisations and other politicians who call for the retention of the USC, at the very least for the higher paid, in order to reinvest the extra spending in public services as a way to address the consequences that have resulted from years of austerity measures, income inequality and persistent poverty levels.

The Government claims that the “fruits of economic recovery will be used to ensure a reduction in inequality and poverty, as well as to ensure greater levels of inclusivity in our society”, but the claim does not fit with the measures outlined in the statement. Increasing the minimum wage to €10.50 over the next five years, reinforcing labour activation measures targeting jobless households, using income tax to support employment growth to incentivise and reward work

and phasing out the USC will do nothing to address inequality and poverty levels in this country. Only by reform of the tax system to redistribute income, by reinstating income supports, through equality-proofing budgets and investing in public services, schools and hospitals can we tackle those debilitating social problems.

Reform of the tax system could address the long-standing issue of low-income households below the poverty line. In 2014, it was calculated that 16% of people in this country were living in poverty. The figure has steadily increased since 2010 due to the effects of budgetary changes to social welfare and taxes driving more low-income households into poverty. The largest group of people who are poor are children, accounting for more than 25% of the total. The second largest group are those who are unemployed and stay-at-home parents. Barnardos announced today that it had dealt with more than 13,000 children and families living in poverty. We must remember that children remain the most vulnerable population group. We only need to look at recent figures which show that more than 2,000 children are homeless in Ireland today. We must remember that a person who does not earn enough to claim his or her tax credit cannot avail of any income tax reductions in upcoming budgets, as is proposed by the Government.

Budgets have consistently bypassed low-income earners because they simply do not earn enough to benefit from changes in taxes. According to Social Justice Ireland, making tax credits refundable would incentivise employment over welfare, as it would widen the gap between pay and welfare rates. Almost 113,000 low-income individuals would receive a refund and would see their disposable income increase as a result of the proposal.

I note in the report the focus on labour activation measures targeting certain groups of people. The Government seems fixated on making the individual conform to certain economic behaviours without incentivising employers to change their behaviour and without addressing the inherent inequality in income levels across the board. Plans to increase take-home pay by introducing a working family payment to promote work over welfare is really another name for family income supplement. Currently, 60,000 families receive family income supplement. In effect, the Government is subsidising low wages and exacerbating income inequality.

Income levels have also been driven down in recent years. According to Social Justice Ireland, the median income in Ireland was €19,794 in 2007 and it decreased by 8% to €18,210 by 2014. The trade union, UNITE, published a striking report a few weeks ago which officially labelled Ireland as a low-pay economy with high levels of income inequality compared to other prosperous countries. Pay increases since 2010 have disproportionately benefitted higher earning groups and Ireland was found to have the second highest level of wage inequality in the EU15.

Another aspect of UNITE's report is its finding that poor pay is compounded by low levels of employers' social insurance, which means Irish workers have to pay more to access services such as health care. That dispels the myth that Irish wages are too high and are uncompetitive. According to the report, Ireland suffers from a very low social wage, namely, employers' social insurance, and that explains the high cost of public services and low in-work supports for Irish employees. The social wage would have to more than double to reach the EU15 average. That is a very important point because in my constituency of Donegal, 40% of disposable income is from social welfare transfers and the county is still experiencing persistent deprivation levels in comparison to the rest of the country. Furthermore, vital income supports such as farm assist, jobseeker payments and income disregards were cut in previous budgets which have hurt many families in Donegal that are struggling to keep above the poverty line.

I wish to draw attention to the Irish Human Rights Commission's work on bringing about equality proofing in the budgetary process. The commission's report last year to the UN committee found that many groups already susceptible to poverty or inequality were particularly affected by the recession. It found that the Government fell short of the basic core standards required by international human rights law. The impact of a seven-year austerity drive has been enormous and the burden of the crisis and of the dominant policy responses to it has fallen disproportionately on those least able to bear its impacts. I welcome the Irish Human Rights Commission's push for a process of budget and policy proofing as a means of advancing equality and strengthening economic, social and cultural rights. The only way to do that is to enshrine those rights in the Constitution, as a rights-based way to tackle poverty, income inequality and inequality in all aspects that are still prevalent in society. If the Government is really committed to tackling income inequality and poverty, it will support a Bill for a referendum on having economic, social and cultural rights enshrined in the Constitution when it comes before the House.

**Deputy Clare Daly:** It is no accident that everybody seized on the breezy opening statement that economic recovery is now firmly established because of course that is not true for so many citizens, against a backdrop of monstrous rents, precarious living situations for so many and casual and precarious work. It is somewhat ironic that years ago, when economic resources were far less than they are now, the basics, namely, a roof over one's head, access to health care when one was sick, the idea of a job in which one would progress and where one would end up with a pension were better delivered than is the case at present.

It is ironic that when one reads the opening part of the statement in respect of housing we hear that the supply response has been insufficient to keep pace with demand. It is almost as if the Government is washing its hands of it, as if it were some act of God that had nothing to do with Government policy. It is a little frightening to see that the solution to the housing problem is the publication of an action plan for housing when in November 2014 the Social Housing Strategy 2020 was produced. We must see some work being done rather than just reports being issued. While I welcome those parts of the report that deal with the issue of the financial emergency measures in the public interest, FEMPI, being addressed, it does not get to the heart of many of the problems in the public service involving really low rates of start-up pay for teachers, gardaí, nurses and so on. Even county councillors appeared before the Ministers to deal with the stipends and expenses they get, which are not keeping apace with the economic demands on citizens at present. Recovery is not firmly established for many people and when one judges a society, one must do so on what it can deliver for its citizens. There used to be a lot of pride in the idea of looking after people from the cradle to the grave.

I wish to give particular consideration to older citizens and the idea that one would have a job in which one could contribute to a pension, after which one could retire on a decent standard of living. This concept is under threat, even for the many hundreds of thousands of citizens who have been paying into pension funds all of their working lives. Members were discussing this issue in the debate last night on the social protection Estimates, but it and the decisions made on it are firmly in the charge of the Department of Public Expenditure and Reform. I refer, for example, to the case of the Central Remedial Clinic, CRC, where the pension fund was wound up overnight last month and people were told they essentially were being left with nothing. How is that an economic recovery, when the decision was based on three months' bond yields? The decision was based on three months' bond yields against all the best advice on long-term strategy and investment. Moreover, the Minister's approval was required for this move but I do not believe it was sought and I am pretty sure the Minister probably did not grant it. In addition,

one must factor in that if staff members move to the single public service pension scheme, SPSPS, some revisions to the Minister's expenditure forecasts must be made because it will place a demand on the Exchequer that is not factored into these figures or into the summer economic statement. These contingencies must be worked in, but there are no contingencies, for example, regarding Brexit and how it will have an impact on the finances. I thought the points made by Deputy Broughan were highly pertinent in this regard. One must see issues in the context of the team with which one is dealing on the other side, as well as unforeseen events. However, Brexit potentially is a foreseen event that could be factored in but it is not being addressed in that regard.

When Members consider how public expenditure is managed and the social wage, the way in which pensioners are treated is a key part. What consideration has been given, in the context of the Estimates, to the Department of Public Expenditure and Reform taking on pensioner liabilities pertaining to the CRC plan or any other pension plans that decide to follow a similar path if the CRC gets away with it? How can it be allowed that an organisation which provides a crucial public service and is funded by public money basically can wind up a pension scheme unilaterally and state those affected are to be transferred to the SPSPS? I reiterate this is a potential drain on the Exchequer when that organisation has resources at its disposal, including a capital development fund of €12 million that easily could be used to plug the relatively small gap, rather than this amount ending up back on the public purse. Why does the CRC need new buildings? If there is a problem in the pension fund, surely there are other ways to address that matter. When Members consider the summer economic statement, they must give space for the possibility that if pension funds are allowed to wind up in this way, there will be an avalanche of other defined benefit schemes going down the same road. Moreover, the State and the Department of Public Expenditure and Reform will be obliged to pick up the pieces in this regard.

In conclusion, I believe that in some ways, Members are dealing with the fact that the neo-liberal model does not really work. Members must put people and public services first and when they deal with tax cuts and put that upfront, they must give consideration to the social wage and what people get in terms of public services. In the Irish context, we are far behind our European peers in this regard and these are the issues that must be addressed if Members are to deliver the quality of life they all believe citizens deserve from the cradle right through to their retirement years which, given the ageing population, is a huge area of concern.

**Deputy Mattie McGrath:** I am also delighted to have some time today to speak on this summer economic statement. It used to be said at one time that one swallow never a summer made. I will not call them swallows but two Ministers addressed Members with speeches on this issue today. I would not dare call them that and I wish them both well in their new portfolios but it is a case of *tús maith leath na hoibre*. As Members are aware, there is much work to be done.

As a participant in the talks on the programme for Government, I understand a small part of the background to the current economic position, as well as the aspirations within the programme for Government regarding the economic outlook, employment, jobs and the general economic well-being of people. A responsibility is placed on all elected Members to deal with many and varied issues and with people's lives from the cradle to the grave or as far as I am concerned, from even before the cradle to the grave. It is important that Members have well-being uppermost in their minds. Since the economic crash of the banking crisis ravaged the country, as well as the building boom and the madness around that time, we have been picking up the pieces and trying to deal with it. It has rendered much hardship in people's lives and there has

been much emigration and huge challenges. When one sees an organisation such as Barnardos issuing a statement today to the effect that thousands of children are suffering from poverty in Ireland, it is not a nice backdrop against which to launch the summer economic statement. It is vital that Members be prudent, that real and tangible reform take place and that there be real checks and balances to avoid ever revisiting a situation like that.

As someone who voted for the bank guarantee - I have made this point a number of times in this Chamber previously - I regretted it from the time I did so. I will regret it for the rest of my life because I believe we were led a merry dance by the bankers. We did not have the proper information and, while I will not use the word one is not allowed to use in the Chamber, we were told a lot of porkies and a lot of misinformation was around. Given events that have transpired subsequently, one now can see that many things that happened or were happening were under way long before Members entered this House on that fateful night to rescue the banks and were led a merry dance for which we are paying the price. Members must ensure that nothing like that ever besets the economy again and that Members of this House never again are given the choice they had that night. They faced the threat that the morning after there would be no money in the money machines or the holes in the wall or money to pay the wages of the public service, civil servants and so on. It was not a nice choice.

As I stated, there is a new budget process with budget reform and a budget committee. The Economic Management Council has been stood down, that is, the four Ministers in the previous Government who made all the decisions. As I understand it, even the Cabinet did not have a say; it was only the mighty four, as the fellow said. Had there been seven of them, one might call them the magnificent seven but I cannot call them that. I suppose another acronym will be found for them before Members finish. I wish the new Ministers and the new committees well, as well as the Chairs of the committees. The budgetary process will start much earlier and hopefully the days are gone when Members would come into the Chamber and sit down. I myself was a backbencher of a Government party and we used to just praise the Minister and applaud him when he finished reading out a statement into which we were waiting to dig afterwards to try to find out the bits and pieces that would be the sting in the tail. I believe it now will be up to all members of the different committees - but in particular the Committee on Finance, Public Expenditure and Reform, and the Taoiseach - to have their input and to have a better understanding. All Members will have a better understanding by sitting in, joining in, by being involved in and by engaging in that process.

As for what Members have been told about the economic outlook, as anyone who lives in rural Ireland is aware, it has not jumped in leaps and bounds and has not taken massive steps. If there is a recovery, it is a fledgling one and trying to find an economic recovery in rural Ireland is like looking for the corncrakes, which are very scarce these days. Gone are the days when the corncrakes were in the meadows. I have heard the cuckoo this year several times but, lamentably, the corncrakes are long gone and the recovery is as scarce as that. It is as scarce as hen's teeth in many sizeable towns and regions, not to mention villages and communities. It is very serious.

It is very serious to see numerous tower cranes now in Dublin. We know what happened before. They were boasting that there were more cranes here than there were in London. We know what happens and we cannot allow that to happen again. I have certain fears that it will overheat in the capital again. Members present know that trying to get accommodation when we are here during the week is now nigh on impossible. That is a good thing in a way, but it is a very bad thing as well because we need balance in the regions.

23 June 2016

The Minister with responsibility for regional development and rural affairs will have a big role to play. Not only the Minister with responsibility for rural affairs, Deputy Heather Humphreys, but every Minister in Cabinet will have to rural-proof and poverty-proof all legislation. The problem I have seen with legislation since I came into the House is that it is drafted by the drafters. I mean no ill will to them. They can mean well. However, by the time it is debated, put through Committee Stage, sent back and forward and made into legislation, it can become draconian. That can have a severe impact. Each and every sentence in any legislative procedure we pass in the House should be rural-proofed and poverty-proofed to judge its impact. There should be an assessment of the economic and social impact that those measures may have on the people we represent, our families and our communities. That is vital and I hope it happens.

As the Taoiseach said to us on numerous occasions during the talks on the programme for Government, the political landscape has changed utterly and will never again be the same. I believe he was right. He gave a commitment to meet with us for several days. The Ministers were there. The Minister for Public Expenditure and Reform, Deputy Donohoe, was certainly there. The Taoiseach said there was going to have to be a seismic and full change in the public service and the civil service to reflect the new situation. I worry if that is coming and if it is there. Are we ready and is our public service up to it? I am not bashing them. Since the foundation of the State we have had some very distinguished civil servants, and many or all go in to do a good job. However, I have found over the years that they are the permanent government. It is very hard sometimes to get them to change their ways. Ministers might want to do something but are not able to do so because the civil servants that are there will be there when the Ministers are gone and were there before they came in. We need a seismic change and must bring them with us on this journey for better governance, better social-proofing, economic-proofing and rural-proofing and a better understanding of how a life works and evolves. I am not saying that they are in an ivory tower. They are not. However, the system has become very cumbersome. Speaking for the self-employed, which I am myself, I must say it has become very cumbersome. There is so much legislation. Some of it was badly needed, but more of it is overarching, doubling up and criss-crossing. One piece of legislation sometimes directly contradicts the other. It is very hard now for a young man, woman or entrepreneur - whom we are encouraging - who has an idea and the energy, the passion, the enthusiasm, the foresight, the vision and all of the ingredients that are needed to stimulate our fledgling recovering economy to get on the road. While we have agencies out there trying to help them, many is the time the agencies do not come from the same breed and do not have the same passion and understanding.

While there are support agencies, the banks are closed for business. Do not mind even talking about them. They messed us over, tricked us and are not open for business, full stop. They are not supporting any business people at the moment. They are not supporting families, communities or any business initiatives. People can see that in the housing crisis. They are out to get property values up and out to get as much as they can. They have sold on many loans very unfairly - though obviously legally, because we have no proper legislation to deal with them - to vulture funds. They are not supporting any of the entrepreneurs that we need nor the businesses whose fingernails are worn from holding on since the onset of the recession in 2007. As we found out last night when discussing the social welfare Bill, if self-employed people default, crash or cease to trade, they have the Revenue Commissioners and everybody else to deal with. Their workers get social welfare supports, and rightly so. However, the businessman himself, the self-employed person, gets diddly squat. Zilch. That is unfair. Many of them are in very precarious positions and their families have to be educated, fed and clothed as well. Therefore, it is very important that we deal with that and try to support those people. There must be a bet-

ter understanding from the system as to how these entrepreneurs think, what drives them, what makes them tick, and what hours they put in to make a reasonably successful business. We are not talking about multi-millionaires, though some of them will come on and grow into huge businesses.

The labour market has been mentioned in the debate. We are told we have a young, active and well-trained market. However, we are finding that some of bigger foreign direct investment companies are telling us they are not seeing the kind of qualified people they want to see coming out of our universities. They did not say that today or yesterday. They have been telling me that in my region for ten or 12 years. We are too slow to adapt. We need to listen to messages like these, because FDI is huge in my county and region. We have some great long-standing FDI companies. It is tremendous work. We heard it at a conference in Galway about five years ago when we were told clearly that the labour market was not fit for purpose. The education system was not turning out the right kind of people. It was not that they were not smart, clever, able or capable; it was that they were not being trained in the proper direction. We need to look at that seriously. We need to look at the impasse in some of these universities. They are too colonial and they think about their own area. We see that at the moment with the Minister with responsibility for housing, Deputy Simon Coveney, who is looking at building accommodation. We dare not touch the universities or go near them. They are like fiefdoms that we cannot enter. We must get rid of that. Public service must serve the people and their needs from the cradle to the grave. We need to look at that quite seriously.

The dreaded words that came up during the election and some time before it were “the fiscal space”. My goodness. We saw last night that thankfully the goalie on the opposing team had not the fiscal space, or the physical space, to stop the ball going in. We are all celebrating today and last night. That is a good thing and I salute it. Sport gives us all a lift. It is very important that the flag of the green, white and gold is out there. Two teams from Ireland are now into the last 16. I am not a big soccer enthusiast but I wish them well and I hope they do well. There is a spin-off of the feel-good factor from that for everyone as well. Whoever came up with this fiscal space, we know after the election what the people thought of it. We are told that in 2017 the Government might have a billion euro to spare and over four years it might have €4 billion extra. That is all predicated on the recovery and on the *status quo*. Hopefully, on the matter of a Brexit, the people voting today in torrential rain will vote to stay. The impact of the UK not staying has not been properly evaluated by us at all as a peripheral economy and island country that does so much business with its neighbour. Those figures are predicated on that. It is very slow progress.

On the agricultural situation, I am old enough to remember three or four deep and dark recessions. Each time, the farming and agricultural sector played a huge part in dragging us out of those recessions. This time, it has done so again. The sector had done reasonably in the previous two years, but this year it is on the floor. I have farmers coming in to me looking for farm assist payments. I am sure Deputy Scanlon and every other Member has the same. They are in abject poverty. They are not people who ever put their hands out to beg. They are always people who give and support. They are proud people who love the land and the produce and love to be productive, engaging and supportive of society in general. There is a deep crisis looming in farming with the price of milk in particular. The co-operative movements were set up by the late T. J. Maher, my own dad and others in the spirit of community and the little village of Kickhams, Mullinahone and all that. The ideas they had were very noble and brought it a long way. However, greed got in the way. There are huge conglomerates now. While they do

23 June 2016

good work, the likes of Kerry Group and Glanbia are too controlling. I have small wholesalers and business people who are supporting farmers whose milk is going to those co-ops. Yet they cannot get a penny in payment, cannot feed their animals and can hardly feed themselves. That is not good enough. They have a set price, all kinds of schemes and millions in profit. Many of them went on adventures overseas but many of those went askew. Sometimes obscene wages are paid to the chief executives and others while the people who put them there are forgotten. If we forget about the source, we will not nurture the seeds. Those seeds are our rich agricultural land for sheep, cattle, corn, cereals, potatoes, fruit and so forth. If we do not support the farmers and the growers, there will be little point in talking about the PLCs because they will not be there. We have flagship industries but they must now turn back, bring the flag down to half mast for a while and look after the people on the ground. Those people must be supported. They are crying out for support but it is not being given. I have never seen the like. I work in that area. I must declare an interest in a business that supplies diesel to farmers. The farmers do not have money. They usually are very good at paying their way and their bills but they are in a deep financial crisis. It is not easy in that sector.

On the fiscal space and what we will do with it, there must be better value and accountability for our spending. We must get better value for every euro we spend. It is also important that we evaluate it. There should be not only spring, summer, autumn and winter economic statements but also proper debates such as this one and debates in committees on the economy, where it is going and the value for money being achieved. There is a great deal of waste across several Departments. One can see that in the HSE and in the crisis in accident and emergency departments, even in my home county. It is awful and makes me sad. I am called regularly to the accident and emergency department in my home town and I see the mayhem there. We see on television what happens in war-stricken countries but it is not far behind what is happening in some of the accident and emergency departments. The front-line staff are under pressure.

Again, there is too much management in the HSE system but not enough front-line people. It is smothered with managers. When the matron ran a hospital, it was run properly. Now, there is every type of manager one can think of, with people walking around with clip charts. There are floor managers, ward managers, bed managers, linen managers, perhaps mattress managers and catering managers but there is no management. Then the Health Information and Quality Authority, HIQA, visits and issues damning reports of unclean and unsafe practices, despite all of the managers. We must root that out and have accountability. The HSE should have been stood down, as was promised to me by two previous taoisigh, former Deputies Bertie Ahern and Brian Cowen. There were also commitments, or at least rumblings, about it from the Government but the HSE is still there. Staggeringly enough, the HSE has more officials employed now, and I am not referring to nurses or doctors, than it had in 2007, despite the recession. It beggars belief.

I wish the Minister, Deputy Harris, who is young, intelligent, capable and a man of vision, well in his office as well as his four Ministers of State. We must serve the public patients and not close down wonderful old institutions, such as St. Luke's Psychiatric Hospital in my home town. That has been turned into offices and the offices in the Department of Public Expenditure and Reform, which I visited during the talks on forming a Government, do not have carpet, paintings or seating that are as good or as plush. That is not necessary. Money must be invested in our hospitals. We saw the fiasco with the new children's hospital and how it has taken so long. We must examine every shilling of our spend.

There are huge costs in the justice area. This was raised this morning by Deputy Michael

McGrath. There are savage costs for young drivers. I have a young girl who passed her driving test last Thursday night. To pass a driving test a person must take 12 lessons, and rightly so. People must pass the theory test and the driving test but before they can get out on the road, they are penalised. They are being made criminals before they start. They should certainly be penalised if they have accidents or are reckless but why should they and their parents be penalised otherwise? The parents cannot afford to drive them to work but if they buy a car for the young person, the insurance will cost more than the car. The cost of insurance is a racket. I described the insurance companies previously as terrorists and I was challenged about it but they are because they are creating terror for families and businesses who cannot afford the insurance. That is what terrorists do - they hold people hostage for ransom. One cannot manage without insurance.

A man stopped me in the street in Tipperary town last Monday week. He has been driving for 60 years. His insurance last year cost €400 but this year it is nearly €1,200. He was given no explanation. He also has a no claims bonus. We must stop that. We have a consumer protection agency and a plethora of other agencies and regulators but they are not doing their business. They should be disbanded because they are not fit for purpose and they are not regulating.

Some speakers have mentioned the labour market. The labour market has been ill-treated. I have been an employer since 1983 or 1984 and I have tried my best, within the legislation, to have a good relationship with my employees, which I believe I have always had. Many of them have come and gone, progressed to other jobs, returned to me and so forth and tried to better themselves. However, the way big companies are treating their staff now is inhuman. It is not good enough. Clonmel experienced this a couple of months ago. Suir Pharma Ireland has been in Clonmel for nearly 40 years and it was taken over 15 months ago. Obviously, the competition authority was not consulted or was not watching. Suddenly, it was gone. Workers had come to me about it eight or ten days beforehand and I tried to contact the company but could not. They were called in on the Tuesday and they thought it was good news but they were given their P45s on the Thursday morning. There was no explanation. That is no way to treat staff. They were left to the machinery of the State.

I thank Joe McGrath, the county manager, South Tipperary County Council, all the other agencies, including the Department of Social Protection, and the Tipperary Institute who arranged an evening in the Clonmel Park Hotel to provide the workers with somewhere to go where they could talk to somebody and find out what opportunities they had. One gentleman had worked there for 37 years. Where will he go? It is not good enough that companies can come here and buy such good, long-standing businesses. It was an indigenous business in Clonmel. It started up there as a little acorn and grew to a big oak tree but now it is plundered and gone. There is no organisation watching out for that. We saw it happen with Clerys and elsewhere.

There are also the low-paid jobs, which are now in the public service. The unions must take responsibility too. Their representatives meet us in the House and elsewhere to discuss the yellow pack wages. However, they negotiated them and they had no problem pulling up the ladder when they got to the top. They must take some responsibility. It is a shame to expect a young Garda recruit to be paid €23,000 a year when one considers the cost of rent if they are posted to Dublin or any busy town. It is unacceptable. How can we expect them to respect the uniform and serve the public? There are so many who apply to the Garda and are willing to go through the rigorous application and training process. We must support them with a decent wage. The same applies to teachers. There is discrimination in the school staff room with some teachers

23 June 2016

on one wage and new teachers on a different wage. The unions must take a certain amount of responsibility for that as well. They bought into it and accepted it, although they are wringing their hands about it now. The Financial Emergency Measures in the Public Interest, FEMPI, Acts also must be addressed. It is very serious.

As I mentioned last night, there are many activation schemes. They are necessary. I am a passionate believer in the community employment, CE, schemes, - I have been involved in one since 1988 in my constituency - the Tús scheme and the rural social scheme, which is a lifeline for farmers. They want to go to work and enhance their community, be it by cleaning rivers, involvement in the Tidy Towns competition or otherwise. Those schemes are important but they have become restrictive. One only gets a year on them. The CE schemes have also become restrictive. When good people reach 55 years of age, they are turfed out. At one time, 15% of them were kept on the schemes and one did one's best when choosing which people should be retained. It is not a very nice job for volunteer sponsors. They are volunteer employers and volunteer boards. We will see what will be exposed tonight about a charity. It is awful. Throughout this country volunteers, who are ordinary working people with little expertise but with common sense, are running those schemes. However, they are becoming too restrictive, so we must examine that.

On the other hand, a new programme has been set up for job activation called JobPath. It is in my constituency. A gentleman from a family I know - he and his wife have worked all of their lives - has contacted me a number of times in the past 15 months trying to get a job. He cannot get CE or any meaningful employment. He is being forced into JobPath now and must do training, which he has already done several times. If he does not do it he has been told he will be knocked off jobseeker's allowance. That is unacceptable. I support the establishment of programmes such as JobPath but they cannot bully people into doing training which they have already completed. That is farcical. It must be examined and I will talk to the Minister, Deputy Varadkar, about it because that is not respectful of any man.

*5 o'clock*

This man is quite intelligent and is a capable and able worker. He worked in all kinds of jobs and wanted to work; he cannot be treated like that.

Whatever we do, we need more investment when it comes to carers and a social conscience because, as was pointed out here last night, they are probably working for €2 per hour in some cases if one was to count it. They do not do it for money. They do it for love of their loved ones and next-of-kin. We should have an audit of the value they provide. They keep hospital beds free and people in their homes where they thrive and recover better and where they want to be. They should not be described as a resource because they are all human beings and good people who need to be supported, not squeezed.

Legislation is too restrictive. It has become restrictive over the past number of years for young people getting into the job market. I am sure the Ceann Comhairle will not mind my comparing us in terms of age. When we were young, we all tilled sugar beet. We could work with farmers when we were 12 or 13 years of age. It was the best training we ever got. Now a young person cannot work until he or she is 16 years of age, or possibly 18 years of age in some jobs, and they get no training. The former Tánaiste was berated here some time ago for talking about people sitting at home looking at computers but that is what they are doing. They are better off doing meaningful work outside, getting the grá for work and an understanding of

how hard it is for their mothers and fathers to put food on the table, put them through education, give them clothes and have a reasonable standard of living. They can get experience and know the value of a euro rather than not being allowed to do it because of labour laws saying that they cannot do this or that. Even in family businesses there are huge restrictions on age and the hours a young person can work. Hard work never killed anyone. The ethos of work must be instilled in people from a very young age and we must have work over welfare, but it must be rewarding for people to go to work as well. We can have measures like family income supplement but we must have a fair day's pay for a fair day's work.

I think the National Employment Rights Authority, NERA, is still hovering around somewhere. NERA was set up in a blaze of glory with regional headquarters in Carlow and five regional offices with a plethora of people. I appealed to the Taoiseach at one time to put them out in support of employers. I am all for workers' rights but they were too zealous. I do not know where they are now but we can be sure they are all still in position. This is the problem. These agencies or quangos are never stood down. They are like noxious weeds. You need to spray them twice a year to keep them back. I mean the quangos, not the people. Quangoland took hold here. They must have given it 10-10-20 or nitrogen because it really took off. If any farmer could grow crops as quick as the quangos grew here, they would have been very successful indeed. We need to examine that as well because they are putting people off the road and out of business with all their visits instead of asking how they can help them. I have to include the Revenue Commissioners in this bracket as well because it needs to understand how difficult it is for people to keep their doors open. I am not saying anybody should evade tax, but they should be supported and Revenue should be more supportive and understanding. We see people named every so often and you find that half or maybe two-thirds of the money they have paid consists of fees and interest. That is obscene.

The role of the sheriff and how they threaten businesses, and how lucrative this area has become, with unregulated henchmen, must be investigated. It is a third force with people in balaclavas going around threatening people. We got rid of the Black and Tans but they are back. They are not Black and Tans but they are brown tans and they are as bad as the Black and Tans because they are terrorising people. We need balance and we need to rein in these quangos and the sheriff and have respect for employers, employees and all of our people from the cradle to the grave - and before the cradle, in light of the legislation I see coming forward next week. We need to be mindful of that as well. There is another Bill before the House this evening that seeks to ban hare coursing. That is an industry as well. We are going to have all these pieces of legislation that will ban all these things, yet we talk about how we want jobs. That activity is worth a fortune to our county. The national coursing finals bring in €6 million every year and small farmers and ordinary people have greyhounds. Everybody with a greyhound has to have a trainer and meet veterinary bills. It is an industry in itself, and we cannot just decide that this is-----

**An Ceann Comhairle:** Perhaps we will save that for later on this evening. I thank the Deputy for his contribution and his wonderful analogies.

**Deputy Stephen S. Donnelly:** I am very happy to have the opportunity to speak to the two Ministers about the summer economic statement. I read through it in some detail. There is undoubtedly some useful information in it. The more I read through it, the more I looked for balance, and I concluded that it is largely propaganda. The forecast figures are what they are but the framing of those figures and the framing of the decisions being put forward struck me as largely propaganda. There is good economic news and we should not be afraid to talk about it.

23 June 2016

Unemployment is falling, thank goodness, and the economy is growing on aggregate. There is no problem pointing these things out; they should be pointed out.

The statement largely attributes the good economic news to the Government, which I guess is understandable, although it is not true. The Government obviously deserves some credit for some of the things that have happened. However, the economic growth and employment figures are largely the result of external factors. This is not just my opinion. Economists have written about and analysed this. A weak euro, particularly relative to sterling and the US dollar, has been very useful. I would not say mass emigration has been very useful but it has obviously driven down unemployment. We have seen an increase in global trade coupled with a very large multinational sector. These are the things that have driven the economic growth, but they are not pointed out in the statement.

What is more important is the fact that the statement does not give us a balanced picture of what is going on economically. Unemployment in Waterford is actually on the rise. As we all know, long-term unemployment remains stubbornly high. The national broadband plan, which is something to which I have paid a lot of attention over the years, is being pushed out further and further, with announcements coming quite regularly. There is no question that many rural towns are still in decline. Youth unemployment is falling but it is still very high. None of these things are referenced and they are important economic facts for framing a debate about how we should invest future public moneys.

Socioeconomic analysis is also missing. One in nine children in Ireland lives in consistent daily poverty, which is relevant to how we invest future moneys. Deprivation rates have doubled for certain vulnerable groups such as lone parents. This is relevant to how we decide to invest our money. Waiting lists for operations now take years. I spoke in the House last week about how someone will wait two and a half years from GP to operating theatre for an orthopaedic operation. Something on which we probably all agree is that waiting lists for special needs assessments and interventions such as speech and language therapy for children now take years. These things are relevant to how we invest public money in future years. The statement should contain a proper, balanced socioeconomic analysis that shows the good, because there is no harm in showing the good, but that also shows the bad. Things like the housing and homelessness crisis are relevant to how we invest future moneys.

I put it to the Minister that it is this rose-tinted and unbalanced view that frames that Government's intention to reduce taxes and erode the tax base. If we were not aware of the social challenges, perhaps we could appropriately have a debate about eroding the tax base. If we did not know that children were waiting years for special needs assessments and about the level of youth unemployment, about the cuts to student funding for our third-level institutions year after year, which has seen them tumble down the global rankings, and the 60% cut to basic scientific research in our third-level institutions, a conversation about eroding the tax base would probably be sensible. If we did not know about the level of help that many SMEs need, we could have this conversation. Yes, things are growing in Dublin, and long may they continue to do so, but there are SMEs all over the country, be they in my constituency of Wicklow or elsewhere, that are hanging on by their fingertips. They need investment and support but eroding the tax base diminishes our ability to provide that support. The Minister is a student of economics. The rationale given for eroding the tax base centres around marginal income tax rates. The statement says:

Income tax reform will be a key element in supporting employment growth. There is a

strong economic rationale for a broad income tax base with low marginal rates that incentivise and reward work.

The Minister and I know that is not true. For that to be true, we would have to believe that the current marginal rates are stopping people working. The marginal rates affect those who earn over €36,000, €40,000 or €45,000. For this statement to be true, we would have to believe that there are thousands of people in our society who could get a job earning €40,000, €50,000 or €60,000 but are choosing not to because they do not like the marginal rate and if they see that marginal rate drop by one, two, three or four percentage points, they will then go to work. We all know that is simply not true. The marginal tax rate argument as an incentive to work is not true in our society. Perhaps if marginal tax rates were 80% or 90% it would be true. The idea that there is an army of people in Ireland who are employable but are choosing to live on social welfare rather than pay the marginal tax rate is not true. It does not stack up.

The other argument I have heard put forward by the previous Government and by members of the Minister's party is that when they go abroad and talk to expats or people in professional services that we want in the country they tell them that Ireland's marginal tax rates are very high. They may say those things but for policy to be driven by that, we would have to believe that there are a load of people outside Ireland - expats or foreign nationals with high skills that we want to come here - who would love to come to Ireland because they love the culture, think Ireland has a great football team, excellent pubs, great schools, is a safe place and beautiful country, who really want to be there but because of the marginal tax rate they will not do it. I have not seen the evidence. Both the Minister and I have lived abroad. I have had many conversations with work colleagues and friends about where they will live and never once in years did the marginal tax rate come up. People might say that they will go and do development work in Zimbabwe, work in Norway, Ireland, the City of London or Australia. Never once did I hear anyone say that they wanted to go to Helsinki but because the marginal tax rate was too low they would go to Qatar instead. It just does not come up. I have no doubt that expats are telling Ministers they would love to pay less tax but for policy to be driven by that we have to believe something that is patently untrue. It comes at a big cost because reducing the marginal rates will not drive employment; it will diminish our ability to invest socially and economically.

If we reduce tax rates, the greatest beneficiaries will be higher income people. The economic statement talks about targeting middle incomes but the reality is if the Government gets rid of USC the greatest cash benefactors will be higher income people. If higher income people get more money into their pockets they do one of two things with it. They either buy exports, like nicer cars or a nice television, or they save, neither of which boosts economic growth. In allowing that to happen we diminish our ability to do things that definitely boost economic growth. Investment in SMEs, broadband, high quality transport, education, children, public open spaces and the arts are things that we know absolutely boost economic growth. The Minister should think back to his days studying Solow growth models and endogenous growth models. Savings rates do not boost economic growth. The purchase of exports damages the balance of payments; it certainly does not boost economic growth. What boosts economic growth is investment in people, innovation, infrastructure and the means of production but that is not what we are doing. There is a false premise being used that if we reduce the marginal tax rate loads more people will work and there is simply no evidence to back that up other than anecdotal stories of Ministers being told that people would like to pay less tax.

It is also relevant that we are a low tax economy. The OECD, and the hybrid measure that IFAC uses, consistently show that the total revenue collected in Ireland as a percentage of

GDP is significantly lower than the OECD, eurozone and EU averages. A few months ago, the OECD published its latest report on the tax wedge. We are now talking about the tax on labour - the tax paid by employees and employers in the 34 OECD countries. It found that we are close to the lowest amount in all of the case studies it used. On one of the case studies of a married couple with one earner and two children we are the lowest in the OECD. Of the four examples the OECD gave, we were in the lowest seven of the 34 OECD countries. That is the tax on labour so in aggregate we are a low tax economy. If one zooms in just on taxes on labour, we are a low tax economy. We are already very low, which suggests that the Government should use the several billion euro identified for tax cuts for productive social investment in communities, education and productive economic investment.

I agree that we need to put money back into people's pockets. The way to increase quality of living is not through eroding the tax base, it is through reducing the cost of living and systematically going after it. It is bubbling up in the Dáil. Fianna Fáil has quite rightly been pushing very hard on motor insurance costs and others are looking at other costs. The Minister for Children and Youth Affairs, Deputy Katherine Zappone, is looking at child care costs. The fact is that ours is a really expensive country to live in. There are pinch points in one's life such as when one is paying for child care when costs are particularly high. It is not the experience in other countries. I will be tabling a motion on my proposal. I am not sure whether it is within the Minister's remit or the Taoiseach's. I suggest that we set up an expert group or an Oireachtas committee to address systematically the costs of living, including the cost of motor insurance, health insurance, energy costs, transport costs and child care costs. It is just too expensive to live here. If the Government pursues the cost of living rather than tax cuts, it will do two things. It will maintain our competitiveness, which tax cuts do not do because they push up prices, and it will increase standards of living. It will make it possible for people to live here because it is just too expensive to live here.

If we are going to invest we need to be very careful about where we invest. The summer economic statement provides an example of some very poor planning. The health care Estimate is coming in at an additional €500 million this year. I was quite taken by the sentence on page (i) of the summer economic statement which says "The demand for health care has also increased more rapidly than the capacity of the system to provide additional services." That is beautiful bureaucratic speak because health care demand is entirely predictable. The Government should hire a bunch of health care econometricians and they will tell it what the health care demand is. We should know - the problem is we do not - what the health care demand will be and we should be funding accordingly. That is not what has happened. What has happened is that this year the Government has said it wants an extra €500 million for health care. Let us think about that. The total budget space we will all be shouting at each other about in a few months is €1 billion. An awful lot of time will be given over in here, in the media and in households to discussing that. Half of that amount will just float through. It is not just €500 million for this year, which I did not realise when I was talking about it last week. It will add €500 million to the base. We are not just voting through an emergency €500 million to deal with stuff for this year, we are voting through an increase in the health care base of €500 million. We did the same thing last year and that got put into the base as well. In the past few months, we have voted to increase the health care budget by 12%. We already had one of the highest spends on health care in the developed world. We must be much more careful about this. While I am advocating targeted investment in areas such as health care, including Cappagh Hospital, we must become much more rigorous about simply adding hundreds of millions of euro to such budgets.

Lastly, the summer economic statement is missing some critical information. It talks about the €11.3 billion fiscal space. What it does not say is how much of that is needed merely to maintain services as they are. This became quite a heated debating point during the election campaign, when the previous Government talked about €12.4 billion, but the funding for new measures was a small fraction of that. If it would be possible to get a view on the amount of funding available for new measures, it would be greatly appreciated.

**Deputy Eamon Ryan:** I am happy to be able to give some thoughts on the summer economic statement. It is timely in the sense that we are in the middle of scoping work at the budget scrutiny committee and it is coming at a time when budgeting and the economic approach of the State are very much in the mind of a number of Deputies who are involved in that committee.

I would like to voice one thought, or, more precisely, a reflection, having read the document carefully yesterday. There was a comment that “The strong rebound of the Irish economy did not happen by accident; it is the direct consequence of determined policy implementation by the previous Government.” There is only one point to flag, if I may, while I have the opportunity to do so. I do not dispute that the previous Government put in place policies that put us in a good position economically, but could we perhaps remember the late Brian Lenihan, who died five years ago almost this month? To a certain extent, we should be honest in admitting that there was a continuity in economic strategy and policy between that previous Government, the one I was involved in, and the subsequent one, which the Minister, Deputy Donohoe, was involved in. For a variety of reasons, the public does not believe it. They are not silly. They can see that there was a continuity in economic strategy and approach. However, we should be honest also so that we know what we are doing, how we operated and what we did. Much of the response was set out in the four-year plan which the then Minister, the late Deputy Lenihan, myself and other Deputies were involved in. If Brian Lenihan were here today, he would have been surprised at the extent of the turnaround. To be honest, in those darkest days in 2010, if anyone had said that in five or six years’ time the economy would be growing at 7% per annum and unemployment would be coming down again, we would have been amazed. As a strategy, it has worked. I remember seeing the closing comments from Professor Alan Ahearne in the banking inquiry, as the Minister of State, Deputy Eoghan Murphy, will recall. I cannot remember the German academic whom Professor Ahearne cited, but he did cite international experts in looking at what happened in Ireland from the outside. We got ourselves into a very deep hole and in some ways we got ourselves out of it.

I suppose I should also add praise and recognition for the officials from the Departments of Finance and Public Expenditure and Reform, to whom I am not by nature close. In government I spent my time fighting with the Department of Finance officials and others, and I had a healthy combative arrangement, but they also worked hard in the national interest, particularly in the past eight or nine years, getting us out of that crisis and they deserve real recognition for the work they have done. If I were giving advice, which is surely our job here, it would be to the effect that there is a slight flaw in the character of the Department of Finance and Department of Public Expenditure and Reform in the sense that they do not have a great yearning for capital expenditure. They are nervous about the State making big investment decisions. One of the criticisms that could validly be made in the past five years or so of the approach to our economic recovery - it was one that was mentioned explicitly, among others, by the IMF and the European Commission - is that we over-cut on the capital side, and I think such criticism is correct. Politically, it is understandable because it is much easier to cut capital expenditure than to cut current expenditure in difficult circumstances, but I think we made a mistake. We

over-cut on the capital expenditure side and we are seeing the consequences of it now. My central key point or argument, if I had been able to influence this before it was printed, would have been that while there has been, effectively, a €1 billion increase in the capital budget, it is not enough. In the allocation of resources, which is a budgeting issue, we should be putting more into the capital side. I will give a couple of examples of how that might be possible while still living within the budget rules under which we find ourselves. In the transport area, if we are looking back on that period in which we made the mistake of cutting the capital budget too much, one real, terrible mistake in my mind was not going ahead with the metro north project. It was sitting there ready to go. A €500 million EIB loan had been agreed; we would have got the cheapest deal possible. The contractors had spent years and millions of euro setting up the bidding process. It was the perfect counter-cyclical capital project. It would be nearly finished at this stage had we gone ahead with it in early 2011, when it was ready to go, but it was cut. We are playing catch-up on that now. It is funny that I find myself on the side of IBEC and the Dublin Chamber of Commerce, which does not happen often. The Dublin Chamber of Commerce made the key point that in the transport budget €1.3 billion is needed merely to maintain the existing assets, and we need a radical ramping up. The figures may be disputed. Also, to look at our own city, Dublin is the engine of the economy, as Mr. Derry Gray, the head of the Dublin Chamber of Commerce, stated here at a meeting last week. We have got to keep the engine working. Dublin is spending €150 million per annum. On a *per capita* basis, Manchester is spending more than twice that and London is spending more than three times that, and that is what we are competing with. We are also living in a city which will suffer from gridlock, because the M50 will be gridlocked. We have a significant problem. We need an immediate ramping up of investment in short-term measures that we can take while we are waiting for the big public transport projects to start, including bus lanes, cycle lanes and critical infrastructure to make our city work, and that budgeting is not there. I see no commitment here to the scale of ramping-up that is required for such necessary transport investment.

Similarly, in housing, I agree with Deputy Donnelly. The critical economic approach we must adopt is to maintain our competitiveness and reduce the cost of living rather than going back to what we did in the early 2000s, which was merely to increase wages and put ourselves into an uncompetitive position, and the provision of housing is critical in that regard. It was interesting to listen to the debate at the Committee on Housing and Homelessness, where it was setting out how can we get around the European rules. There is a mechanism for us to go to a cost-rental form of social housing where there is a guaranteed future rental income that covers the cost of the construction, with which, I believe, we could go with a strong case to EURO-STAT or the European Commission stating that it should be allowed within the fiscal rules. It is long-term lending with a long-term revenue stream and, ultimately, it is a critical policy objective to improve competitiveness. I do not see that scale of investment being planned here.

Third, and critically, the economic statement does not refer to the point made in the stability programme update about the real risk for the State, fiscally and also from the point of view of competitiveness and reputation, from our failure to meet climate change targets. There is no strategic investment statement in terms of energy infrastructure and energy efficiency. For example, the Sustainable Energy Authority of Ireland states that we need a threefold increase in investment to improve the efficiency of our houses, which would also reduce the cost of living, which would make us more competitive and avoid fines. I would argue, critically, that there is a possibility of our raising funding from the European Investment Bank and the European Fund for Strategic Investments as revenue streams to help cover some of that cost.

My key criticism of the Department of Finance and the Department of Public Expenditure and Reform is that we do not have the necessary capital investment plans in place. If we are allocating resources in terms of either tax reductions or increased current spending, I would put more into capital expenditure, because our key economic challenge, although it is hard to believe six years on from the difficult times we went through, is that we are facing an economy in two or three years' time that will be at full capacity. The constraints that exist require us to invest in capital infrastructure. I am sure the Minister, Deputy Donohoe, has been arguing that because, as a former Minister for Transport, Tourism and Sport, he knows what I am talking about. Fair play to the Minister for reversing the decision on the metro north, because he recognised that we were not planning to invest at the scale or capacity we need. If we could change this, we should change it on the capital expenditure side. In his speech earlier, the Minister for Finance dropped the Minister opposite, Deputy Donohoe, in it slightly, if I can say that. He recognised that the new process involves the publication next month by the Department of Public Expenditure and Reform of a mid-year expenditure report. I was very interested in that because of my involvement with the scoping committee for budget review. There was nothing in the speech given by the Minister, Deputy Donohoe, explaining what the mid-year expenditure report would involve.

I have consistently been highlighting an issue in the budget review committee and if that involves us just turning up at the end of July with an aggregate level of outlined expenditure for each Department, and we do not have time in committees to start getting into the real work we need to do, which is assessing the different options within each sectoral vote, we will not do what we need to, which is increasing the productivity of our current and capital spending. In a sense, we must put it to the sectoral committees and all sides of the House to say that we are all talk here about spending more here or there but we must rise to the challenge. The committees should have a set budget and they can agree or disagree as to whether another Department should get more or less. We should ask where those committees will make savings in order to facilitate the spending plans that they want. We should put the responsibility to the committees and the Parliament. That is instead of us giving a wish list with no responsibility to show where we would get savings or productivity gains. That is what we must do on the current side.

We cannot go back to 2003, 2004 or 2005, as if it were normal to just ramp up current expenditure year in, year out, without getting the commensurate productivity gains. That is one of the reasons the sectoral committees will have a real responsibility in this new budget process. There cannot be a free lunch for every spending plan and we must show how there could be savings within a departmental budget if figures are to balance.

The Minister for Finance mentioned the rainy day fund and that makes sense as we must promote counter-cyclical investment strategy. If we continue to see growth of 4% or 5%, with budget surpluses, we should be careful - as noted by Professor John FitzGerald the other day - that we do not just push into an inflationary environment. Economics are strange currently, as we have been printing money for the past ten years, but deflation is still around. It is very hard to analyse what is going on in the macroeconomic sense.

I have a suggestion, although it may not be possible to bring it about. I will throw it up as one option to be investigated. The European Fund for Strategic Investment - the Junckers fund - has €350 billion leveraged on a €15 billion European Commission pot put in at the start. As I recall, at the beginning the Commission stated that if a Government makes a collective investment in the overall fund, it may allow for extension of our fiscal space within the EU rules; it indicated it would form a credit within the fiscal space. Maybe if we are going with a rainy day

23 June 2016

fund, we should put it into the European Fund for Strategic Investment. I agree with Deputy Michael McGrath's comments in that there should be criteria for tapping into the fund. Perhaps in the European capital fund, we could get benefit through the fiscal rules. Perhaps that is a complete non-starter but I will put it out there.

During last year's budget submission, the Irish Business and Employers Confederation, IBEC, stated that it was critical of the Government having fiscal policy driven by availability of funds rather than meeting the strategic needs of the country. That still holds. It argues there is no strategic policy approach behind it other than whatever is the fiscal space and the numbers. That tends to be the finance approach to the world. We need some sort of strategic plan for the country that does not repeat our mistakes from the early 2000s. At that time, we set an investment plan and we did a spatial strategy afterwards that bore no resemblance to the former; we then ignored it anyway with decentralisation, etc.

In the 2017 review of capital funding, we should stitch in an obligation on the Minister, Deputy Coveney, to do a proper national planning framework. It is not just about the numbers of houses we build but where they are built, how they will be connected with transport and how they will be made really efficient. We should make a strategic decision that we are going green as a country because of its comparative and competitive advantages, including brand advantage. That strategic planning must come first. The economic and budget strategy should follow rather than just having numbers determining everything. I do not get a sense of that yet from this Government. On this side, we must be willing to help and put our views on the strategic approach. For me, it is going green, investing in capital and involving the Parliament to get real productivity savings on the current side. We must have the ability to change as part of the dialogue and process. In July, the sectoral committees must get straight into what are some of the options rather than just looking at headline figures.

### **Estimates for Public Services 2016: Messages from Select Committees**

**An Ceann Comhairle:** The Select Committee on Agriculture, Food and the Marine has completed its consideration of the following Revised Estimate for public services for the year ending 31 December 2016: Vote 30 - Department of Agriculture, Food and the Marine. The Select Committee on Foreign Affairs and Trade has completed its consideration of the following Revised Estimate for public services for the year ending 31 December 2016: Votes 27 and 28 - Department of Foreign Affairs and Trade.

### **Ceisteanna - Questions**

#### **Priority Questions**

#### **EU Membership**

1. **Deputy Michael McGrath** asked the Minister for Finance the steps he has taken to prepare for the economic implications that would arise for Ireland in the event of a possible vote by

the British people to leave the European Union; and if he will make a statement on the matter. [17749/16]

**Deputy Michael McGrath:** I apologise for delaying the House. As we speak in the Chamber, the people of Great Britain are voting on the question of whether to remain in the European Union. Clearly, a decision by Great Britain to leave the EU would have very significant consequences for Ireland in terms of trade, the free movement of people and the land border we have with the Six Counties. I understand that if the decision goes the way we do not want it to go, a Cabinet meeting is planned for tomorrow morning. Perhaps the Minister might give us an outline of what initial plans are in place in the event of a decision by the British people to exit the European Union.

**Minister for Finance (Deputy Michael Noonan):** The Government's position on developments in relation to British membership of the EU has been clearly articulated, particularly by the Taoiseach and the Minister for Foreign Affairs and Trade: we very much want the UK to remain an integral member of the Union.

The UK's continued membership of the Union is a matter of strategic importance for the Government. In this regard, Departments, including my own, have been working on this issue for some time.

In relation to the potential economic impact, under the research programme agreement between the Department of Finance and the Economic and Social Research Institute, ESRI, my Department commissioned research on scoping the potential economic implications for Ireland of a change in the EU-UK relationship. The research was published on 5 November 2015 and is an important contribution to understanding the potential issues arising.

The summer economic statement notes that there are a number of risks to the central forecast scenario set out in the 2016 stability programme update and sets out an assessment of the potential economic impact of a vote by the UK to leave the EU. The scale of the impact would, of course, depend on the agreement entered into between the EU and UK following such an outcome. The prudent and consistent economic and fiscal policies, which have been the basis for our economic recovery, have resulted in a greatly reduced general government deficit and debt ratio, which means we are better placed to deal with the type of risks arising.

As the Taoiseach has said, Ireland will have a clear plan in place to deal with the implications, including the economic implications, of a UK vote to leave, if that is the outcome. The key priority for Government would be to protect and promote Ireland's interests to the greatest extent possible in the event that the UK votes to leave.

Based on the analysis carried out by all Departments, including the Department of Finance, a framework has been developed on a whole of Government basis to identify contingencies that may arise in the days, weeks and months that follow the outcome of the UK referendum.

**Deputy Michael McGrath:** I thank the Minister for his response. Clearly, we are speaking about a hypothetical situation, but it is a distinct possibility. The opinion polls have been quite mixed in recent days in terms of what the outcome is likely to be. The fundamental pillars of the European Union are the free movement of goods and services and of labour, so for us as a country the key issues that will need to be dealt with from a trade perspective are the possibility of trade barriers and tariffs being put in place and the free movement of labour between the UK and Ireland. If there is a Brexit, there will be a period of uncertainty and one of the key

questions is whether it would be possible for the UK and Ireland to enter a bilateral agreement or if it would be a multilateral agreement, involving the remaining 27 countries of the European Union. I assume that is an issue which the Minister's Department has examined. I know the summer economic statement looked at the economic impact of a Brexit and it is an estimate, it is a forecast, and nobody can be certain what the fallout will be. There seems to be a great deal of analysis, but are there steps we are planning to take in the very short term if it is a negative vote?

**Deputy Michael Noonan:** The immediate foreseeable effect would be the effect on the movements of money in the markets. In that context, I have had discussions with the Governor of the Central Bank and he has assured me that the Central Bank, in the context of discussions with the European Central Bank in Frankfurt, has all the necessary measures in place to deal with any contingency of that nature. Beyond that, the legal mechanism for a British withdrawal is enshrined in the treaties. There is a two-year period before the withdrawal - if that were the outcome of the vote - would be activated, so issues like the free movement of people, whether there would be trade barriers or if there would have to be posts to secure the land border with Europe, as it would be then, 60 km from Dublin, would be discussed over a two-year period.

The negotiations, on the face of it, would be between the European Union and the United Kingdom and it would be the European Union that would be doing the negotiation, but if one takes an issue like the free movement of people, that has been in place as a legal issue since 1922. It was reinforced legally when the Republic was established in 1949 and since it predated the entry of the UK and Ireland into the European Union, I would be of the view that there is a strong legal argument that the *status quo ante* could prevail.

**Deputy Michael McGrath:** I thank the Minister for his clarification of the Governor of the Central Bank's comments and the plans that are in place in respect of the money markets and the fallout from a possible vote by the UK to depart from the European Union. The Minister has touched on the central issues. While the free movement of people may be preserved, does that extend to the free movement of labour? People's ability to move is one thing, but will they be able to move and take up employment within the law that would apply to the UK and the European Union? That is an outstanding question.

From a trade perspective, while there may be benefits in terms of foreign direct investment, that is purely speculative, but there would undoubtedly be very large negatives for many indigenous firms here that are dependent on the UK export market. We are at one in hoping it is a vote to remain, but if it is not, there will be very significant consequences, which the Government and the country will have to face up to.

**Deputy Michael Noonan:** I share the Deputy's concerns. To put it succinctly, the downside is definite and the upside is speculative, so obviously I am on the remain side and I would like very much if that is the way it goes. We have provision for what is foreseeable tomorrow and in terms of the other negotiations over a period of time, I am sure we can share information with the Deputy as time goes by.

### **Code of Conduct on Mortgage Arrears**

2. **Deputy Pearse Doherty** asked the Minister for Finance his plans to implement the programme for Government commitment to deal with the mortgage crisis by working with the

Central Bank to amend the code of conduct on mortgage arrears to include an obligation on providers of mortgage credit to provide a range of sustainable arrears solutions and to put the code of conduct on a statutory basis. [17748/16]

**Deputy Pearse Doherty:** My question this month is similar to the question we put down last month. It relates to the specific plans and the timeframe to implement the commitment that was made in the programme for Government regarding those in mortgage distress and the calls that have been made by myself and my party, along with others, that it should be mandatory for lenders to offer certain solutions to those in mortgage arrears. The Minister said he was willing to make it mandatory for lenders to provide a more effective range of options, so can he tell us what progress there has been and when we will see a draft of the proposal?

**Deputy Michael Noonan:** The code of conduct on mortgage arrears, CCMA, is a statutory code issued under section 117 of the Central Bank Act 1989. The CCMA applies to all regulated mortgage lenders operating in the State when dealing with borrowers facing or in mortgage arrears on their primary residence, including any mortgage lending activities outsourced by these lenders. The CCMA provides a strong consumer protection framework to ensure that borrowers struggling to keep up mortgage repayments are treated in a fair and transparent way by their lender and that long-term resolution is sought by lenders with each of their borrowers. Lenders are required to comply with all aspects of the CCMA and non-compliance with the CCMA is enforceable against regulated entities by the Central Bank.

The CCMA sets out a process called the mortgage arrears resolution process, MARP. The MARP is a four-step process that lenders must follow. The steps are as follows: communicate with the borrower; gather financial information; assess the borrower's circumstances; and propose a resolution.

Bank and non-bank lenders offer a range of options for borrowers, including term extension, arrears capitalisation, split mortgage, mortgage-to-rent, etc. The CCMA states that in each case, a lender must explore all of the options for alternative repayment. A lender must document its considerations for each option examined, including the reasons that the option or options offered to the borrower is or are appropriate and sustainable for the borrower. A lender must also document why some options are not appropriate for the borrower.

The numbers in mortgage arrears have been steadily declining. Data released by the Central Bank on 10 June shows that, to the end of the first quarter 2016, the number of mortgage accounts in arrears for principal dwelling houses has declined for the last 11 quarters. Some 120,447 principal dwelling house accounts were also classified as restructured. It is clear that where a borrower actively engages with their lender under the CCMA with a view to agreeing a sustainable arrangement to address their mortgage arrears, it is more likely that an equitable arrangement will be found and that the borrower will be able to remain in their family home. It is important to note also that the commencement of the court process is not a signal that a repossession will occur. It may often be the case that the process then prompts borrowers to re-engage with their bank and to find a solution. Often these cases are adjourned. I raised the issues in the Deputy's question with the Governor of the Central Bank in a recent meeting with him.

**Deputy Pearse Doherty:** The last five or six words were the only part of the answer that addressed my question. I know we are running out of time but we are supposed to be in a different situation now, one in which we get to the nub of issues rather more quickly.

The Minister has made commitments and said he would review the code of conduct to make it mandatory on lenders to provide a more effective range of options. The two options highest on the agenda are split mortgages and mortgages to rent. People want to know when they will be able to say to AIB, Bank of Ireland or Permanent TSB that they are among the customers in mortgage arrears and to ask them where is the split mortgage or mortgage-to-rent offer.

I ask the Minister to outline the process. Is he saying the Government does not have the power to do this? Is he saying it is an issue for the Governor of the Central Bank, who is independent of Government? There is a commitment to do this in the programme for Government so can the Minister tell us the process involved in implementing it? Does the Minister have agreement from the Governor of the Central Bank to its commitment, whether with legislation or something else, to make it mandatory for financial institutions to offer certain solutions to their customers?

**Deputy Michael Noonan:** The position is that the code of conduct is statutory, having been introduced under section 117 of the Central Bank Act 1989. The issue that arose when we were negotiating the programme for Government was whether the range of options that were on offer from the regulated banks applied to the unregulated institutions that acquired mortgages. In my meeting with the Governor, I asked him if he had data showing what the practice was with the unregulated operators, who are now under the control of the Consumer Protection Act which we put through the Dáil last year. He is to come back to me with the information I requested. Then we will see whether it is necessary to extend the code of conduct to make it a statutory obligation on the unregulated institutions to increase the range of options they offer to mortgagees.

**Deputy Pearse Doherty:** I was not part of the programme for Government discussions but I would say that some people who were would have a different interpretation of the discussions the Minister has just outlined. It is in the programme for Government and the Minister said of the code of conduct on the record of the House last week: "I am willing to review it again to make it mandatory on lenders to provide the more effective of the range of options that are now in the system to their borrowers." There was no talk last month that this was for unregulated entities. There is a clear commitment. The Minister went on to say that split mortgages and mortgages to rent were two of the more prominent options and were discussed in the programme for Government meetings.

I am asking a clear question because it seems the Minister is announcing a major U-turn on his commitment. Is it the intention of Government to make it mandatory on lenders to provide either split mortgages, mortgages to rent or other options to borrowers in mortgage distress? If it is, does the Government have the power to do it? If it does not, does the Governor support the move?

**Deputy Michael Noonan:** The position is that there is a statutory obligation on the banks to make a range of offers, including those described by the Deputy, to people in arrears with their mortgages. The question that arose was whether the obligation to offer the full range also obliged the previously non-regulated entities to make the same range of offers. I have had discussions with the Governor of the bank, which has data which I do not have. It is examining the data to identify the exact scope of the problem. My commitment to this remains and if it is necessary we will amend the code of conduct so that all beneficial offers to those in arrears are made on a statutory basis and those who have mortgage books are obliged, under law, to make the offers.

**Deputy Pearse Doherty:** That is a major U-turn.

**Deputy Michael Noonan:** I am saying exactly the same thing.

**Deputy Pearse Doherty:** No, the Minister is not. It is a complete and utter U-turn. The Minister said last month that he would make it mandatory on lenders to offer two options, split mortgages or mortgages to rent, but he is saying now that he is not going to do that.

**Deputy Michael Noonan:** I am saying the same now. I am simply pointing out that it is mandatory on the regulated banks already.

### **Financial Services Regulation**

3. **Deputy Michael McGrath** asked the Minister for Finance if he is concerned at the manner in which commercial loans are being offered for sale and are being actually sold by non-bank entities and the fact that commercial loans can now be bought by private citizens and by persons in business who may be competing with the borrower concerned; if he will make changes in this area to ensure that loans can only be sold to regulated entities with a banking licence; and if he will make a statement on the matter. [17750/16]

**Deputy Michael McGrath:** This question relates to business loans, as opposed to mortgages. I have previously raised with the Minister the issue of the owners of loans, in some cases vulture funds, not needing to be regulated. The legislation of last year, to which the Minister referred, requires a credit servicing firm as an intermediary to be a regulated entity. My concern is that the large portfolios of loans bought by these funds from NAMA, IBRC and departing banks are now going to wash themselves out. They will be sold on, sold on again and sold on again and we will have no idea of who will end up owning the loans. That is the specific issue, on which I will elaborate in a moment.

**Deputy Michael Noonan:** The previous Government advanced the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 to ensure that purchasers of relevant loan books must either be regulated by the Central Bank or loans purchased by non-regulated entities must be serviced by a credit servicing firm which is regulated by the Central Bank and therefore subject to the Central Bank's code of conduct.

The Act was introduced to fill the consumer protection gap where loans were sold by the original regulated lender to an unregulated firm. It introduced a regulatory regime for a new type of entity called a credit servicing firm. Credit servicing firms are now subject to the provisions of Irish financial services law that apply to regulated financial service providers. This ensures that relevant borrowers, whose loans are sold to third parties, maintain the same regulatory protections they had prior to the sale, including under the various statutory codes such as the consumer protection code, the code of conduct on mortgage arrears, the code of conduct for business lending to small and medium enterprises and the minimum competency code, issued by the Central Bank of Ireland.

It should be highlighted that the transfer of a loan from one entity to another does not change the terms of the contract or the borrower's rights and obligations under the original contract. Also, following a review in 2015, the Central Bank code of conduct for business lending to small and medium enterprises has been strengthened in certain areas resulting in the Central

Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-Sized Enterprises) Regulations 2015 which come into operation on 1 July 2016.

It should also be noted that the Deputy's proposal that commercial loans could only be sold to regulated entities with a banking licence would likely reduce the attraction of competition into the SME credit market by deterring the entry of non-bank financing sources to credit markets at a time when there is agreement across the EU on the need for greater non-bank financing.

**Deputy Michael McGrath:** These funds bought large portfolios of loans from NAMA, IBRC and banks departing Ireland. They are now slicing up those portfolios into much smaller parcels of loans and, under existing law, anyone can buy a loan. If one person owns a hotel in Dublin and I own a hotel down the road, I may be in a position to buy that person's loan. To comply with the law, I would have to appoint a credit service firm as an intermediary but I could do it and take out that person.

*6 o'clock*

The nature of commercial loan agreements means they can be called in at will by the lender. For example, if a single payment is missed, this can trigger a default and the loan can be called in within a matter of days. The issue raised in this question will become a major one as this becomes washed out. There is no control whatsoever on who can ultimately own a loan. The idea that any individual can buy a loan relating to someone else's business and appoint an intermediary firm, hence complying with the law, raises serious questions. As I understand it, this will be coming down the track. I know for a fact that parcels of loans as well as individual loans are being offered for sale to individuals and business people. This will happen and the issue will need to be addressed.

**Deputy Michael Noonan:** The contractual obligation that is attached to the loan continues with a change of ownership. I therefore cannot see how the person to whom the loan was given originally can be exploited on the transfer because the protections under law are still in place. The solution suggested by the Deputy that only regulated entities with a banking licence should be able to acquire loans would cut across a lot of SME lending. For example, the Strategic Banking Corporation of Ireland has established a way of lending, which is appreciated very much by the SME sector, with three non-bank finance providers, namely, Finance Ireland, Merrion Fleet Management and First Citizen Finance, using the high street banks as vehicles. If the Deputy says there is an issue, I will take his word for it. Further, if he could give me an *aide-mémoire* on the issue, I will get it checked out and if there is agreement that this is a real issue we will move to amend it.

**Deputy Michael McGrath:** I believe there is an issue and that it will become a much bigger one. It is true to say the new owner of the loan steps into the shoes of the original lender and all the same terms and conditions apply. However, the nature of a commercial loan agreement is such that it is heavily stacked in favour of the lender. Basically, the loan can be called in at will and in the matter of a number of working days by way of notice. This opens up the real possibility that someone with negative intentions in respect of a loan relating to a business can take ownership of it and, essentially, trigger the calling in of the loan and move on the original borrower. We are entering into a period now when the funds will seek to get a return on their investment. They will want to turn over the loan portfolios they bought. They are slicing them up into much smaller parcels. I take the Minister's point on the issue of non-bank finance, which I support, but a way has to be found to tackle this issue. A person's loan could in theory

end up in unsavoury hands. That is the reality. All they need to do is appoint a credit servicing firm to comply with the law. This exposes the original borrower to major risk.

**Deputy Michael Noonan:** As I stated, the Central Bank code of conduct for business lending to small and medium enterprises has been strengthened in certain areas resulting in the Central Bank (Supervision and Enforcement) Act 2013 (Section 48) (Lending to Small and Medium-sized Enterprises) Regulations 2015. These regulations only come into effect on 1 July next. I have not familiarised myself with the details of the regulations, but there may be something in there which helps to solve the problem raised by the Deputy. However, if it is not resolved and it is as he says, I will arrange for him to talk to my officials to see if we can come up with a statutory vehicle to resolve the matter.

**Acting Chairman (Deputy Declan Breathnach):** In the absence of Deputies Mattie McGrath and Stephen Donnelly, we will move to Question No. 6.

*Question No. 4 answered after Question No. 8.*

*Question No. 5 answered after Question No. 6.*

## **Other Questions**

### **Infrastructure and Capital Investment Programme**

6. **Deputy Bernard J. Durkan** asked the Minister for Finance the extent to which he is exploring options to fund strategic infrastructural capital projects to meet housing, transport and energy requirements off balance sheet in a way sufficient to meet infrastructural deficits and comply with prudent banking regulations; and if he will make a statement on the matter. [17482/16]

**Deputy Bernard J. Durkan:** This question relates to the obvious requirements in terms of infrastructural development, the capital costs of which, if on balance sheet, might cause problems. I raise the issue to highlight the necessity for vital infrastructural development and investment by whatever possible means.

**Deputy Michael Noonan:** The formulation and implementation of policy decisions around strategic infrastructural capital projects such as meeting housing, transport and energy requirements are primarily a responsibility for the relevant Departments.

My Department has a role in monitoring the State's activities or projects that might have implications for the general government balance, the general government debt levels and compliance with the fiscal rules. This includes the consideration of requests for ministerial approval of borrowings and guarantees from Departments, commercial semi-States, State agencies and other State bodies, including local authorities.

My Department also provides *ex ante* advice to Departments on the statistical classification of policy proposals that are considered.

The question of whether an investment is off balance sheet is a statistical matter and at national level the Central Statistics Office is responsible under EU regulations for ensuring that

all investments within the economy are classified according to the rules set out under the European System of Accounts 2010. EUROSTAT is then the ultimate arbiter on the classification of investments in relation to excessive deficit procedure returns and other Government finance statistics.

The Department of Finance has an important role in supporting alternative financing models for State infrastructure, particularly in relation to increasing investment in productive infrastructure so as to mitigate constraints on economic growth. My Department led the negotiation of the European Fund for Strategic Investments, EFSI, and has co-ordinated with a number of Departments and entities such as the Ireland Strategic Investment Fund, the Strategic Banking Corporation of Ireland and NewERA to oversee implementation in Ireland. This EU initiative which is managed by the European Investment Bank seeks to advance the use of borrowing for key infrastructure projects that might not otherwise be delivered due to perceived risk. As a recent example, my Department has worked closely with the National Development Finance Agency, the Department of Health and the Department of Public Expenditure and Reform in progressing the primary care public private partnership project to a financial close in May this year. This project, which is a key element of the Government's health care agenda, is being supported by the EFSI.

**Deputy Bernard J. Durkan:** I thank the Minister for his reply. I would further encourage, perhaps, the possibility of identifying the most serious infrastructural deficits, such as those in the areas of housing, energy, transport and health, with the view to putting together a package that is acceptable to the European institutions and which is capable of doing the job required to be done through the various Departments. Could the Minister see his way to encouraging the introduction of a financial structure or vehicle to facilitate those serious and much-needed projects?

**Deputy Michael Noonan:** It is a continuing work in my Department, the Department of Public Expenditure and Reform and elsewhere in the system. If one were to categorise infrastructural investment, one would divide it into economic infrastructure and social infrastructure. On the economic infrastructure side, if one were to list priorities, I assume most of us would agree that housing supply, both social and affordable, is one. Broadband and, in particular, its extension to rural areas is another. A third one would be completing the roads programme. There is a road from Cork to Limerick that many people would like to see finished.

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

**Deputy Michael Noonan:** On the social side are further primary and secondary schools. They are working well with public private partnerships, that is, bundles of schools, as are health centres. I am sure we can all think of a number of priorities that would apply either in our respective constituencies or nationally. We are working through an increased capital programme to fund them but we are also trying to get matching funds from the European Investment Bank so that we can provide more infrastructural investment.

**Deputy Bernard J. Durkan:** I welcome the Minister's willingness to proceed along that road and I know that some provision has been made in the programme for Government in that regard. Would it be possible to establish a criterion whereby a particular deficit in infrastructure would automatically trigger the necessary or desirable capital expenditure? As the Minister just stated, this has both an economic and a social advantage, since one complements the other. Would the Minister not agree that it is imperative we proceed in that direction, in the shortest

time possible, with a view to achieving for the electorate - upon whom we all depend - the best possible result?

**Deputy Michael Noonan:** Deficits are fairly well known to most people, especially those in the Dáil and in the Seanad. The former Minister for Public Expenditure and Reform, Deputy Brendan Howlin, launched the national capital programme last year. That stretches out for six years and has identified deficits project by project. In the summer economic statement 2016, his successor, the current Minister, Deputy Paschal Donohoe, increased the amount of funds available for the capital programme by €5 million. However, he has not yet transferred that funding into specific projects. That will be a matter for the Estimates campaign with individual Departments. At the same time we continue to explore the possibility of getting more leeway to spend on infrastructure.

**Acting Chairman (Deputy Declan Breathnach):** Before we proceed I remind Members of the new Standing Orders, which provide for 30 seconds for an introduction, two minutes for the Minister's initial reply and a further one minute each for two single supplementary responses. Members must be in the House as the questions arise. I am allowing a certain latitude today. I invite Deputy Donnelly to put his question.

### **Mortgage Arrears Proposals**

5. **Deputy Stephen S. Donnelly** asked the Minister for Finance to provide a timeframe for the implementation of the mortgage resolution measures contained within the programme for Government; if funding has been allocated for these measures; and if he will make a statement on the matter. [17745/16]

**Deputy Stephen S. Donnelly:** I thank the Acting Chairman for the direction, which is very much appreciated. The new programme for Government contains very ambitious and laudable aims for the mortgage crisis. I and other members of the finance committee have looked for these changes for years and I am delighted to see included in the programme a new national service to standardise supports, changes to the thresholds for personal insolvency arrangements, a dedicated new court, amendments to the code of conduct on mortgage arrears, an information campaign and more. Critically, and obviously, this is time-sensitive, as arrears and repossessions are growing. I would appreciate a comment from the Minister on whether funding and a timeline for implementation are available. Have timelines been set and has funding been dedicated to meet this ambitious and laudable new aim for mortgage arrears?

**Deputy Michael Noonan:** The Deputy will be aware that the Government is very committed to reducing the level of mortgages in arrears and that significant progress has been made in this regard, as demonstrated by the latest Central Bank quarterly residential mortgage arrears and repossessions statistics for the first quarter of 2016. He may also be aware that the Cabinet committee on housing and homelessness and associated senior officials group are meeting on a weekly basis to identify solutions to the full range of commitments in the programme for a partnership Government relating to home protection and home ownership. This ongoing work will also consider what budgetary allocations are required to provide the mortgage resolution measures as set out in the programme for Government.

The Government attaches great importance to addressing the issue of mortgage arrears and wants to keep families in their homes and avoid repossessions in so far as possible. In this

context, it is important to note that there are a number of protections already in place to protect borrowers in arrears, including the code of conduct on mortgage arrears, the Money Advice & Budgeting Service, a dedicated mortgage advisory service, and personal insolvency solutions, including the court review of sustainable proposals for personal insolvency arrangements involving the principal dwelling home that have been rejected by a majority of creditors. Many of these initiatives are relatively new, having been introduced in the past 12 months, and I believe that they will generate increased borrower engagement and improved levels of resolution of mortgage accounts in arrears.

It is clear that where a borrower actively engages with his or her lender under the CCMA with a view to agreeing a sustainable arrangement to address mortgage arrears, it is more likely that an equitable arrangement will be found and that a borrower will be able to remain in the family home. Data released recently by the Central Bank show that the number of mortgage accounts for principal dwelling houses in arrears has declined for 11 consecutive quarters. More than 120,400 principal dwelling house mortgage accounts have been restructured up to the end of the first quarter of 2016.

**Deputy Stephen S. Donnelly:** Other than the fact that some officials are now meeting to think about the measures, it all sounds like business as usual. Some 86,000 principal dwelling home mortgages remain in arrears. In the first quarter of 2016, almost 1,900 cases have been issued for possession against owner occupier homes. In the past six months, more than 300 repossessions have occurred. We know the figures are falling for arrears, which is very welcome, but it is still a huge issue. Proceedings are being issued very rapidly. The gap between the current situation and what is contained in the programme for Government is very big. While the programme is laudable, will the Minister consider reporting back to the House on when he thinks some of these initiatives may be in place for borrowers? They need to know when the new court and the new service will be in place and so forth. Will the Minister consider a moratorium on repossessions until the new regime is in place?

**Deputy Michael Noonan:** The Department of Justice and Equality is working on the proposals for the new court and on raising the threshold amounts for the personal insolvency arrangements insolvency legislation. The Department of Social Protection is working on a programme to increase the range and effectiveness of MABS and is being provided with additional funding to do so. I have had discussions with the Governor of the Central Bank to see if legislation is required to give additional statutory protection to persons whose loans have been transferred from an entity with a banking licence to an entity without a banking licence.

**Deputy Stephen S. Donnelly:** Is a moratorium something that the Minister would consider?

**Deputy Michael Noonan:** A moratorium----

**Acting Chairman (Deputy Declan Breathnach):** The Deputy can ask that in his supplementary response.

**Deputy Stephen S. Donnelly:** I reiterate that it sounds as though progress is being made but it would be very useful to have timelines against these proposals. I am sure the Minister has been contacted by people. I am being contacted by people from all over Wicklow and all around the State. They know big changes are afoot and ambitious targets and changes are being put into the programme for Government but they say to me, "I am in court on Monday so what should I do?", or "I am in court in two months time so will these measures be in place for

me?”. Perhaps the Minister will clarify if it would be possible to put some deadlines against these measures. We all know that things can drift and these issues are pressing for families all over the country right now. Will the Minister issue a statement to the House on his expected deadlines for implementation? Does the Minister believe it is reasonable - I hope he does - to issue a moratorium to the banks which would hopefully be just for a few weeks or a few months to say that as the new regime gets into place people who are currently in proceedings should be able to avail of those measures?

**Deputy Michael Noonan:** I cannot give deadlines for the work of other Departments. I can assure the Deputy that the work I have outlined is proceeding as a matter of priority in the Departments I spoke about. It is being engaged with as we speak.

The Circuit Court is where repossession orders are usually processed but they are not being actively pursued. To a large degree, the practice is to adjourn. The repossessions that are granted are usually for people who do not contest the repossession order, perhaps because the house is vacant and they have moved on or because it is a rental unit and they have moved on from it and there is no one pressing it. However, to announce a formal moratorium would, in my view, be quite risky for the mortgage market. The basis of mortgage lending is that money is given to somebody to acquire a home on the basis of the home being the collateral. If one removes collateral out of the system, and if the lender in theory and under law can no longer acquire the collateral, then there would be no lending. There would certainly be no new lending as it would just dry up. While the clear signal to the courts was that the policy is to keep people in their own homes, there would be risks if one were to formalise the position.

## **NAMA Assets Sale**

7. **Deputy Catherine Murphy** asked the Minister for Finance the details of his Department’s discussions with the National Asset Management Agency officials regarding the decision to shorten the duration of time for disposal of the agency’s assets including if these included a discussion on outlining both the pros and cons of such a decision; and if he will make a statement on the matter. [17497/16]

**Deputy Catherine Murphy:** My question relates to the disposal of NAMA assets and the thinking behind reducing the duration of time for the working through of those assets. One of the consequences of that measure was that assets were bundled into very large portfolios. Did we get the best value possible by doing that? What was the thinking and rigour behind it?

**Deputy Michael Noonan:** NAMA’s purpose and objectives are set out in the NAMA Act as established by the Oireachtas. NAMA’s primary objective is, as per section 10 of the NAMA Act, to obtain the best achievable financial return for the State and to deal expeditiously with its assets in achieving this objective. The strategy which NAMA adopts in pursuing its objectives is a matter for the NAMA board.

As Minister, I do not have a role in NAMA’s commercial decisions. However, while respecting NAMA’s independence, I and my officials regularly engage with NAMA regarding its performance and strategy.

I maintain a regular dialogue with the NAMA chairman and receive appropriate updates regarding NAMA’s ongoing progress and future plans. I have also met occasionally with the

23 June 2016

NAMA board, which provides me with an opportunity to share my views and understand the board's views.

My officials meet with NAMA executives on a monthly basis to discuss NAMA's current and expected performance.

In mid-2014, my officials produced a report under section 227 of the NAMA Act, assessing the extent to which NAMA had made progress toward achieving its overall objectives and whether the continuation of NAMA was necessary for the purposes of the Act.

The report concluded that NAMA had made significant progress in achieving its overall objectives and, based on its performance and financial projections in light of the strength of investor interest in Ireland, was well positioned to achieve its overall objectives and so continued to be necessary.

In the context of this report, consideration was given to the various strategic alternatives that may or may not facilitate NAMA achieving and ideally surpassing its objectives. This report is available on the Department of Finance website.

Extensive engagement around this report and ongoing regular engagement with NAMA has allowed my officials to form an independent view of NAMA's progress and the strategic options reflected in this report. This engagement continues and the ongoing consideration of strategic options naturally includes an element of challenge from both sides in evaluating the pros and cons of various strategies.

**Deputy Catherine Murphy:** It is very difficult to see how the optimum is achieved if people who want to purchase assets are removed. The bundling into very large portfolios at a time when the market was rising does not seem logical in terms of getting the optimum return. Was it considered at the time that the fallout from accelerating the sales would necessitate that kind of approach? We had moved a little bit away from the crash in respect of property values, even when the last Government took office in 2011. Was the bundling of those assets evaluated?

**Deputy Michael Noonan:** I have no expertise in the sale or valuation of property but I understand that the NAMA board had a view that it should take advantage, to the greatest extent possible, of favourable Irish market conditions by increasing the flow of assets to the markets while remaining faithful to its purpose and objectives under the NAMA Act. I think it is right that it cannot sell a property portfolio house by house, field by field or business by business. It would have to bundle them to do its job effectively because it had so many assets to dispose of and had to get the best return for the taxpayer. We could argue about how big the bundles should be but that is for the property people who have the expertise in this area and all evaluations of NAMA to date have been that it is doing a pretty good job.

**Deputy Catherine Murphy:** I am not saying they should not be bundled. It is very obvious that there can be an advantage in bundling assets for sale but some of the portfolios are so large that they are only attractive to very large investment funds from outside the State. It is hard to see how that brings the best value. Is the Minister happy that that was, in hindsight, the best approach and that it brought the best return possible?

**Deputy Michael Noonan:** I have no particular expertise in property values or in the technical area and have no role under the NAMA Act in anything relating to making a commercial decision. That is a matter for NAMA. I do know that the theory of bundling is to put good with

bad. If the lots are very small, the tendency would be to cherry-pick. Many of the good assets would be sold and NAMA would be left with assets that had little or no market value. By bundling large, the good and bad are all sold and the taxpayer gets a return. It is a debatable point. NAMA follows the debates here in the Dáil very closely. If the Deputy likes, I will ask NAMA to contact her directly to give its point of view.

### **Consumer Protection**

8. **Deputy Joan Burton** asked the Minister for Finance his plans to ensure that mortgage holders, tenants and small to medium sized business with loans or credit from non-bank lenders or vulture funds are fully protected; if he is considering extending the provisions of the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 in this regard; and if he will make a statement on the matter. [17521/16]

**Deputy Joan Burton:** Does the Minister have plans to further extend consumer protection and regulation to people whose loans have been acquired, particularly relatively small scale borrowers, mortgage holders, tenants of mortgage holders and small to medium sized businesses, by hedge funds and vulture funds and so on?

**Deputy Michael Noonan:** As the Deputy will be aware, the Consumer Protection (Regulation of Credit Servicing Firms) Act 2015 was enacted on 8 July 2015. It was introduced to fill the consumer protection gap where loans were sold by the original lender to an unregulated entity. The 2015 Act introduced a regulatory regime for a new type of entity called a credit servicing firm. Credit servicing firms are now subject to the provisions of Irish financial services law that apply to regulated financial service providers. This ensures that relevant borrowers whose loans are sold to third parties maintain the same regulatory protections they had prior to the sale, including under the various statutory codes, such as the consumer protection code, the code of conduct on mortgage arrears and the code of conduct for business lending to small and medium enterprises.

The Central Bank is now the competent authority for the authorisation and supervision of credit servicing firms. Credit servicing firms must comply with all relevant requirements of financial services legislation, including the various codes mentioned already and fitness and probity standards, including minimum competency requirements.

In addition to compliance with Central Bank codes of conduct, credit servicing firms will have to demonstrate to the Central Bank that they have robust governance and adequate resources to ensure compliance, agreements with loan owners that enable the credit servicing firm to fully comply with its obligations under Irish financial services legislation, and adequate and effective control of loan servicing in the State to enable Central Bank oversight.

As the Deputy will be aware, policy in this area is kept under review to ensure that consumers are adequately protected. In this regard, the code of conduct for business lending to small and medium enterprises has recently been updated. The code of conduct on mortgage arrears has also been reviewed and updated over time. The Government will work with the Central Bank to ensure that the code continues to be relevant, fair and balanced in respect of the legitimate interests of debtors and creditors all the while promoting the availability of sustainable solutions to address genuine mortgage difficulty. In that regard, I have recently raised the issue with the Governor of the Central Bank.

23 June 2016

**Deputy Joan Burton:** Has the Minister met with the purchasers of these loans, the vulture funds and hedge funds? By and large, they bought with the idea of flipping these loans within a relatively short period of three to five years. We are now at a stage where, as the Minister said, we are reducing the number of distressed mortgages, but those left in distress are probably much worse cases and many have not engaged with the process.

Has the Minister directly met these funds? On various international trips he has occasion to meet some of these organisations or people connected with them, but has he met them in Ireland and talked about our society and how difficult the final work-out is? Many people who have not engaged are in deep difficulty and are likely to go under financially unless a structure is put in place to help them.

**Deputy Michael Noonan:** I meet various investors from time to time, at home and abroad, at their request. I cannot recall specifically meeting any of the investor companies that would generally be described as vulture funds, but if the Deputy tables a specific question I will have it researched within the records of the Department and give the Deputy a full answer.

**Deputy Joan Burton:** I spent perhaps three years trying to persuade the Minister's Department that the Money Advice & Budgeting Service should be able to accompany people to court. We only got the go-ahead for that less than a year ago, and it has already proven to be extremely useful. Many people have not engaged at all and they are terrified of the approaches from these funds. What will be done? Many of these people could have sustainable arrangements with their mortgage holders.

In Tyrrelstown, which is in my constituency, the loan holder was given authority for tenants who were in long-term tenancies, who were working and who could afford the rent but could not afford to buy their properties to be put out on the street. There has to be a response to that.

**Deputy Michael Noonan:** As I said, we have legislated on a number of occasions because the policy intention is that if a loan is sold the obligations of the new owner are the same as the legal obligations of the original owner. As far as I am concerned, the legislation that was brought through the Houses of the Oireachtas achieves that. As I said to Deputy McGrath, because he had a particular issue, if there is a lacuna in the legislation I am prepared to make an amendment on some appropriate vehicle going through the House. I have no clear insight that there is a lacuna along the lines suggested by the Deputy.

## Tax Code

4. **Deputy Mattie McGrath** asked the Minister for Finance if he will assist registered farm contractors by introducing accelerated investment allowances to allow them to invest in high-capital-cost machinery, as occurs in the United Kingdom (details supplied); and if he will make a statement on the matter. [17492/16]

**Deputy Mattie McGrath:** As the Minister knows, farm contracting is a very expensive business and the cost of equipment is enormous. Farmers need this equipment to deal with climatic conditions. Farmers want to get silage and harvesting done very fast. Other countries have special credit allowances. I have supplied the details of the situation in England to the Minister. It is to be hoped the Minister could consider introducing such a scheme for registered farm contractors in Ireland.

**Acting Chairman (Deputy Declan Breathnach):** Members have to read their Standing Orders and be aware of what the process is, and be present in the Chamber for their questions.

**Deputy Michael Noonan:** A comprehensive review of tax matters pertaining to the farming sector was announced in budget 2014 as a joint initiative between the Departments of Finance and Agriculture, Food and the Marine. The purpose of the review was to analyse the benefits of the various tax measures to the agricultural sector and the wider economy versus the costs to ensure tax policy aligned with the objectives set out in Food Harvest 2020.

The review focused on three key policy objectives for agri-taxation policy, including increasing mobility and the productive use of land, assisting succession, and complementing wider agricultural policies and schemes through actions such as supporting investment to enhance competitiveness and environmental sustainability, alternative farming models such as farm partnership and the responses to increasing income volatility. Following this review, a significant number of measures were introduced, retained or refocused in the last two Finance Acts to assist with succession and support young trained farmers. These include, but are not limited to, targeting of capital acquisitions tax relief for agricultural property to ensure it is used by active farmers; broadening the capital gains tax requirement relief so that, for example, individuals can now lease out land for up to 25 years prior to disposal and still be eligible for CGT retirement relief; extending duty relief for non-residential land transfers between certain close relatives; extending general stock relief, stock relief for certain young trained farmers and stock relief for registered farm partnerships; and extending the stamp duty exemption for young trained farmers.

In addition, a new succession transfer partnership proposal was introduced in the Finance Act 2015, which is subject to State aid approval. There were a number of suggestions during the review regarding widening and accelerating capital allowances, but the review highlighted that capital allowances are the most costly to the Exchequer of any of the agri-tax measures.

**Deputy Mattie McGrath:** As the Minister knows, the agricultural industry and exports are vital, and good harvesting, crop management and environmental issues are important. My proposal is aimed specifically at assisting registered farm contractors in Ireland. I must declare that I am a member of its representative body. I ask the Minister to introduce measures to assist them in the purchase of large machinery, which is computerised and extremely costly. Some tractors cost €150,000 and implements could cost the same. Combine and silage harvesters cost €750,000.

The UK has special incentives to assist farm contractors with tax breaks and low finances. I ask the Minister to consider such a proposal. It has nothing to do with the handover or use of land. My question refers specifically to registered farm contractors who operate above board, are represented by their association and are recognised throughout Europe. They are members of European associations.

**Deputy Michael Noonan:** The Deputy's question referenced a review. The UK does not currently offer a capital allowance measure targeted at the agricultural sector. However, farmers can qualify for the annual investment allowance, which permits 100% first-year allowances on certain business, plant and machinery expenditure that would apply to general businesses. Interestingly, the IFA and the Department of Agriculture, Food and the Marine, when a full review of all of the agri-sector tax reliefs was done, did not recommend anything along these lines. I will refer the Deputy's question to the tax section of my Department and get a view

from it in advance of the next finance Bill.

**Deputy Mattie McGrath:** The IFA is not the Department of Agriculture, Food and the Marine and does not represent contractors. They might not want this. The IFA is a very powerful lobby group, which I support - it lobbied this week. I am referring to a specific national organisation representing hundreds of contractors who are registered, pay their taxes and employ people. We could not deliver our agri-industry without them. They are a vital cog in the wheel. The IFA does not want to know about them. We had issues with the IFA. It wants complete control. This matter is nothing to do with the IFA. Farm contractors have a separate, established, registered and recognised organisation in Ireland. The machinery costs an enormous amount of money. I appreciate that the Minister said the IFA did not recommend tax measures. We need specific incentives to help farm contractors. The IFA controls a lot, but it does not control everything.

**Deputy Michael Noonan:** The Deputy's suggestion seems to be that for one sector of the economy there would be an accelerated capital allowance in respect of machinery that would amount to 100% in the first year. The practice across taxation is that costs such as this are written off over a period of years, as I understand it. We will examine the issue. It would be out of line with the practice.

### Insurance Costs

9. **Deputy Martin Kenny** asked the Minister for Finance the steps he will take to ensure that returned emigrants and immigrants are not discriminated against in the provision of car insurance; and if he will make a statement on the matter. [17511/16]

**Deputy Pearse Doherty:** I thank the Ceann Comhairle for his flexibility in allowing me to take Deputy Martin Kenny's question. The question relates to the cost of car insurance, an issue we have debated in the House for some time. The question is specifically about returned emigrants. The Minister will have heard that many people are thinking of returning home, and it is great to have them return home, but they are being completely fleeced by the insurance industry because they have lost their no-claims bonus. Despite the fact that they might have been driving in this country for ten years claim-free, if they are gone for two years and have not driven in another jurisdiction they lose their no-claims bonus and are faced with massive increases in their insurance premiums, with quotes as high as €5,000. Does the Minister plan to take action to encourage and allow such emigrants to come home and drive safely on the roads?

**Deputy Michael Noonan:** As Minister for Finance, I am responsible for the development of the legal framework governing financial regulation but I am prohibited from interfering in the provision or pricing of insurance products. The provision of insurance cover and the price at which it is offered, including the granting of no-claims discounts, is a commercial matter for insurance companies and is based on an assessment of the risks they are willing to accept and adequate provisioning to meet those risks. The risks are considered by insurance companies on a case-by-case basis. The costs and risks of providing motor insurance cover can vary between different countries.

Insurance Ireland has informed me that, in general terms, where there has been no motor insurance in an individual's name and there is a gap in cover of two years or more since his or her last insurance, the no-claims discount is deemed invalid. However, Insurance Ireland has

further stated that if the individual can produce confirmation that he or she was continuously insured and remained claim-free in his or her own name while away, that will be taken into consideration.

My Department has embarked on a review of policy in the insurance sector that is being undertaken in consultation with the Central Bank and other Departments and agencies. The objective of the review is to recommend measures to improve the functioning and regulation of the insurance sector. The first phase of the review is focused on the motor insurance compensation framework, and this work is nearing completion. The next phase of the review involves examining the factors contributing to the increasing cost of insurance and identifying what short-term measures could be introduced to help reduce the cost of insurance for consumers and businesses, and also what initiatives need to be undertaken over the longer term. The work will include an examination of the issues affecting returning emigrants and immigrants and will continue over the coming months.

I might add that Insurance Ireland operates a free insurance information service for those who have been unable to obtain a quotation for motor insurance or feel that the premium or the terms proposed are so excessive that it amounts to a refusal to give them motor insurance. Such people should contact Insurance Ireland directly.

**Deputy Pearse Doherty:** The Minister has suggested that it will take a couple of months to complete the review. We need action to be taken by the insurance industry sooner than the time it will take to produce the report in a couple of months. People who want to come home are not coming home because of high motor insurance costs. The Minister said that if they are driving abroad then they can show they have a no-claims history. People from my constituency had to emigrate because of the crash and the financial crisis. They went to Sydney, Perth and London. Many of them are working in the tunnels. Those who are living in London do not need a car because they are not driving, and they will have lost their no-claims bonus even though they have been driving on the roads of Donegal and elsewhere for the past ten years. Although they have a safe record they are being charged €5,500 per year because they are considered to be among the riskiest drivers.

I tabled an amendment to the motion that was passed in the House seeking that the report be released as soon as it was completed. Could the Minister tell us whether the report of the review - or the task force, as the Minister is now calling it - will be made available to the House as soon as it is available?

**Deputy Michael Noonan:** The first phase of the review, or the task force, as Deputy Doherty referred to it, is on Setanta Insurance, with which the Deputy is familiar and on which he asked a number of questions. In a week or two the task force will proceed to examine insurance in general and it will start with motor insurance. Yes, I will publish the report.

**Deputy Pearse Doherty:** The Minister is aware that the amended motion called for the report to be published straight away, and I welcome the fact that the Minister has committed to do that because in previous replies on the matter he was ambiguous on that issue. We also called for the establishment of a task force to review the Central Bank's role on the regulation of the insurance industry and a number of other issues. Could the Minister outline progress in that regard and his intention to fulfil the will of this House, expressed by means of the acceptance of the amendment? Could he also inform us of the timeframe of the review group? It will begin to look at motor insurance issues in a couple of weeks. When does he expect that aspect of the

review will be concluded? That is the really burning question. We are all aware that Setanta Insurance is a factor, but the bigger issue is when steps will be taken by the Government to help people, including returning emigrants, with regard to the significant increase in premiums. The work is due to begin only in two weeks' time. When, in the Minister's view, will it conclude and when will we see the recommendations?

**Deputy Michael Noonan:** The task force was in place for some months before the motion was debated in the Dáil. First, it was asked to deal with the issues arising from the crash of Setanta Insurance and the consequences of that. I had hoped to have the report in that regard before the summer recess, and I will publish it. After that, the task force will move on to other issues arising from insurance, prioritising motor insurance, and I assume that will take some months, but beyond that I cannot give the Deputy a finer timeline.

### NAMA Operations

10. **Deputy Mick Wallace** asked the Minister for Finance if he has concerns about the operation of the National Asset Management Agency; if he will call for the establishment of a commission of inquiry into the agency; and if he will make a statement on the matter. [17484/16]

**Deputy Mick Wallace:** The Garda Bureau of Fraud Investigation announced today that it had arrested the former NAMA employee Paul Pugh, an individual who came onto our radar long before now. That makes four NAMA employees in total who have been arrested. Does the Minister not think it is about time he started asking questions? Could he tell me of any other State organisation that has had four former employees arrested without a sniff of an investigation?

**Deputy Michael Noonan:** NAMA continues to progress its mandate to maximise the return to the State, as evidenced in its 2015 annual report published on 8 June 2015. In addition to regular audited financial reporting, NAMA is subject to a significant level of oversight, including under sections 226 and 227 of the NAMA Act and section 9 of the Comptroller and Auditor General (Amendment) Act, which provide for regular reviews by the Comptroller and Auditor General and my Department of NAMA's performance.

There have been a number of calls for a commission of investigation into Project Eagle. The allegations of wrongdoing that are being criminally investigated are extremely concerning. We continue to monitor the situation as these criminal investigations progress. If appropriate lines of inquiry do come to light which could usefully be pursued by a commission of investigation they will be brought forward for consideration. However, all known allegations of wrongdoing are currently being investigated by the appropriate authorities. We support these investigations and stand ready to assist in any way that is helpful. The most notable investigation is being carried out by the UK National Crime Agency, NCA, a criminal investigation by the appropriate authorities in the appropriate jurisdiction. Importantly, NAMA advises me that the NCA has confirmed that no aspect of the agency's activities is under investigation.

NAMA has also appeared twice before the Committee of Public Accounts to discuss Project Eagle. Based on recent comments by the Chairman of the committee, I understand NAMA may soon appear for a third time to discuss these issues. In that context, the Comptroller and Auditor General is conducting a value for money review of Project Eagle.

There has been much confusion and conflation of issues. However, it remains the case that allegations of wrongdoing have not been directed at NAMA. Taking into account the investigations under way, it is not clear what specific line of inquiry could usefully be pursued by a commission of investigation in this jurisdiction. I do not believe it is appropriate to launch a commission of investigation based purely on speculation, nor to interfere with current legitimate investigations. This position of course will be kept under review.

**Acting Chairman (Deputy Declan Breathnach):** Deputy Wallace has one minute.

**Deputy Michael Noonan:** I apologise but, as this is a serious issue, I wish to state that if the Deputy has specific allegations of wrongdoing, he should make them known to the relevant authorities in the appropriate jurisdiction-----

**Deputy Clare Daly:** The authorities know.

**Deputy Michael Noonan:** -----whether that be the NCA or the Garda.

**Deputy Mick Wallace:** I have gone to the authorities in both the South and the North of Ireland before now with information on the gentleman who was arrested today. These guys worked in Dublin. They did not work in Northern Ireland. Had Hanna stayed in the South he probably never would have been arrested, but he happened to be up there. The authorities there are only meant to be investigating the purchase side of Project Eagle. The Government has been adamant, like NAMA, that there was nothing wrong on the sales side and all the problems were on the purchase side. What in God's name is the NCA looking into? What is the US Securities and Exchange Commission looking into? Why is the Irish State outsourcing its responsibility and not investigating what is going on in NAMA? It is not true to state that there have been no allegations of wrongdoing against NAMA, as there have been plenty of them. I have one question for the Minister. I do not understand why, when he was told-----

**Acting Chairman (Deputy Declan Breathnach):** A question.

**Deputy Mick Wallace:** -----by NAMA, as it has stated, that PIMCO was obliged to withdraw from the bidding process because its compliance department refused to sign off on the payment of a fixer's fee by the company, the Minister did nothing about it?

**Acting Chairman (Deputy Declan Breathnach):** The Deputy will get a full supplementary question. I call the Minister.

**Deputy Michael Noonan:** I am aware that the media have reported the arrest of a former NAMA official yesterday, 22 June, in respect of an alleged disclosure of confidential information in 2012. The case has been ongoing since NAMA reported the matter to the Garda in February 2013. The existence of this case has been in the public domain since 2013 and the NAMA chief executive officer is on record as confirming this case in his testimony to the Committee of Public Accounts in December 2013. This case, which was brought to the attention of the Garda by NAMA, is unrelated to the questions being investigated by the National Crime Agency in Northern Ireland regarding the buyer's side of the Northern Ireland loan book sale. Members should not conflate these distinct cases, which are being investigated separately by the appropriate authorities in the appropriate jurisdictions. I hope all Members can respect these legal and judicial processes and allow them to run their respective courses unfettered. However, if there is new information in the Deputy's possession, he should give it to the appropriate authorities, whether they are in this jurisdiction or in Northern Ireland.

23 June 2016

**Acting Chairman (Deputy Declan Breathnach):** The Deputy, for a final one-minute question.

**Deputy Mick Wallace:** As the Minister is well aware, I have spoken to the National Crime Agency a few times, as well as to the Garda. The Minister stated today in the Chamber that he remained in regular dialogue with the NAMA chairman and he told Members he had no expertise in selling property as an excuse for taking a hands-off approach.

**Acting Chairman (Deputy Declan Breathnach):** A question.

**Deputy Mick Wallace:** Many people know a good bit about selling property and would be fairly sceptical about the knowledge NAMA has shown of the same industry. The idea that Project Eagle would be sold for €2.41 billion and that Cerberus will go close to doubling its money is pure nonsense. It simply is ridiculous that Members are content with this.

**Acting Chairman (Deputy Declan Breathnach):** A question.

**Deputy Mick Wallace:** Deals were done before the thing was even purchased. The Minister should listen: there is no rational argument against a serious commission of investigation into what is going on with this organisation.

**Acting Chairman (Deputy Declan Breathnach):** The Minister, in a final reply. He has one minute.

**Deputy Mick Wallace:** It is rotten to the core. I do not know the extent to which the Minister is aware of this but it is the truth.

**Deputy Michael Noonan:** The Deputy is misrepresenting my position. I have no-----

**Deputy Mick Wallace:** I asked the Minister a question. Does he wish to answer it?

**Acting Chairman (Deputy Declan Breathnach):** Sorry; let the Minister answer.

**Deputy Michael Noonan:** I have no legal authority to interfere with the legal authority of the NAMA board to make commercial decisions.

**Deputy Clare Daly:** The Minister could have stopped the sale.

**Acting Chairman (Deputy Declan Breathnach):** The Minister without interruption, please.

**Deputy Michael Noonan:** I have no legal authority to interfere in commercial decisions.

**Deputy Mick Wallace:** I am not asking the Minister to make commercial decisions.

**Deputy Michael Noonan:** I do my job as Minister. The Deputy makes allegations under privilege. He made highly non-specific allegations. If the Deputy has specific information, he should put it on the record and give it to the Garda.

**Deputy Mick Wallace:** Nothing I have said in this Chamber has been proved wrong yet.

**Acting Chairman (Deputy Declan Breathnach):** Sorry; would the Deputy let the Minister-----

**Deputy Mick Wallace:** Not a single ounce of it.

**Acting Chairman (Deputy Declan Breathnach):** Please abide by the Standing Orders. We will move on to Question No. 11 in the name of Deputy Ó Caoláin. Deputy Pearse Doherty has 30 seconds.

### **Statute of Limitations**

11. **Deputy Caoimhghín Ó Caoláin** asked the Minister for Finance if he plans any changes to lift the Statute of Limitations on civil offences that may have contributed to the banking crisis; and if he will make a statement on the matter. [17515/16]

**Deputy Pearse Doherty:** I wish to raise this issue. I note the questions are not being grouped and I wonder why this is the case, because there were other questions in respect of-----

**Acting Chairman (Deputy Declan Breathnach):** There was no request to have them grouped. It was that the Deputy was to take them on behalf of the Sinn Féin Members, which was by Standing Order.

**Deputy Pearse Doherty:** For future reference, is it the case that Members must ask? A number of Members had tabled questions on Project Eagle-----

**Acting Chairman (Deputy Declan Breathnach):** I would expect the requests to be in terms of Standing Orders.

**Deputy Pearse Doherty:** -----and NAMA and would like to tease this out with the Minister, because-----

**Acting Chairman (Deputy Declan Breathnach):** It is up to the Minister to answer them in whatever way he wishes. The Deputy's time is running out, as approximately four and a half minutes remain.

**Deputy Pearse Doherty:** I will state to the Minister that he has a direction order over NAMA-----

**Acting Chairman (Deputy Declan Breathnach):** The Deputy should proceed to the question.

**Deputy Pearse Doherty:** -----which he has used but failed to use in respect of Project Eagle.

**Acting Chairman (Deputy Declan Breathnach):** Deputy Pearse Doherty has 30 seconds in which to put his question.

**Deputy Michael Noonan:** When I group them, Deputies seek to have them answered separately. That is why they are answered separately.

**Acting Chairman (Deputy Declan Breathnach):** Absolutely. The new rules are clear in the Standing Orders. I expect Deputies to read them. Deputy Pearse Doherty has 30 seconds and the time for this question is running out.

**Deputy Pearse Doherty:** Has the Minister plans to change or would he be supportive of

changes to lift the Statute of Limitations on civil offences that may have contributed to the banking crisis?

**Deputy Michael Noonan:** The operation of the law regarding the Statute of Limitations is a matter for my colleague, the Tánaiste and Minister for Justice and Equality, and I understand it is the subject of ongoing review in her Department. I am given to understand the review is taking account of the Law Reform Commission report on limitation of actions published in December 2011. That report examines the rules on time limits for bringing civil claims in the courts, many of which are contained in the Statute of Limitations 1957, as amended.

The report of the Oireachtas Joint Committee of Inquiry into the Banking Crisis was a comprehensive examination of what went wrong in the banking system. The law around time limits for bringing civil claims was not identified as a contributory factor to the banking crisis in that report. However, my Department, in conjunction with the Central Bank, is considering the banking inquiry report in the round, with a view to bringing forward proposals in response to all of the recommendations related to the Department and the Central Bank which are contained in the report, including any related issues that may emerge.

The Central Bank has the power to administer sanctions in respect of the commission of prescribed contraventions by regulated financial service providers and participation in the prescribed contraventions by persons concerned in their management. The Central Bank may investigate where a concern arises that a prescribed contravention has been or is being committed, and, following the investigation, an inquiry may be held where there are reasonable grounds to suspect that a prescribed contravention has been or is being committed. The inquiry shall decide if the prescribed contravention has occurred and determine the appropriate sanctions.

The decision by the Central Bank to take enforcement action is not constrained by time limits but is determined on a case-by-case basis, taking into account the full circumstances of each case. There are many factors that may be considered, including the promotion of compliance by the regulated entity, the promotion of compliance within the industry or sector, the proportionality of the enforcement action and support of the strategy, objectives and policies of the Central Bank.

**Acting Chairman (Deputy Declan Breathnach):** Two minutes remain. That means one minute each for one supplementary question and one reply.

**Deputy Pearse Doherty:** I thank the Minister for his reply. The banking inquiry made many good suggestions. I was unable to sign up to the report because I felt it was weak in certain areas, particularly in respect of the role of the auditors and others, but the banking inquiry was not a court, nor should it have been. Unfortunately, some causes of the financial crisis undoubtedly would be classified as civil offences and, therefore, the Statute of Limitations comes into play. I believe it is necessary to consider amending the Statute of Limitations in order that banks, accountants, auditors and possibly even politicians who may through their actions have either broken the law or contributed to the financial crisis can be pursued outside of the six-year rule. This has been done previously in the Bill introduced by Deputy Ó Caoláin to lift the Statute of Limitations for victims of symphysiotomy, which passed Committee Stage. It really is a matter of political will as to whether Members wish to create a shackle there. Alternatively, information may come to light in the future that could lead to prosecutions on civil matters were the Statute of Limitations to be lifted in this area. Given the enormity of and the number of victims of the financial crisis, this should be considered-----

**Acting Chairman (Deputy Declan Breathnach):** If the Deputy wants a reply from the Minister-----

**Deputy Pearse Doherty:** -----as a matter the Government might wish to push.

**Acting Chairman (Deputy Declan Breathnach):** A final reply from the Minister.

**Deputy Michael Noonan:** As I already have stated, the Tánaiste and Minister for Justice and Equality is examining the Statute of Limitations legislation. I also stated that a decision by the Central Bank to take enforcement action is not constrained by time limits but is considered on a case-by-case basis. Under the delegation orders from the Minister for Finance, the Minister of State, Deputy Eoghan Murphy, who played such an important role in the banking inquiry, has been given the responsibility on a cross-party basis of implementing the recommendations of the inquiry.

*Written Answers follow Adjournment.*

*7 o'clock*

## **Topical Issue Debate**

### **Cancer Services Provision**

**Deputy Billy Kelleher:** I recently received correspondence from a sarcoma patient. I do not want to divulge the name of the patient even though she has subsequently raised the issue on social media. It is quite a distressing email in many ways. As the Minister should be aware, sarcoma is a fairly rare type of cancer. It accounts for about 5% of all cancers. We presently have about 200 to 250 patients who present with this disease every year in Ireland. This sarcoma patient has been attending a particular doctor in St. Vincent's Hospital. The doctor specialises in this type of cancer and has more than 300 patients in her care as we speak. Now, the patients are horrified to learn that this talented, hard-working and knowledgeable doctor is being let go by St. Vincent's. The patients feel that the proposed replacement, while vastly experienced, does not have the sarcoma expertise and also has a very busy private practice. In short, 300 patients are sceptical that they can get the same care and attention that they currently get.

St. Vincent's University Hospital, Dublin, is in the privileged position to have a wonderful resource at a centre of excellence with the treatment of sarcoma in its oncology unit through a particular consultant who is among the few worldwide experts in the treatment of sarcoma. This centre of excellence, which has been established over the past three years, has given treatment and hope to hundreds of sarcoma patients, enhancing survival rates and in many cases making survival possible where previously little hope was given. The patients feel that this kind of expertise in such a rare cancer takes years and years of research and experience. Regrettably, this is about to change when the contract of this invaluable resource is to be terminated.

The patients do not seek to comment on the contractual issues of any member of the HSE, but to highlight how the loss of this expert resource will impact on the care and treatment in

the future. This level of knowledge, experience and expertise of sarcoma cannot be replaced by an expert in another field of cancer. Yet, it seems that this is about to happen. Patients are frightened for the future. One e-mail I received described the feeling of having finally found a place that feels safe and offers so much hope, only to see it about to be taken away, not just from the 300 of today's sufferers but from the sufferers of next year and the year after. They are frightened and they want to keep this particular oncologist expert in sarcoma. If we continue with her employment, the patients are confident that we will see the survival rates improve to secure the future lives of many children and young adolescents who are about to embark on lives they have every right to enjoy.

The patients that have received excellent treatment in St. Vincent's are very concerned that this particular expert in the area, who has built up a wealth of knowledge and experience over many years, will have her contract terminated shortly. They do not believe that the replacement can bring the same level of support and service that they require and need for what is a very challenging disease and illness. It is life-limiting in many cases. I recall the e-mail I received that spoke of having finally found a place that feels safe that is now about to be taken away.

**Minister for Health (Deputy Simon Harris):** I welcome the opportunity to speak about sarcoma services at St. Vincent's University Hospital, Dublin. I thank Deputy Kelleher for raising this important matter. Sarcomas are rare malignant tumours that arise from transformed cells of the connective tissues, such as muscle, fat, cartilage or bone. I acknowledge that people who have been diagnosed with sarcoma, or any other serious illness, will of course be concerned that they receive the best care and treatment. That is a concern that I share.

As the Deputy said, services for the management of these patients with sarcoma are currently provided in St. Vincent's Hospital as well as in Cork University Hospital. The multidisciplinary team in St. Vincent's Hospital has all of the relevant specialities represented, including surgery, medical oncology, radiation oncology, radiology and pathology.

Recently, a consultant medical oncologist was employed by St. Vincent's hospital on a locum contract to provide cover for one of the other consultant medical oncologists who had taken on the role of chair of the Irish clinical oncology research group. This consultant has now returned to his post at the hospital. The reason for employing the locum has now ceased. That locum was only ever filling a role on a temporary basis while the consultant medical oncologist took up the role of chair of the research group. I have made inquiries about this because I have been contacted by a number of people and I am assured by the HSE that care for patients undergoing treatment for sarcoma cancer at St. Vincent's Hospital will not be compromised in any way and their management will be provided by one of the hospital's full-time oncologists.

In relation to sarcoma services nationally, a national clinical lead in soft tissue sarcomas has been appointed to oversee the services for patients with sarcomas. All Irish patients with sarcoma have their cases presented and discussed at one of the two sarcoma multidisciplinary teams. The HSE's national cancer control programme, established in 2007, has re-organised and expanded cancer services to achieve better outcomes for patients and has moved the system of care to one that consolidates cancer treatment in larger centres with multidisciplinary care and decision-making. These services are provided regardless of income, age and location.

Long-term survival for all cancers has improved markedly with five year survival rates increasing from 57% for patients diagnosed between 2003 and 2007 to 61% for patients diagnosed between 2008 and 2012. It is expected that survival rates will increase further due to the

combined approach of screening, symptomatic detection and improved treatment.

My Department is currently working on a new national cancer strategy for the next decade. This will build on the progress made through the implementation of the two previous strategies. Areas of focus are likely to include prevention, early diagnosis, further improvements in treatment, rare cancers, survivorship and high quality, patient-centred care. I intend to publish the new strategy in the coming months.

As I said at the outset, I want to acknowledge the concerns people who have been diagnosed with sarcoma have in relation to their care. However, I wish to pass on the reassurances I have been given by the HSE that there will be no reduction to the service provided by the St. Vincent's Hospital's oncology team. I welcome the opportunity to clarify this issue.

**Deputy Billy Kelleher:** There are two issues that arise from the Minister's reply. The first is that the reason for employing the locum has now ceased because of the return of the other consultant oncologist. The point I am trying to make on behalf of the patients who have contacted me is that the locum that is currently there has provided a wonderful contribution and rather than losing that expertise, the locum could be maintained and the returning consultant oncologist I am quite sure would find plenty of other work in St. Vincent's.

On a comparative basis, the criteria for the care of sarcoma patients in England and Wales, for example, reads quite long compared with what we are probably offering in this country. There is a sarcoma medical group consisting of all specialities including surgical, orthopaedic and medical oncologists, radiologists, pathology and oncology nursing as well as rehabilitation services. At least one group member belongs to a sarcoma-oriented medical organisation, such as the Connective Tissue Oncology Society. Publications are produced concerning sarcoma in peer review journals. Sarcoma conferences take place where sarcoma groups meet at least once per month to discuss patient issues. At least 50 sarcoma patients are seen per year. There are other issues such as MRI, imaging and PET scans, patient enrolment in clinical trials, strong support of personnel such as social workers, pathologists and psychiatrists and sarcoma support groups where desired.

The doctor that I am speaking about has published in a huge number of journals that prove her expertise in the treatment of this disease. I know the Minister is not questioning that. She has contributed to 13 publications and has 42 citations. While there is an assurance given that the service will not be reduced, what we want to try to do is enhance the service. If the locum was maintained, rather than maintaining the service, we would actually be enhancing the service. I hope the Minister will convey the views that I have conveyed to him as those that have come from the patients themselves.

**Deputy Simon Harris:** I will convey Deputy Kelleher's views and the views of the patients who have contacted him to the HSE. They are similar to the views expressed by patients who have contacted me. From what the Deputy told the House and from what I am informed by patients as well, there is no doubt that this locum did an excellent job. That is beyond question. The locum clearly had a positive impact on patients and on patient care. I am grateful for that. In the interests of clarity, this was always a locum position. The locum was filling in for another consultant oncologist who had undertaken a prestigious role as chair of the research group. It was always the understanding that the locum, by nature of being a locum, would carry out the duties of the consultant oncologist until that consultant returned to his post. He has done that. The multidisciplinary team in St. Vincent's University Hospital has all of the relevant

23 June 2016

specialties represented, including surgery, medical oncology, radiation oncology, radiology and pathology. The hospital has reassured the national cancer control programme that patients' ongoing care and management will be provided by the hospital's oncology team and will not be compromised in any way during the hand-over period.

However, I accept the broader point made by Deputy Kelleher, which is valid, as to whether there is a case to be made for an additional consultant post with a special interest in the area of sarcoma. I have raised this with the HSE and have been assured by it that consideration is being given to appointing a permanent consultant medical oncologist with a special interest in sarcoma. I will revert to the Deputy on it, given that the HSE is actively considering it. Also, he referred to international comparisons. Since the establishment of the Irish Sarcoma Group in 2014 we have strengthened and developed our national sarcoma services. International links have now been developed with specialist sarcoma centres in the UK, which the Deputy mentioned, and in Germany. These international links are important to ensure we have best practice.

### **Nursing Homes Support Scheme**

**Deputy Caoimhghín Ó Caoláin:** I thank the Ceann Comhairle for selecting this topic.

I seek a commitment from the Minister for Health to facilitate a right of access to the nursing home of their choice for older people in need of long-term residential care whose home address is on this side of the Border but whose nearest or preferred nursing home is situated north of the Border. Prior to the introduction of the fair deal scheme older people in need of residential care could take up unhindered residence in nursing home facilities in the Six Counties. This is an important issue for people in my constituency of Cavan-Monaghan, particularly for those from communities that do not just run along the Border strip but straddle it, just as they have straddled the inter-county lines over many generations.

Before the fair deal, subvention travelled with the older person. With the advent of the fair deal a partition descended once again in our midst, turning lifelong friends and neighbours away from each other and forcing older people, whose residence is located south of the Border, to look to often more distant locations from their home for residential care in their own county or in neighbouring counties. This is discriminatory and grossly unfair. It also ignores the important role these facilities north of the Border have had and could play again in helping to meet the ever growing demand of our ageing population.

There are excellent nursing homes in County Monaghan, both public and private, but we do not have sufficient capacity. However, the core issue is the right of choice and access, if preferred, to a nursing home that is closest to one's own home, family, extended family, friends and neighbours. This is not an unreasonable request. We must revisit the terms of the nursing homes support scheme, the fair deal, to provide for older people in the circumstances I have described, respecting their and their families' choice and wishes. Whatever the outcome of the referendum today in Britain and in the North, in this jurisdiction we should be lifting borders, not imposing them.

I appeal to the Minister to respect the rights and wishes of communities, families and older people in Border areas. They do not see their location as peripheral. They see only the hills, roads and features of their area that go way beyond an artificial Border that has always failed to drive them apart from family, friends and neighbours in childhood, adolescence and adulthood.

It should not drive them apart in their later and dependent years. I ask the Minister to do the right thing and not to offer excuses for inaction. People want and deserve voices in politics that are solution driven. Is the Minister, Deputy Harris, such a voice?

**Deputy Simon Harris:** I thank the Deputy for raising this issue. I do not offer excuses as a cover for inaction but I am duty bound to point out the factual and policy considerations relating to this issue that must be discussed. Like the Deputy, I hope there are not more borders in place tomorrow on the island of Ireland and that the outcome of the referendum on Britain's place in the European Union does not pose additional difficulties. There have been many good developments in the cross-Border development of our health service in recent years and I am eager to continue that.

I am taking this debate on behalf of my colleague, the Minister of State with responsibility for older people, Deputy Helen McEntee, who is unavailable. Government policy is to support older people to remain in their own homes and communities for as long as possible. There will, however, always be a cohort of older people who require a quality long-term residential care option. The nursing homes support scheme, or fair deal as it is commonly known, is a system of financial support for those assessed as needing long-term nursing home care, regardless of their age. Participants contribute to the cost of their care according to their means while the State pays the balance of the cost. The scheme aims to ensure that long-term nursing home care is accessible and affordable for everyone and that people are cared for in the most appropriate settings.

The applicant is free to choose any public, voluntary or approved private nursing home in the State. Of course, the home must have availability and be able to cater for the applicant's particular needs. The scheme has a net budget in 2016 of €940 million. This represents an increase of €43.1 million on the 2015 outturn. It is expected that the scheme will provide financial support to 23,450 clients on average per week in 2016.

The scheme has a statutory basis and is governed by the Nursing Homes Support Scheme Act 2009. It replaced the nursing home subvention scheme that had been in existence since 1993, and the system of contract beds and long-stay charges in public nursing homes. To be eligible to apply for the scheme, an applicant must be ordinarily resident in the State. This means that they are living in the State for at least a year or intend to live in the State for at least a year. The nursing homes support scheme does not extend to homes in Northern Ireland and it would not be possible to include facilities outside of this jurisdiction in key elements of the scheme. For example, prices payable under the scheme are negotiated by the National Treatment Purchase Fund. Such facilities are also subject to regulation by the Health Information and Quality Authority, HIQA, which has no jurisdiction within Northern Ireland. This issue was given careful consideration before the scheme was introduced in 2009. The decision not to extend the scheme to Northern Ireland was taken by the Government of the day on the basis of legal advice received from the Office of the Attorney General.

While my response is somewhat negative, the rationale for it is based on the legal advice of the Attorney General to the Government of 2009. One of the issues is how one can ensure qualities and standards when HIQA does not have jurisdiction in Northern Ireland. There are also the other points I outlined. That said, I have had an excellent conversation with my counterpart in Northern Ireland, the Deputy's party colleague and new Minister for Health, Social Services and Public Safety, Michelle O'Neill. We had a constructive conversation last Monday about areas of cross-Border co-operation. There is a great deal being done for children with

heart conditions and there are plans to do more regarding organ donation. I would welcome the opportunity to discuss a range of issues with the Minister, Ms O'Neill, and I look forward to meeting her in Dublin on 4 July. I will be happy to discuss this matter with her, but I must sound serious caution in terms of the difficulties that currently exist.

**Deputy Caoimhghín Ó Caoláin:** I knew the Attorney General would be cited in the Minister's reply. Indeed, it was the single line response I received to a recent parliamentary question I tabled on this issue. It is most unsatisfactory. I live very close to the Border but there are people who live even closer who naturally gravitate towards the little community hall, nursing home facility, church and all the other facilities that make up an identifiable unique community. They want to be able to stay with their friends and relatives - people with whom they have spent a lifetime engaging with in all the different facets of life - yet they are being forced to part because they cannot afford to pay the entire cost of their care, the fair deal being an essential element for access.

We need a "can-do" situation regarding this matter. This anomaly or discriminatory situation has only arisen in the past seven odd years and I believe it is essential that it is made a priority for the engagement referred to by the Minister. I welcome the planned engagement with the Minister of Health in the North of Ireland, Michelle O'Neill, MLA, who is a very experienced Minister who was formerly Minister of Agriculture and Rural Development in the last administration in the Northern Assembly. Leaving aside political differences and the jibing that can take place in this Chamber, I am appealing to the Minister because I could name these people. They are people I am thinking about as I stand before him making this appeal. It is in their interests and those of their families that they are allowed to remain where they want to be in their final years for whatever time they are granted and that their loved ones and those who would visit them have reasonable access. This is part of the essential care and provision for people placed in long-stay residential facilities.

I will not use a battleaxe approach with the Minister over this. I urge him to recognise the reality of the constituents about whom I am thinking. The Minister may not be able to identify with them personally because it is not the area he represents but I ask him for the empathy that will open the door to resolve this vexed matter.

**Deputy Simon Harris:** I am the Minister for Health for people in all parts of this country so I am very sympathetic to the point the Deputy is making on behalf of his constituents. However, I wanted to highlight the challenges and difficulties we face in this regard. These are not new challenges or difficulties and they do not come as any great surprise to Deputy Ó Caoláin as an experienced Deputy in this House because they were highlighted, considered and debated in this House in 2009. Seven years later, he is still highlighting and debating them with me this evening. These issues were considered in great detail by the Government of the day and the Attorney General in 2009 and I am sure they were subjected to a significant debate in this House with different views on different sides.

The issues are not straightforward and simple. If they were, this anomaly, as the Deputy calls it, would never have arisen in the first place. I will engage with the Minister of Health in Northern Ireland, Mrs. Michelle O'Neill, MLA, on this issue as one of a number of issues, some of which have been identified by her and others by me, that we would like to discuss as part of how we can support each other's health systems and support citizens on the island of Ireland in terms of ensuring that they can get the best outcome from the health service. When I meet the Minister in Dublin in July, I will certainly raise this issue with her, as, I am sure, Deputy Ó

Caoláin will as a colleague.

I am more than happy for discussions to take place but I am duty bound to highlight the challenges in terms of the national treatment purchase fund and changes that have occurred in recent years such as the development of HIQA, which was not an issue in previous years, and the fact that we must ensure proper quality and safety for patients. HIQA does not have jurisdiction in Northern Ireland. I know this would be a concern for the Deputy who has been a great advocate of patient safety in this House. We need to get this right. I will undertake to engage with the Minister on the issue and to keep in contact with the Deputy. I am not unsympathetic to the point he makes but I do not have a ready-made solution for it this evening. However, I will certainly engage with my counterpart in Northern Ireland and keep in touch with the Deputy.

*Sitting suspended at 7.25 p.m. and resumed at 7.30 p.m.*

### **Animal Protection (in relation to hares) Bill 2015: Second Stage [Private Members]**

**Deputy Maureen O’Sullivan:** I move: “That the Bill be now read a Second Time.”

Once again the Dáil has an opportunity to put an end to the cruel practice of live hare coursing. There is no doubt that it is cruel and it is animal abuse. I am struck by a number of contradictions. We live in a country of great natural beauty and yet we treat animals like hares appallingly. The contradiction and irony, which I have mentioned already, is that we have the Minister for Arts, Heritage and the Gaeltacht issuing licences to capture and net hares. How is it part of the artistic and cultural agenda of the country to net hares and keep them in captivity for several weeks before releasing them into a field to be chased and hunted by the greyhound?

There is also the contradiction of calling this a sport because sport is about fairness, skill, talent and matching people or teams of pretty similar ability or standard of play. When I look at coursing, I look at a small, slight animal versus a much bigger and stronger animal - the average weight of the hare is about 6 lbs while the average weight of a greyhound is more than 60 lbs. I have used the analogy of it being like asking Katie Taylor to get into the ring with a Mike Tyson figure or a sumo wrestler.

There is also the contradiction that the hare is a protected species under the Wildlife Act and yet we allow wanton cruelty to it. There is a contradiction that we have an Animal Health and Welfare Act, the ethos of which is to prevent cruelty and unnecessary suffering to animals and yet it exempts hares.

I will put the other contradiction in the form of a question. There are owners of greyhounds who dislike coursing and yet in order to register their greyhounds for racing, they have to do so with the Irish Coursing Club. Even though they object to their money being used for coursing, they have to support that organisation financially.

The other contradiction is that we pride ourselves on our uniqueness. We are unique in many ways, we are special and there is a special sense of Irishness but there is another way in which we are unique, which is most certainly not special. We are one of only three countries in Europe that have live hare coursing. We are the only country in these isles with live hare coursing because it is banned in England, Scotland, Wales and Northern Ireland.

We should look at the facts that are documented year after year. We get these facts from

23 June 2016

various sources, including rangers from the National Parks and Wildlife Service, who do not have enough rangers to cover all of the coursing meetings, from vets and from coursers. It is not a surprise that there are discrepancies in the reports from rangers and coursers even though they are describing the same meeting. These facts are sourced through freedom of information with great difficulty. I have to ask why it is so difficult to get the facts. At one meeting, the ranger reported that 14 hares were hit, six badly, with one dying of injuries and three put down. At the same meeting, the coursers reported 12 hares “requiring assistance”, which is a euphemism for hares being hit and mauled. At another coursing event, the ranger’s report said there were five hares struck by dogs but the courser’s report said there were two hares requiring assistance. If the coursers are prepared to minimise the number of incidents when they know the ranger is there, how can they be depended on to report accurately when the ranger is not there?

In December 2015, there were many meetings from which we have reports. I will only give a sense of them. In one, there were seven hares struck, three dying of injuries. In another one, there were three hares struck, with two being put down. In another, six hares were mauled, three were put down and five needed treatment by the vet. There are similar figures every single year and they are examples of wanton cruelty. When people who have concerns about animal welfare try to enter the meetings to film them, they are subject to harassment and intimidation but nevertheless they persist. There is very significant video footage of hares being mauled in which we can hear the screeches of pain from them. It is available on social media to be seen or heard. Coursing clubs are known to make the work of the rangers difficult, which is to ensure that rules and regulations as per the licence are applied. I acknowledge the work that the Irish Council Against Blood Sports, ICABS, has done. At a particular coursing meeting, people from the ICABS managed to film it but ended up being assaulted by a courser and having the camera taken from them. When the camera was returned by the gardaí, the memory card was missing. At that meeting, the hares were having trouble accessing escape and were pursued by the greyhounds for considerable lengths of time. There were no dates for hare captures at that particular meeting, which is required, so it is not known how long the coursers had those hares in their possession. There is also evidence of the inspectors being impeded in their work by the coursers. The cruelty does not just begin at the coursing meeting but much sooner when the licence to net hares is granted by the Minister for Arts, Heritage and the Gaeltacht.

In spite of the reports of the injuries and deaths of hares at coursing meetings and the extensive opposition to live hare coursing in this country and abroad, the licences continue to be issued and hares are snatched from their natural habitat. Even though there have been breaches of the Wildlife Act regarding the netting and the licences, which I have brought to the attention of the Minister, she continues to issue licences. If a night club or pub breached the terms of its licence, it would be very difficult, if not impossible, for it to have its licence renewed but this is not the case when it comes to coursing. Our Minister does not appear to have any qualms and the attitude is to carry on regardless. Why would people stick to the terms of the licence when they know they can get away with doing what they like, when they like, which is exactly what they do?

I am also getting very disturbing information from concerned people in rural Ireland about the use of technology, of lasers and smoke bombs being used to capture hares. I am told there is an extremely lucrative hare trade.

While the greyhounds cannot bite the hares, they have very sharp, long nails. One should imagine those nails eating into one’s skin and body. Serious injuries also occur through collision and through the tossing of the hares. I am not making this up - we have video and photo-

graphic evidence of all of this. Less apparent are the effects of stress myopathy, which is a life threatening condition for the hare during captivity. It is the vets who give me the information on this. After netting and during and after the chase, and for those fortunate enough to escape, the vet for the Irish Coursing Club stated, “it is impossible to completely avoid stress in hares once you manhandle them and take them out of their natural environment.” The stress starts, he explains, from the minute one takes the hare out of its form until it is landed in the net. That is followed by rough handling, boxing and transporting - all alien to a small creature used to the freedom of the fields. Another vet made the point that, “under the influence of stress, the hare’s immune system is compromised. Hares are significantly stressed when corralled and coursed, and this combination of circumstances has resulted in the deaths of hares.”

There are landowners and farmers who are against netting and against having their farms and their lands invaded by those out to net and trap the hares, but there is no protection for them as they object to the netting. We have confirmation, for example, in one year, when two golf clubs, one semi-State body, a caravan park and a monastic centre had hares netted and trapped on their lands without their permission and nothing was done about that. There was no recourse for them.

I stress there is an alternative to live hare coursing and we see that in Australia and in the United States with very successful rag coursing.

In the context of all that suffering for the hares, injuries to the greyhounds and opposition and criticism from landowners and farmers to the invasion of their lands, we still persist in this extremely inhumane practice. I read with incredulity the statements from some political parties, but I acknowledge I had written to all the Whips and three of them got back to me. One party is opposed to the infliction of cruelty on animals, especially for purposes of entertainment, but yet it will not support my Bill to ban live hare coursing. It believes that Ireland has coursing practices that are regulated to minimise unnecessary suffering to the animal. Another political party told me that there is an existing strict regulatory framework that ensures the highest animal welfare standards. My answer is, tell that to the hare. Tell the hare that the greyhound is muzzled and cannot kill it, that it can only toss it in the air and break its bones.

I am told there is enforcement of existing regulations and hares can only be collected for coursing by ICC affiliated clubs in accordance with the terms of the licence. I pointed out we have evidence that is not happening and it is all the more reason to stop this cruel practice.

Coursing is also allowed during adverse weather conditions. It was with great difficulty that we got a coursing meeting postponed because of adverse weather conditions. I would like to see stated in the licence, if we still have this, that coursing be suspended automatically during spells of freezing weather, hailstorms and heavy winds in the interest of the welfare of both the greyhound and the hare.

Two years ago, there were six greyhounds in the national hare coursing festival that tested positive for banned substances. Reading that, there is a really sinister dimension to hare coursing. There is no testing for illegal substances at the smaller coursing events. If there were, I wonder what would be found. So much for the animal-loving greyhound owners when they are using performance enhancing drugs for the greyhounds. The Department of Agriculture, Food and the Marine should demand more testing or more regulation on this.

There are injuries to the greyhounds as well. We have a dreadful attitude towards grey-

hounds in this country also, and I will mention that. We had the recent debacle of greyhounds being shipped off to Macau where there are no animal welfare considerations whatsoever. I have met loads of greyhounds on these protests and they also are the most gentle of creatures. They, too, are being put into an environment where they are expected to hunt and this is something that does not sit easy.

I ask those who go coursing what they do at the coursing meeting when the greyhound has raced and chased around the field after the hare, then finally catches it and tosses it into the air and then the hare falls. Is that when the cheering and the clapping starts? Is that when you collect your money from the betting that goes on?

Who is responsible for the injury and death of a protected species because the hare is protected under the Wildlife Act? Who is responsible when the hare is injured or when the hare dies from a greyhound? Is it the greyhound's owner? Is it the licensee of the event? Is it the landowner where the event is taking place? Is it the local authority? Is it the Department? Is it the Minister who signed the licence? We are coming to the point where somebody will take a case when hares are injured and killed, which is totally contrary to the Wildlife Act. Is cleachtadh cruálach é cúrsáil giorriacha agus tá sé dochreidte go bhfuil an cleachtadh seo ag leanúint ar aghaidh inniu. Nach bhfuil meas againn ar ár ndúlra agus ar ár n-oidhreacht?

We were told coming in to this Dáil that we would have a new politics and we would see many more free votes. This is an ideal opportunity to give free votes because there are Members who are against live hare coursing. I am aware there are Members who are for it but I believe in democracy. If we had a free vote, I believe it would be much fairer to this Bill I am proposing. I do not know what we are afraid of by giving a free vote on this issue. The sky will not fall if there is a ban on live hare coursing. Life will go on but it will be a much, much better life for both the hares and the greyhounds.

**Minister for Arts, Heritage and the Gaeltacht (Deputy Heather Humphreys):** I am pleased to respond to the Deputy's Bill. For the record, I am the Minister for Arts, Heritage and the Gaeltacht until an order is made to change the name and heritage has been part of my Department's remit for the past five years. In saying that the Minister for Arts, Heritage and the Gaeltacht has responsibility for hare coursing, there are other responsibilities within my Department and they have been there for some time.

First, I will set out for the House the legislative framework under which hare coursing operates. The control of live hare coursing, including the operation of individual coursing meetings and managing the use of hares for that activity, is carried out under the Greyhound Industry Act 1958, which is the responsibility of my colleague, the Minister for Agriculture, Food and the Marine. Hare coursing is administered by the Irish Coursing Club, a body set up under the Greyhound Industry Act 1958. Hares are a protected species under the Wildlife Acts and may only be hunted by certain methods and during certain periods as regulated under the open seasons order. The hunting methods allowed are shooting with firearms, coursing at regulated coursing matches and hunting with packs of beagles and harriers. Under this legislation hare coursing meetings are allowed between 26 September and the end of February of the following year. Licences are issued by my Department on an annual basis under the Wildlife Acts to the Irish Coursing Club, on behalf of their affiliated clubs, to facilitate the tagging and capturing of hares for the purpose of hare coursing during a given coursing season. The licences granted to the Irish Coursing Club include strict conditions that have been developed and refined over the years. My primary responsibility under the Wildlife Acts relates to the conservation of hares

and that is why it falls under the heritage section of my Department.

In terms of conservation, there is no current evidence that coursing has a significant effect on hare populations and the decision to issue licences has taken into consideration the final report of the status of hares in Ireland - Hare Survey of Ireland 2006/07, which estimated that the population of hares in Ireland was in the region of 535,000 in 2007.

In recent years, in considering licence applications from the Irish Coursing Club, my Department has taken account of the most recent conservation assessment in 2013 which was submitted to the European Commission on habitats and species. This report indicated that the Irish hare was considered widespread and common in Ireland and also stated that none of the threats, such as changing agricultural practices, are considered likely to impact on its conservation status in the foreseeable future.

Officials of the National Parks and Wildlife Service of my Department monitor coursing meetings, as resources allow, ensuring that the various conditions of the licences are adhered to. Veterinary officials from the Department of Agriculture, Food and the Marine also attend some coursing meetings. In addition, the Irish Coursing Club ensures there is a veterinary and control steward present at all coursing meetings.

Since I took over responsibility for this area I have been active in ensuring that the conditions of the licences are enforced. For example, following the 2013/2014 season, I threatened sanctions against two coursing clubs, Mallow and Liscannor, relating to non-co-operation with officials of my Department. There have since been improvements in both clubs and this reflects the success in the monitoring regime operated by my Department. In addition, I took further sanctions against two further clubs, Thurles and Doon, on foot of lack of co-operation with departmental officials during the 2014/2015 season. Subsequently, following a court conviction involving some Doon members, I was considering further sanctions against Doon when the Irish Coursing Club, ICC, cancelled the Doon meeting scheduled for last November. I welcome this decision by the ICC as it is an indication of the seriousness with which it views the issue.

Those sanctions also highlight just how tightly controlled and regulated hare coursing is in Ireland. I remind the Deputies calling for an outright ban of the potential dangers of such action; it could drive coursing underground and the very real danger is that would result in unregulated coursing meetings, which would represent far greater dangers for the safety of hares. I know concerns have been raised that this has been the consequence of the ban in Northern Ireland. The Irish Coursing Club has applied for licences to capture and tag hares for the forthcoming 2016 /2017 coursing season and these are under consideration. I am aware officials of my Department have raised a number of issues with the Irish Coursing Club following monitoring reports on meetings held during the 2015/2016 season. These matters will be further discussed at a meeting between officials of my Department and the Irish Coursing Club in the next few weeks. I do not rule out further sanctions against individual coursing clubs if it is warranted.

The Deputy's Bill is primarily aimed at the welfare of the hare. I assure the House that although my Department's primary responsibility relates to the conservation status of the Irish hare, many of the conditions attached to the licences issued by my Department to the ICC relate to the welfare of the hare. These strict conditions cover a range of areas on hare welfare and include providing data on hare captures and releases, having a veterinary surgeon in attendance at a coursing meeting, not coursing hares more than once per day, not coursing sick or injured hares, having adequate escapes for hares during coursing and releasing hares in daylight the day

after the coursing meeting with the agreement of my officials.

The Irish Coursing Club also has extensive systems and practices in place to underpin the welfare of hares and greyhounds involved in coursing and it goes to great lengths to ensure the highest standards of welfare are adhered to. A monitoring committee on coursing is in place, comprising officials from my Department, the ICC and the Department of Agriculture, Food and the Marine, to monitor developments in coursing and in that regard, this issue is kept under constant review to ensure that coursing is run in a well-controlled and responsible manner in the interests of both hares and greyhounds.

With respect to the muzzling of greyhounds, although it is a matter for my colleague, the Minister for Agriculture, Food and the Marine, it is my understanding that the Irish Coursing Club has had mandatory muzzling of greyhounds at regulated coursing meetings since the early 1990s. The muzzling of greyhounds clearly assists in reducing the number of hare injuries.

Since my reappointment to Cabinet, the remit of my Department has been expanded to include both rural affairs and regional development. Members of the House will be aware that hare coursing is mainly a rural activity. There are between 70 and 80 meetings held around the country and in some cases, they attract thousands of people to rural towns. In many parts of the country, especially in Munster, it is an integral part of the sporting year. For example, the national hare coursing meeting in Clonmel attracts approximately 10,000 visitors and is estimated to be worth approximately €6 million to the local economy. Any proposal to ban live coursing would have a serious economic impact on such towns.

Our discussion is largely based around regulated coursing but in terms of conservation of the hare, there is a much greater issue to be considered, the practice of hare lurching, which appears to be on the increase in certain parts of the country. This illegal practice of hunting hares usually involves people entering farmland and bogs without permission, with one or more lurcher-type dogs. The number of people involved in the group can vary but usually groups of two to eight individuals are involved. The dogs are kept on leads and only released when a hare is flushed, whereupon the dogs chase and catch the hare, generally resulting in the death of the animal. The activity mostly occurs during daylight hours but may also take place at night. In many cases, it appears there are organised gangs involved in this illegal activity and many of them have no hesitation in using social media to display pictures of dead hares.

There have been a number of prosecutions in recent years taken by my Department and recently both my Department and an Garda Síochána have engaged in joint operations to apprehend individuals engaged in hare lurching and bring them to court. I understand that in some instances, it can be difficult to take prosecutions as some landowners may be reluctant to give evidence of illegal hunting on their lands due to intimidation or fear of reprisals. I do not have figures on the number of hares killed by illegal hare lurching but indications are that it could run into hundreds. I reiterate that it is this type of illegal activity that is far more harmful to hares than regulated coursing meetings.

I appreciate many individuals are opposed to hare coursing but, equally, for many rural communities, the activity is an integral part of their heritage. It is my job to find a balance. I have mentioned the muzzling of greyhounds as well as the conditions which my Department attaches to licences, all of which have demonstrated very positive outcomes for hares. My Department's responsibilities under the wildlife Acts relate to the conservation of the Irish hare and, as I have already stated, this is not under threat. The fact remains that due to the strict

regulations in place, more than 99% of hares used in coursing are released back into the wild. I assure the House that my Department will continue to work with the Department of Agriculture, Food and the Marine and the ICC to ensure the welfare of the hare is paramount during coursing meetings. I, therefore, recommend to the House that this Bill be rejected.

**Deputy Kevin O’Keeffe:** I thank the Ceann Comhairle for affording me the opportunity to say a few words on tonight’s Private Members’ business. I will not be supporting the Bill proposed, which would in effect ban hare coursing. My reason for this is a matter of conscience but it also comes after consultation with many of my constituents. This consultation has not occurred just over the past 48 to 72 hours but rather over a number of years, with the aim of promoting the safe practice of hare coursing. I also reject this Bill as there is already a strict regulatory framework in place that ensures the highest animal welfare standards and protections are in place in carrying out this sport.

The rural activity of government-regulated hare coursing has been persistently condemned in an attempt to ban regulated coursing. The groups doing this are small and are in the minority but they are visible. They have relied on exaggeration, misinformation and fabrication in order to gain attention from the media and appeal to politicians. My party and I take very seriously the issue of animal health and welfare. As someone who has dealt daily with animals, I strongly support any improvements in animal welfare and I have always been proud of the fact that Fianna Fáil made significant improvements in animal welfare when last in government. It continues to be at the forefront when it comes to improvements on issues regarding animal welfare.

Regulated coursing is, and has been, managed under the Irish Coursing Club, which was established in 1916. It is the central authority for more than 80 coursing clubs and they hold meetings once annually, typically over two days. Coursing is supervised by the National Parks and Wildlife Service under the Department of Arts, Heritage and the Gaeltacht. This is all strictly monitored by the Department of Agriculture, Food and the Marine.

I am of the firm belief that many people fail to differentiate between coursing and illegal hunting, referred to by the Minister as hare lurching. These are worlds apart in practice. Although it is not uncommon for many to mistake one as the other, it is important to clarify to the public the very real and important differences between regulated coursing and illegal hunting. As I have already stated, coursing is regulated fully by a number of bodies. Illegal hunting is completely unregulated and involves packs of unmuzzled dogs chasing any wildlife - sometimes livestock - for unlimited hours with the aim of killing it. Numerous Irish and EU wildlife laws are broken, including the killing of protected species, when illegal hunting is carried out. Coursing is all about the hare, which is a remarkable work of nature that has thrived for thousands of years on our island and will continue to flourish only with the assistance of coursing clubs and with the duty of care they provide for the hare.

*8 o’clock*

It is the concern coursing clubs show for hare conservation that makes the sport so indispensable and unique. Without the efforts of coursing clubs and their members, the hare population would be without the significant layer of protection it currently enjoys from husbandry initiatives afforded by coursing clubs on a yearly basis. Without regulated coursing, there would be an increase in unregulated illegal hunting taking place throughout the year, with no organisation taking responsibility or interest in the overall well-being of the hare. Reports published on wildlife crime in the UK, where coursing has been outlawed, point to how the banning

of regulated coursing in 2005 coincided with a dramatic increase in poaching by non-coursing people from criminal backgrounds.

In 2013, the Animal Health and Welfare Bill, which was enacted by the former Minister for Agriculture, Food and the Marine, Deputy Coveney, was instrumental in overhauling the archaic animal protection laws that previously existed. This ensures that the welfare of all animals, including non-farm animals, is properly protected and penalties for offenders are increased significantly. It also copperfastened advances in how we treat our animals and tackled the threat of epidemics devastating our livestock. I believe from this that there is a sufficiently robust regulatory framework in place to ensure the highest animal welfare standards are maintained with respect to hare coursing.

Clubs affiliated to the Irish Coursing Club catch approximately 5,500 hares each coursing season, which is roughly 1% of the national hare population. More than 95% of the hares caught for hare coursing are returned to the wild each year. The Minister, Deputy Humphreys, has previously said that independent scientific studies have estimated that hare mortality during captivity and coursing in Ireland is equivalent to less than 0.1% of the total adult hare population annually. The sponsors of this Bill need to review the facts. There is no hard data or scientific evidence to prove the hare is an endangered species as a result of hare coursing. From speaking to people who have devoted their lives to coursing, they have all spoken about the resilience of the hare. It is equipped genetically to accommodate the chase. Regulated coursing presents the hare with no situation with which it is either unfamiliar or unequipped to deal. Coursing clubs have been, and will continue to be, deeply immersed in the conservation of the Irish hare population, always seeking new ways to improve conservation in the face of loss of habitat due to the advances of our modern world. This is despite the uninformed and unproven efforts to try and ban it when no proven alternative conservation programmes are in place for the hare.

The purpose of this Bill is to show Ireland's commitment to the rights of animals and that we are a country that follows the example of other civilised countries. We have always been world leaders when it comes to this issue. We have always worked in collaboration with the EU when it came to the conservation of natural habitats and continue to do so. We have always worked together with member states to form the same strong legislative framework in order to protect the most vulnerable species and habitat types across our continent. We continue to review the current animal welfare framework and we always seek ways, as a Parliament, to improve it. This is something that we have almost always had cross-party consensus on in this House.

Due to the Irish hare listing, the Department of Arts Heritage and the Gaeltacht is obliged to take an assessment of animal conservation status every six years. Following the most recent assessment in 2013, the overall assessment with regard to the hare was that it was widespread and common in Ireland, with a broad habitat niche. There were no identified threats considered likely to impact on its conservation status. I am fully confident that the next review, which is due to be carried out in 2019, will show the population status of the Irish hare to be unchanged. This will in part be down to the work of the Irish Coursing Club and its member clubs in the work they carry out in preserving the hare.

I have the utmost respect for Deputy Maureen O'Sullivan who is sponsoring this Bill, although I am dumbfounded by many of those who are in favour of it. They have made the thousands of people who are supporters and fanatics of hare coursing out to be bloodthirsty

people who get some sort of a kick out of blood sports. This is an unfair judgement on those who partake in hare coursing. At each coursing meeting, there is a vet present on the day to advise and administer care when required. Wildlife rangers are often in attendance to ensure that the 26 conditions of the licence are complied with. On conclusion of any given coursing meeting, all hares are released back into the wild under the supervision of the control steward. Each meeting is assessed by the general purpose meeting of the ICC, which determines whether any improvement action is required and also imposes sanctions if it feels they are necessary, as has already been indicated by the Minister. These are the actions of people who realise the duty of care and responsibility they have in preserving the hare. Deputy Maureen O'Sullivan did not take into account the full facts before she rashly sponsored this Bill. The history of coursing in this country dates back many centuries. It is the bedrock of many small rural communities. The Deputy did not take this into account before she sponsored the Bill. She has listened to the views of one side but has failed to listen to those of the other.

Those who partake in coursing respect and love nature. They would not do anything that would harm it in any way. In many ways, they are more respectful of nature and endangered species than those who claim to be against blood sports, of which coursing is not one. Those who love coursing and love nature back up their words with actions. They go above and beyond the call of nature to ensure that no species is endangered. Coursing is so much to so many. It has been in families for generations. The traditions that coursing entails have been passed down from one generation to the next and I hope they will continue to do so for many years to come. If one attends any coursing meeting in this country like I do, one will see it is a sport that incorporates all ages. It is a sport that brings communities, families and friends together. The Irish Coursing Club has clear guidelines, ethics and regulations. It takes any threat to these as an attack on coursing itself. Coursing is important to the economies of many small towns and villages where yearly meetings are held. It brings people from far and wide together and it is an important source of income to local economies at a time when this is hard to come by.

The proposed amendments to the Wildlife Act are short-sighted and irresponsible and will have far-reaching repercussion that have not yet been considered by those proposing the ban. Those who support this Bill are unable to provide a viable alternative conservation strategy. These groups are also completely unconcerned about the issue of the illegal hunting of the Irish hare. We have debated this issue before in the Dáil, yet illegal hunting has never been brought up in this House by the sponsor of the Bill. I have grave concerns over the extent to which anti-coursing groups and their selected Deputies are sufficiently informed and there may be a rural-urban divide when it comes to the issue. Deputy Maureen O'Sullivan has taken no notice of the vast improvements made in regulated coursing and has no interest in the Irish Coursing Club goal of ensuring the overall longevity of the species through its own conservation contributions and by assisting the Garda and the National Parks and Wildlife Service in combating the practice of illegal hunting. If coursing is outlawed in this country, the hare will no longer be a protected species and it will become a forgotten one. All proposals to ban hare coursing are poorly researched and are based on exaggerated facts and hysteria. I remind Deputies that there is still a week to go before we vote on this Bill. I encourage all Deputies to check the facts and properly inform themselves of the issues and then make a judgment call, rather making than a spur-of-the-moment decision based on emotion that is influenced by others and not themselves.

**Deputy Martin Kenny:** I see I have ten minutes, but I will not need that amount of time. While respecting the heartfelt views of the proposer, Sinn Féin does not support this Bill, which sets out to amend the Wildlife Act by proposing to ban hare coursing completely. A ban on hare

coursing is not compatible with Sinn Féin policy. Our policy on this and all matters is based on motions decided at our Ard-Fheis. This issue was dealt with by a motion that was passed at our party's Ard-Fheis in 2010, after a passionate debate during which strong opinions were expressed on both sides of the argument, both for and against hare coursing.

Some rural practices may be distasteful to certain people and are often presented as cruel or abusive, as is the case here, as we have two opposing views on hare coursing. We believe Irish hare coursing practices should be properly regulated to ensure sustainable wildlife management and to minimise unnecessary suffering to all the animals involved. These regulated coursing meetings occur across the country in the winter months and are a part of rural life for the many who participate in these events. At a regulated hare coursing event, each chase is over a short distance, where two muzzled greyhounds are released to chase a hare until the hare reaches the specially constructed escape hatch. In all, it lasts about 20 to 25 seconds. Killing or mauling the hare is not the purpose of regulated hare coursing.

The banning of hare coursing would drive it underground, as has happened in many other countries, and would remove current regulations and restrictions, which are essential to protect the animals involved. Therefore, we oppose such an outright ban. Hunting, fishing and hare coursing should continue to be regulated in the interests of sustainable wildlife management. This is not like blood sports by which I mean, dog fighting, badger baiting or cock fighting, which we all continue to oppose.

While opposing this Bill to ban hare coursing we are committed to ensuring the proper regulation and management of the practice is maintained and believe the banning of hare coursing would drive it underground and remove current regulations, which are essential to the protection of all the animals involved. That is the real issue. Therefore, Sinn Féin will oppose such an outright ban.

**Deputy Clare Daly:** I salute Deputy Maureen O'Sullivan. I am sure it is poignant for her that she is following in the footsteps of Tony Gregory, who moved a similar Bill a shocking 23 years ago. When we assembled at the press conference the other day there were pictures of Mary Robinson and Michael D. Higgins which date from 40 years ago, including their contributions to the debate on the original Bill in which they call for urgency in dealing with this issue, which Deputy O'Sullivan is now proposing to amend.

There is no difference of opinion. Hare coursing is a brutal, barbarous, wanton cruelty and has no part in a modern society. I call this a "fact" and I can back this up. In the last Dáil we brought in legislation on animal health and welfare. Guidelines were put in place which did not go far enough but, in fairness to the then Minister, Deputy Simon Coveney, they went dramatically further than anything we had before. We specifically put in an exclusion for hare coursing, acknowledging that the activity was cruel but removing the hare from the protection of that Act, showing that the House accepted its cruelty but was prepared to let it go on. That is not good enough.

I found the contribution of the Fianna Fáil Deputy astounding. He repeated generalities but there is no hysteria on this side. We are responding to facts and to information given, not by a third party, but by people who attend coursing meetings, including vets, National Parks and Wildlife Service officers and some of the people who are in the Visitors Gallery and who regularly monitor the activities.

What goes on at these events? There is a little hare, weighing six to eight pounds. The first step on his journey is to be netted in a process where club members go out in the countryside, set up nets, and scream and frighten the hares to put them into the nets, from where they are taken and put into a box. They are solitary, quiet, timid creatures but they are kept in captivity and they are not used to that. The stress they feel has been scientifically evaluated by vets. They are trained to run from dogs, released onto the course and yelled at by club members. I challenge anybody to look at the pictures of a greyhound, with his muscles clenched, ten or 20 times the size of a hare, going for that hare. When this was debated in the House 23 years ago my former constituency colleague, Trevor Sargent, played a tape recording of a hare screaming and crying and I was going to do the same today but could not because it was horrendous.

This is not ignorance, it is an absolute fact. The people who assemble in a field for this are generally men but their numbers are dwindling. People can cod themselves all they like that this is a natural, rustic pursuit in which mammy, daddy, Ben and Jane go out together on a Sunday afternoon but they do not. It is generally supported by males and it is abhorrent that people stand around and cheer the massacre of another creature. They may not be caught by the teeth of a greyhound but they can be with claws and when in a state of fear and so on.

A sport is a challenge of equals and willing participants but we cannot call this a sport. It is ridiculous that this is under the Department of Arts, Heritage and the Gaeltacht. Do people think that those who filled the Visitors Gallery yesterday fighting for the arts would think it is a good idea that hare coursing is covered by the same Minister? It is ridiculous.

Other Deputies said we needed to do this because the hares would run riot all around the country if we did not control them but that is also absolute rubbish. In the UK and Northern Ireland, when this barbarism was banned, it was made clear there was no need to control numbers. Hares are a biodiversity action plan species in Northern Ireland and the UK, which means they are among the most threatened mammals and require conservation action in Ireland. Habitat loss, human expansion, land management changes and persecution have resulted in the Irish hare population being in serious decline across the country and there are no hares left on our own doorstep on Dublin's North Bull Island. It is not true to say the population is multiplying.

Let us be clear: this is not a tradition. At least, it is certainly not an Irish tradition. This barbaric pursuit was planted here by the English aristocracy, something with which I would have thought the great nationalists in Fianna Fáil might have had a problem. It is a cruel spectacle for their lordships, the first rules of which were drawn up under the reign of Queen Elizabeth I by the Duke of Norfolk. Even if it was an Irish tradition, it used to be an Italian tradition to go down to the Colosseum on a Friday night to watch people being eaten by lions. It used to be a tradition to display people in freak shows but society moves on and civilisation takes note of what needs to be done. It is not acceptable to cling to outdated ideology in order to support what is recognised as cruelty.

A report commissioned by the British Government shortly before it voted to ban hunting stated that they were satisfied that being pursued, caught and killed by dogs in coursing seriously compromises the welfare of hares. The so-called regulations and measures to protect the hare are just not good enough. Freedom of information documents clinically reveal the abuses that take place in our coursing season each year. In Clonmel, over three days of coursing, it was claimed that of 188 hares in captivity, not one hare was struck. This is simply not the case as it could not possibly be true. Over 7,000 hares were taken last year but only 17 of the 75 official events were monitored. People cannot say with great authority that everything is great because

their officers have not been at events to monitor what has been going on. I do not have time to read other testimonies from east Donegal and my own constituency where, sadly, Balbriggan is the only place in Dublin where there are coursing events. There were reports of two hares requiring assistance, with one dying, but veterinary reports stated something different and that experience is repeated across different counties. The post-mortems carried out on those hares show clear evidence of cruelty and trauma.

Why do we have to do this? What is to be gained from it? There are humane alternatives to live coursing. Drag coursing, using a mechanical lure, would eliminate this cruelty once and for all. As Deputy O'Sullivan said, there would no longer be a need to muzzle the greyhounds, which is itself cruel. There would no longer be a need to take hares from their natural environment to be terrorised and baited. Wildlife rangers would no longer be obliged to attend meetings and keep an eye on the behaviour of coursing clubs so they might now have time to deal with activities such as hare lurching.

Somebody said there was a spike in criminals bagging hares in England after it was banned. Do people think the hare cares whether he is taken up by a lord in a pair of jodhpurs or a young fellow from a council estate? It does not make any difference - cruelty is cruelty. If we prohibited this activity officers would have time to do the job they are supposed to do and there would no longer be a conflict between the clubs and animal welfare activists. A switch to drag coursing could actually give a dramatic boost to coursing clubs as those who consciously stay away on account of the barbarism might actually decide to go along for a day out. This is a very viable alternative.

This is not a rural-urban divide. There are many people all over rural communities who find this utterly abhorrent. The idea that dealing with this now will drive it underground is laughable. There are many activities that went on years ago but are now banned and they do not take place nowadays. Other people say there will be an impact on local economies but all the sponsors have withdrawn from these activities. If there was money to be made and this was still popular they would not have done that. Numbers are dwindling and crowds are down. This is a relic of a barbarous type of activity in which most people in Ireland, no matter where they live, want no part but yet again the political establishment lags behind the consciousness of people. We have a chance to deal with this next Thursday and I urge Deputies to break the Whip and do so.

**Deputy Michael Harty:** I thank the Ceann Comhairle for the opportunity to speak on Deputy Maureen O'Sullivan's Bill. Hare coursing is a huge part of the tradition and social fabric of rural Ireland. The breeding of greyhounds for greyhound racing and coursing is a significant sporting interest and a significant source of income for dog breeders and small farmers in rural Ireland. It is particularly prevalent in Munster and in my county of County Clare. In west Clare, every second farmer is involved in greyhound breeding and coursing. It is part of the fabric of rural society and many of my constituents are involved in this sport. It has been a traditional pastime for decades and longer but it was unregulated.

In recent years, hare coursing has been modified substantially with a view to the protection of the hare in capture, including regulation concerning its welfare before coursing meetings, the muzzling of dogs, the alteration of the course for the safety of the hare and the release of the hare following the coursing meeting. The purpose of coursing is not to kill or harm the hare but to turn the hare. If hare coursing were to be banned, it would go underground and become unregulated, which would lead to the loss of the protection these regulations confer on the hare.

Rural people are custodians of their environment. They know their environment and see how nature works. Hares are natural prey for many wild animals and this is part of nature. The number of hares killed on our roads every day is substantial and far outweighs any number inadvertently injured during a coursing meeting. I will be opposing the Bill.

**Deputy Catherine Martin:** I commend Deputy O'Sullivan for bringing this Bill to the House and look forward to a time when these barbaric practices are outlawed in Ireland. The Green Party has always been opposed to all blood sports and remains resolutely so. Needless to say the Green Party will be supporting this Bill. I ask Members tonight to consider the words of Abraham Lincoln, who said:

I am in favour of animal rights as well as human rights. That is the way of a whole human being.

Labhair me inné faoi thábhacht chosaint agus cothú bhua an ealaíontóra. Sa leabhar *Dúil* le Liam Ó Flaithearta feictear an bua sin ina chur síos ar iontas an dúlra agus ríocht na n-ainmhithe. Is tír muid le háiseanna nádúrtha den scoth timpeall orainn, ach ní féidir leis na hainmhithe seo maireachtáil le cur isteach agus slad an duine daonna. An bhfuil sé ceart cur isteach ar an ngiorria atá anseo leis na céadta bliain? Is cuid dár n-oidhreacht é an créatúr seo. Níl guth aige, ach tá guth agamsa. Tá guth againne mar pholaiteoirí, agus táimid freagrach as tuairimí an phobail a thabhairt os comhair an Tí uasal seo. Ní féidir linn leanúint leis an nós barbartha seo. 'Sé sin dul sa tóir ar ainmhí leochaileach gan chosaint.

To be absolutely clear, hare coursing is a brutal ordeal. Before the hares experience this ordeal, they are trapped and trained which is cruel enough. They are solitary creatures and keep to themselves in the wild, so keeping them in an enclosure causes significant stress and fear. Hare coursing involves the terrorising of one animal by another animal as a so-called sport, all the while being watched as entertainment. Not only are these timid and delicate creatures terrified and brutalised in this practice, they often suffer severe injuries and death. The hare is a brittle-boned creature and its internal injuries cannot heal. Injured hares have to be put down.

The last Private Members' Bill to ban coursing was taken more than 20 years ago and, unfortunately, was defeated. The solution on that occasion was to call on coursing clubs to muzzle the hounds. Muzzling the dogs is not an answer nor is it any less barbaric. Many hares die from stress and exhaustion and hares continue to be mauled and struck by the greyhounds resulting in their death. Since the introduction of muzzling for greyhounds in 1993, deaths remain at approximately 200 hares per year. Hares are still dying either through contact injury, fear or capture myopathy. Up to 40 hares have died at any one event with vets blaming the significant stress of captivity and coursing.

The hare is a protected species under the 2013 Habitats Directive. This document notes the significant fluctuations in population numbers. We cannot be certain they are well preserved as a species. Many members of this House, past and present, from across the entire political spectrum have, over the past 20 years, spoken out against this cruel, barbaric practice but when it comes down to it - when it comes to the vote - they choose to toe the party line rather than do the right thing.

An mbeidh Teachtaí Dála sa Pharlaimint seo sona sásta filleadh abhaile an Déardaoin seo chugainn agus a rá lena gclanna go raibh eagla orthu an rud ceart a dhéanamh agus nach raibh siad cróga go leor an fód a sheasamh agus tacaíocht a thabhairt do Bhille na mná misniúla, an

Teachta Maureen O'Sullivan? *Carpe diem*. Bígí láidir. Léirígí misneach agus tuiscint.

Why are we only one of three countries still allowing this practice? Why can we not reach a consensus in this House and get hare coursing banned once and for all? Let us take this opportunity presented by Deputy O'Sullivan to say that this practice clearly belongs in the past and is no longer acceptable to the vast majority of Irish people. Independent surveys carried out over the years have shown that approximately 75% or more people would like to see a ban in place and this is not just urban dwellers. The majority of those in rural areas are also opposed to this so-called sport. Let us follow our nearest neighbours in England, Scotland, Wales and Northern Ireland and let us ban this barbaric activity which sometimes trades under the name of being a sport. It is not a sport. Describing it as a sport does a gross disservice to what true sport involves. We only have to think of last night in Lille as an example of one of so many true sports. It was full of honest and brave endeavour and unpredictability. We had 11 players against 11 players - a fair battle. Hare coursing is anything but fair. It is cruel and barbaric and I believe that if not next Thursday, our generation will once and for all end this cowardly cruelty. I hope it happens sooner rather than later.

I conclude with the words of a former Member of this House, the former Green Party leader, Trevor Sargent, who said, "I feel we have reached a point in our history where almost unanimous agreement has been reached in rejecting political violence and, to ensure that society develops respecting life in general, it is important I believe to reject violence in the name of 'sport' also."

**An Ceann Comhairle:** Go raibh míle maith agat, a Theachta. Táimid ag dul ar aghaidh anois go dtí an Teachta Joe Carey.

**Deputy Joe Carey:** I welcome the opportunity to speak in opposition to the Bill. The rural activity of Government-regulated hare coursing and the Irish Coursing Club have been persistently condemned by the proposer of this legislation and by anti-coursing groups. The points made repeatedly by the anti-coursing lobby are based on misinformation and fabrication. Regulated coursing is managed under the auspices of the Irish Coursing Club which is the central authority for more than 80 local coursing clubs throughout the State. In my County Clare there are six coursing meetings held by clubs in Liscannor, Ennis-Clarecastle, Miltown Malbay, Kilrush-Killimer, south Clare, Cooraclare and Tradree. These Clare clubs, together with the other 74 coursing clubs nationwide hold meetings on an annual basis, typically over a two day period. Coursing is supervised by the National Parks and Wildlife Service and is monitored by the Department of Agriculture, Food and the Marine. It is regulated for under the Animal Health and Welfare Act 2013, the Open Seasons Order 2015, the Wildlife Act 1976, the 26 conditions attached to the license issued annually by the Department of Arts, Heritage and the Gaeltacht and by the rules of the Irish Coursing Club.

Hares are caught in the wild several weeks ahead of a coursing event. During that time the hares live in purpose-built hare parks where they are fed and cared for. Contrary to what anti-coursing groups claim, hares that are pregnant, are nursing their young or are injured or sick are absolutely not used for coursing and this is made explicit in the license conditions set out by the Department of Arts, Heritage and the Gaeltacht. Muzzles were introduced into coursing events in 1993. Regulated coursing events consist of two muzzled greyhounds released simultaneously to chase a hare for about 20 seconds until the hare reaches a deliberately designed escape hatch. Killing or mauling the hare is not the purpose of regulated coursing.

Hare coursing has changed positively over time and particularly so in recent years. One very good measure of these changes is the actual number of hares returned to the wild after coursing events. For the 2015 and 2016 coursing season, reports demonstrate that 99.33% of hares were returned to the wild after coursing. That number stood at 85% in 1992 which was prior to muzzling. This represents a significant improvement. This fact is backed up by the 2007 hare population survey commissioned by the then Department of the Environment, Heritage and Local Government and conducted by Quercus, an independent environmental research unit based at Queen's University Belfast. The survey calculated the total hare population in the Republic of Ireland to be 565,000; the 5,348 hares netted for the 2015-16 season represent less than 1% of this total.

I have an interest in greyhound racing and coursing. My father continues to be involved in greyhounds having taken an interest in the sport from a young age and there is a strong tradition of greyhounds on my late mother's side of my family. One of my earliest memories as a young boy is of travelling to a trial in Miltown Malbay in the back of a car with two fawn greyhounds. County Clare and my own village of Clarecastle has a deep association with greyhound racing both on the track and field. The late Paddy Darcy of Ennis bred Bypass Byway the winner of the 2002 Irish Greyhound Derby. His training yard is a stone's throw from my house. Jerry 'The Stud' Moloney from Ballyboy in Ennis bred Sidaz Jack the winner of the 2013 English Greyhound Derby. The Moloney family of Lissane in Clarecastle owned and trained the great Danagher's Best which won the Coursing Derby in 2003. The year previous to that Murty's Gang won the Coursing Derby for Clarecastle's ATM syndicate with the dog being bred and reared by the Gallery family of Ennis.

Coursing people go through their lives hoping to have a runner at the national meeting in Clonmel. For some this dream comes true but unfortunately some people never get the opportunity to see their own dog going to the slips in Powerstown Park. Last year's coursing season was very exciting for me. I attended a lot of meetings and had some success as part of the Déise-Banner syndicate. We won the Dungarvan bitch trial stake and qualified for the national meeting in Clonmel with our dark brindle bitch called Clodagh River. She was bred and reared by a great friend of mine, Shane O'Gorman from Portlaw in County Waterford who is also part of the syndicate as is Senator Paudie Coffey, my dad Donal Carey and my good friend from Newmarket on Fergus, Jody Halpin. Ultimately, Clodagh River was beaten in the third round by the brilliant Oaks winner Grace and Glamour. We have subsequently bred Clodagh River to last year's derby winner Coolavanny Bingo and she has just had ten pups which are eight weeks old - five dogs and five bitches - that are wonderful, healthy, strong pups and please God they will make it to Powerstown Park in January 2018.

The national meeting is attended by more than 30,000 people each year, averaging 10,000 people per day. It is a wonderful showcase for coursing and offers enthusiasts a chance to meet up and catch up once a year. The national meeting gives a huge boost to economic life in Clonmel and its environs. The survival of coursing is absolutely dependent on the wellbeing of the hare population. Without the efforts of coursing clubs throughout the State the hare population would be without the significant layer of protection it currently enjoys from the hare husbandry initiatives afforded by coursing clubs on a 12 month basis. Quercus, which carried out the research for Queen's University, concluded that Irish hares are 18 times more abundant in areas managed by the Irish Coursing Club than at similar sites in the wider countryside.

A point that is never raised by the anti-coursing lobby is the whole area of unregulated, illegal hunting. This activity involves packs of unmuzzled dogs chasing any wildlife, and some-

times livestock, for unlimited hours with the aim of killing it. Numerous Irish and EU wildlife laws are broken, including the killing of protected species like the Irish hare. Illegal unregulated hunting is destructive to land and destructive to crops and livestock. In a well publicised case in April of last year, for example, four individuals were arrested in County Tipperary for poaching wildlife using particularly brutal practices. A similar type of case has been reported in west Wicklow. In general these brutal, cruel activities take place on private lands without the permission of landowners, with total disregard for all laws. Habitats are destroyed, gates are left open and there is no thought at all for the impact the illegal hunting has on the species. On a voluntary year round basis, local coursing clubs protect their hare preserves against illegal hunting, in conjunction with landowners, by carrying out surveillance of lands and reporting such illegal activities to the relevant authorities such as the local wildlife ranger and An Garda Síochána.

If this legislation before the House was to become law illegal hunting would thrive unchecked. This has been the case in Britain since coursing was banned there and is the case in this State wherever coursing clubs do not exist. I am opposed to this Bill and look forward to voting against it next week.

**Deputy Paul Murphy:** I may be sharing time with Deputy Bríd Smith - half and half - if she is in the Chamber.

**An Ceann Comhairle:** Not half an hour Deputy, ten minutes.

**Deputy Paul Murphy:** I meant half each which amounts to five minutes and five minutes. I thank the Ceann Comhairle.

I am pretty shocked by the response of the Government and the speech we have just heard. It was not the kind of balanced speech normally heard in the Chamber from the Government when it is defending something about which it feels shamefaced. What Deputies have just heard is an advert in our national Parliament for hare coursing, how great it is and how everybody should be involved in it. I am shocked that the Government has gone so far in defending hare coursing which is, I believe, an indefensible practice. It is an undeniably cruel and barbaric practice especially considering the fact that our near neighbours - Northern Ireland, Scotland, Wales and England - have all moved to ban hare coursing. Ireland is one of three jurisdictions left that maintains it. To defend it and to advocate for it in such a positive fashion is shocking. I thank Deputy Maureen O'Sullivan for bringing the Bill forward. It is very good that we have it but obviously it is very disappointing that it looks like it may not pass. However, the Anti Austerity Alliance is very much in support of the Bill. Deputies have already outlined how this is undoubtedly a cruel activity. The idea has been raised that this is part of nature. I do not understand how humans capturing hares, holding them in captivity, training them and releasing them to be chased by dogs is a natural activity. Undoubtedly, hares die in nature. That is a part of nature but humans intervene for their own amusement and profit and the result is, whether the Minister likes it or not, that killings and maulings of hares happen. Saying that killings or maulings are not the purpose of hare coursing is some sort of admission that killings or maulings would be a bad thing, but it is undeniable that killings and maulings happen as a result of hare coursing.

The Irish Council against Blood Sports' coursing cruelty catalogue notes that in Tubbercurry last January 14 hares were hit, 12 were injured, six badly, one died of injuries and three more were put down. In Old Kilcullen in December 2015, seven hares were struck and three died of

injuries; in Kerry, three hares were struck and two were put down; in Dundalk, three hares were struck and two died of injuries; in Macroom, six hares required assistance, a euphemism for being struck and mauled, and three were put down. The list goes on and on over pages. This happens and it is an unavoidable part of how hare coursing operates. Hares are going to be struck and mauled and it is an absolutely avoidable cruelty to animals. There is nothing natural about it.

This is an example of capitalism “red in tooth and claw” where animal welfare and wildlife conservation come a poor second place to profit. There is money to be made in hare coursing, including by big business. For example, BoyleSports sponsors hare coursing events and earns profits from gambling. Until recently, J. P. McManus sponsored hare coursing events. He withdrew his support because of the campaign work by organisations such as the Irish Council against Blood Sports, which has done sterling campaign work.

Hare coursing has a negative impact on this country’s wildlife. The Irish hare is one of our most longstanding native mammals, having survived the ice age, but there are now examples of local extinctions and a fragmented population across the country. The Irish hare as a species is under pressure from human activity, primarily farming, and the last thing it needs is to be captured and chased by greyhounds in enclosures for the enjoyment, dubious though it may be, and profit of a few. There is a relationship between hare coursing and the greyhound industry. People may be aware that controversy has boiled up recently about the scandalous practice of Irish greyhounds being exported to China. The Minister for Agriculture, Food and the Marine has a duty to keep the House informed of developments in respect of that controversy. To that end, the Minister should confirm if an important meeting is to be held on 4 July, in London, I think, which will involve his Department, the Irish Greyhound Board, the Greyhound Board of Great Britain and some animal welfare groups to discuss the issue. The Minister should report to the House on the outcome of those discussions.

I thank the hundreds of people who e-mailed me and the other Anti-Austerity Alliance and People Before Profit Deputies, and presumably many other Deputies, on this matter. They gave us vital information and have shown that there is very vibrant campaigning on this issue. The political establishment is out of touch. A theme of the e-mails which is underlined by the debate this evening was people’s dismay at Sinn Féin’s action in not supporting this Bill. Sinn Féin had given the impression that it opposes blood sports but does not define hare coursing as a blood sport. It is difficult to see how blood sports can be defined when the fact that humans create a situation where hares are chased around by greyhounds does not qualify. We do not accept Sinn Féin’s argument that hare coursing must be maintained and regulated. The Irish Coursing Club does regulate the practice but that does not stop illegal coursing outside its remit. Even the events that fall within the regulations of the Irish Coursing Club involve the injury and death of hundreds of hares. It is absolutely unavoidable. I urge Sinn Féin to reconsider its position. I thank Deputy O’Sullivan for bringing this forward and congratulate all those who have campaigned on this issue over years and encourage them to keep it up. We will not win this vote on Thursday but ultimately if the campaign pressure is built we can win on this issue.

**Deputy Mick Wallace:** I have sensed a certain feeling around this issue that city people do not really understand country people when it comes to coursing and how nature works and so on. I was born on a small farm in Wexford and I do not think it is nice to see an animal suffer. In the natural cycle, animals die and big animals kill smaller animals, but that does not make an argument for humans organising it.

When humans do not care much about how other humans suffer, through actions they supported or did nothing about, there is a problem. Society breaks down when we do not care what happens to our neighbour, whether the neighbour is next door or in another country. There is a thing called empathy and when we see an animal suffer through organised work by people, the lack of empathy is worrying. Somebody said that if we stop coursing it would hit the economy. That is an interesting point because I got into an argument in a pub in Ennis - I think the Minister of State, Deputy Carey, is from Clare - when a fellow attacked me because of our protest at Shannon Airport. He said that he sold sandwiches to the American soldiers. The argument developed. Despite the fact that 2.1 million people who were not carrying guns had been killed by the US, British and French forces in Afghanistan and Iraq in 15 years, our lack of empathy and a desire to sell sandwiches make us think we can forget about what happens over there, about the homes the bombs fall on when people are asleep, and about the fact that most of those killed are women, children and old men because the young people are out working or fighting.

**An Ceann Comhairle:** Deputy Wallace is stretching it to try to link the two topics.

**Deputy Mick Wallace:** If I did not stretch it, I would be the only one in here who did not.

There has been talk of driving the sport underground. I remember when there was cock fighting and it was no problem to set up a cock fight around my area. It is banned now and I do not see it any more. It has not grown more popular. It has disappeared from where I live. On the question of driving things underground and making them unregulated, we argued two years ago for the legalisation of cannabis. The argument of the big parties was that could not possibly be done. We argued that because it is not regulated or legalised, people buy bad cannabis.

Last year, we brought the argument in here about sex workers who do not want the purchase of sex to be criminalised. They think that will make their lives and opportunity to make a living very dangerous. The Government takes arguments as they suit. It might say that we all do that and it is human nature, but I find it hard to buy the argument that the unregulated nature of coursing might flourish and create even more problems.

I have not spent my life fighting for animal rights and have not been involved in the issue, as Deputy Maureen O'Sullivan would be well aware, but I have six cats at home. Sometimes they are chased by a dog. If I caught the dog I would like to give it a few clouts. If someone caught my cats, threw them into a cage and brought them off somewhere so he or she could let dogs loose after them, I will not say what I would do to him or her. I feel very attached to my cats. I would be alone in the house without them, despite what people might think.

Having a relationship with animals is good for people. It is great for children growing up to have a relationship with animals. It builds empathy and might help them not to support us supplying an airport for Americans to bomb the living daylights out of millions of people in other lands.

**Deputy Mattie McGrath:** Regulated coursing is and has been managed under the auspices of the Irish Coursing Club, ICC, which was established in 1916. It is the central authority for more than 80 local coursing clubs. These clubs hold coursing meetings annually, typically over a two-day period. Coursing is supervised by the National Parks and Wildlife Service, under the Department of Arts, Heritage and the Gaeltacht, and monitored by the Department of Agriculture, Food and the Marine. It is regulated under the Animal Health and Welfare Act 2013, the open season order 2005, the Wildlife Act 1976, the 26 conditions attached to the licence issued

annually by the Department and the rules of the ICC.

As a young boy I went hare coursing and learned a lot about nature, wildlife and life in general. Teams of men and youngsters hunted hares. Things have moved on since then and it has become a very humane activity. Greyhounds are now muzzled and rightly so, and are under strict supervision. Licences are in place.

It was interesting to hear the contribution of the Minister - I was not in the Chamber but I watched it on a monitor. Some clubs which acted out of order last year are under investigation. A small minority have been reprimanded. It is very important that the full rigours of the law are used to enforce the rules.

Today I spoke at length on the Summer Economic Statements. I welcome the free debate and compliment Deputy Maureen O'Sullivan for putting down this Bill. I know how passionately she feels about it, and I respect that. Jobs and supporting industries are important. Coursing is an industry in rural Ireland, one which is of the people and by the people and was developed by their own volition. The industry receives no State aid or IDA grants. Anyone who has a greyhound has to have a kennel, trailer, pay veterinarian fees and have leads. They care for their animals expertly.

I heard Deputy Wallace refer to his cats. I do not know who minded them when he was at the soccer match, but I hope they were well looked after - I know they were. He would be lonely without them. I have a couple of sheepdogs which are used to herd sheep. Will that be stopped? Some animal rights activists have told me they want to stop sheep herding and horse racing. We must strike a balance and have respect for people in communities who engage in the sport, tradition and heritage of hunts. Coursing is now very much regulated. It is a major industry.

There is an annual coursing festival in Clonmel, the vale of honey. I ask Deputies O'Sullivan, Daly and Wallace to come to Clonmel on the last day of January and we will bring them in. No one will stop them going to the meeting. They can see how it is run under the auspices of the ICC and Department and the activities that are taking place, and have a nice engagement with the people who enjoy the sport.

Men, women and children of all ages enjoy the sport. It is worth €6 million to Clonmel. We changed the festival to encompass weekends because of people's ability to get off work. People come from all over Europe to the festival. A significant number come from Northern Ireland. All are made welcome. It is part of our heritage and is the biggest thing we have had in Clonmel since we had the Fleadh Cheoil. There is greyhound racing and music, song and dance. People enjoy the hospitality and stay in houses within a 30-mile radius of Clonmel. Waterford, East Limerick and other areas benefit. People are made welcome.

I would not go to the constituency of Deputy O'Sullivan or Deputy Daly and try to close down industries. I would think twice about doing that because I would be interfering. We have our beliefs, but seeing is believing.

Some animal rights activists have done awful things in Clonmel. A long time ago they put broken glass on greyhound tracks. That would do horrific damage to the paws of greyhounds. They sent appalling letters to previous Members of the House and threatened them. We need to strike a balance. Going outside the gates of the Houses earlier was not a very pleasant. None of the people there had muzzles on them. Let us be fair. People can be very nasty, intimidat-

ing and threatening, and it is not good enough that we cannot go in and out of the Houses and go about our business without being intimidated and threatened. I have been a victim of that. I have to represent all of the views of the people. This is something I believe in passionately.

We must support the industry. As I said, the ICC was established in 1916, and the men who established it knew it was a natural pursuit. Animals are killed every day of the week. Hares are not caught and put into boxes. Rather, they are caught and put into carefully constructed preserves which are the result of major voluntary labour from clubs. They are allowed to roam wild over areas of up to 200 acres. A couple of years ago, animal-rights activists cut the wires on preserves before coursing was due to take place and allowed the house to run onto a motorway, where they were slaughtered by trucks. Cruelty is not one-sided. No one has a preserve on that.

If coursing goes underground we will have a major problem. I know Deputy O’Keeffe, who is from Limerick, has the same problem as I do in my constituency. Marauding gangs are going out with lurchers and greyhounds, which have been ill-treated and have no muzzles, and are trespassing on land. They are causing untold damage to animals and farm property, and are intimidating householders and farmers. People are terrified and will not make statements to gardaí because they have been threatened that if they do they will be burned out of their houses. That is terrorism.

People carrying out these attacks are killing the dogs. They are letting not just one but two, three, four or five dogs after innocent hares, allowing them to chase and kill them, and then, as the Minister said, are putting footage up on social media. That is despicable and barbaric. I do not know why the animal rights people and others do not address those issues.

Last year, for the first time in decades, the Sunday coursing open day was not held because we had no hares to hunt, despite the fact that all of the hares had been collected from the wild, treated, injected, fed, looked after and nurtured. They were killed by gangs of thugs and bullies with lurchers and greyhounds.

I heard an appalling case on Tipp FM recently, where terriers were seized from a house by thieves who cut the locks and used the handle of a shovel with nails in it to hunt the dogs. People are afraid for their lives. I compliment Superintendents William Leahy and Pat O’Connor and others in the Limerick region who have assisted in clamping down on this type of activity. This happens not alone during the day, but also at night. People are terrified.

*9 o’clock o’clock* Huge amounts of Garda time is taken up trying to monitor the situation and in preparing prosecutions under the Wildlife Act. Prosecutions have been made but while the gardaí were engaged in that respect people were being robbed elsewhere. A lot of people who are engaged in such activities are touting for robberies also. It is open season on the ordinary citizens I represent in their own homes and farms. Fences are being broken and livestock is being damaged and harried. Sheep are being attacked by the dogs and cattle are being frightened and are breaking out onto roads, which causes more accidents. All of that is going on. We are trying to ensure there is a controlled coursing industry, which is of the people and by the people who put their hands in their pockets, pay for their greyhounds and their veterinarian bills. Some people look after their greyhounds better than some of us look after ourselves they are so mad about the dogs. In the past, every small farmer in my constituency had greyhounds. It was a huge add-on industry. Agriculture is on its knees at the moment and we need such cottage industries and small ancillary industries to support the main farming income. Coursing should

be promoted rather than restricted.

I issue again, mar fhocal scoir, a Cheann Comhairle, an invitation, a cuireadh, do na Teachtaí O'Sullivan, Daly agus Wallace teacht go dtí Cluain Meala to see it, because seeing is believing. They should not listen to the people who say they are not allowed in, that they are not allowed to bring in cameras and that they are bullied and intimidated. People are not bullied and intimidated. It is a very peaceful event and there is never any trouble at it. Thousands come to Clonmel. It is a lovely festival which everybody enjoys. I accept there is gambling but gambling goes on everywhere. I have never bet in my life but I attend coursing and meet people there every year. Beidh an-chraic agus spórt againn má bhíonn na Teachtaí ábalta teacht.

**Deputy Bríd Smith:** I am sorry I am late but the honourable Joe Biden, to whom Deputy Mick Wallace referred in the context of landing aeroplanes in Shannon, delayed me. There is a big palaver around St. Stephen's Green with dozens of stretch limousines. I do not know where he is gone for a pint but he is obviously gone somewhere local.

I support Deputy Maureen O'Sullivan's Bill as a small step towards a kinder and more humane society in all aspects, especially in terms of how we treat not just hares but all sentient beings. It gives us an opportunity to have a wider argument about our attitude in that regard. I welcome the initiative and thank Deputy O'Sullivan for bringing the Bill to the Dáil. The case has been made by many different groups here about the cruelty involved in hare coursing, which is undeniable and unbelievable. It is a very weak argument to claim that the animals do not suffer and that the tradition must be respected, and in most cases it is demonstrably false. There would be more honesty involved in this debate if those who oppose the banning of hare coursing would simply tell us lots of money can be made from it, both from the events they run and the gambling that takes place in the industry and, therefore, it is about putting the creation of profit or commerce ahead of other considerations and the terror and pain inflicted on defenceless animals.

In preparing for the debate I was struck by a number of things I had not realised. Most important, the wildlife expert, bird watcher and photographer, Eric Dempsey, with whom I did a class on bird watching in the People's College, pointed out that Irish hares are a unique race of mountain hares found nowhere else in the world. They are a protected species, yet the Minister, Deputy Heather Humphreys, can issue licences to coursing clubs to hunt and net hares. The hare population is in serious decline across the country due to habitat decline and other issues in addition to coursing. Hares are among the longest established native mammals on this island and one of the last living links to the previous ice age. It is amazing to think about that and it would be a real shame to lose hares.

The naturalist, Eric Dempsey, also pointed out that we do not make much effort to protect our natural heritage as opposed to our national heritage. There is almost total silence when species such as the corn bunting becomes extinct or other species such as corncrakes, skylarks and yellowhammers go into serious decline. We must consider such issues because they contribute to the type of society in which we wish to live. I support the Bill which deals specifically with hares and also because it says something about the kind of society to which we should aspire. I was not born with a huge appreciation for animal rights but I have come to believe in our duties as humans to protect all living creatures, people as well as the other sentient beings that inhabit the planet. At all times we should act to minimise the infliction of unnecessary cruelty or pain on animals. That is not just the case with hare coursing but in terms of animal exports and the manner in which we produce animals in the agriculture sector and in poultry farms.

The ultimate source of such cruelty and of the degradation of animals is inherent in an economic system that prioritises profit and competition before people and the environment. It is an economic system that degrades the importance of human needs behind those of profit and does the same with animals. I say to those such as Deputy Mattie McGrath who support the rights of those involved in hare coursing that we stand with those who campaign for the rights of animals and against the cruelty and unnecessary suffering that is inflicted on animals. However, the ultimate cause of the suffering is not Deputy Mattie McGrath, the people of Tipperary or some kind of misguided element of society, rather it is an economic system that prioritises profits above all other considerations and relegates the needs of humans and other species.

We are now living in the midst of the Earth's sixth great extinction event, which is the reason biodiversity is crashing across the planet. The cruelty that this Bill highlights is a small example of the general coarsening. The more general cruelty and degradation of animals and the environment is inevitable in this economic system. It is wrong and we should oppose it. I endorse Deputy Maureen O'Sullivan's Bill and welcome the fact she has brought it to the House.

**Minister for Arts, Heritage and the Gaeltacht (Deputy Heather Humphreys):** I have listened to the concerns raised during the course of the debate and I appreciate that this is a sensitive and emotive topic for many. People have sincerely held views on the matter and they are entitled to them.

Coursing is not a sport involving a hunt to kill. More than 99% of hares involved are released back into the wild. Last year, for example, 5,348 hares were used during coursing and 5,312 were released. Hares are not kept in boxes prior to meetings, they are kept in a fenced field where they are fed and watered. They have small enclosures in which to rest and sleep.

All meetings are attended by a veterinary surgeon and my officials attend coursing meetings as resources allow also to monitor compliance.

I understand the main reason for the decline in the number of hares on Bull Island has little to do with hare coursing and more to do with the fact that some dog owners allow their dogs to roam off the leash. That does not help to foster the hare population on the island. I also understand that the main landowner on Bull Island, Dublin City Council, is working proactively to raise awareness and to address the issue.

I heard some contributions which questioned my role as Minister in allowing the situation to continue. What they fail to recognise, or are unwilling to recognise, is that for many in rural communities coursing is an integral part of their heritage and tradition. Deputy Mattie McGrath outlined how arts and heritage come together at coursing meetings. In many cases the practice of hare coursing has crossed generations from father to son, as outlined by Deputy Joe Carey. As Minister with responsibility for both heritage and rural affairs it would be remiss of me if I did not try to find a balance. In that regard I am satisfied that the strict licensing conditions and monitoring currently in place finds that balance and allows coursing in a highly regulated environment where welfare of the hare is paramount. If clubs breach the conditions they are punished. I referred to some examples in that regard in my earlier remarks.

An outright ban on coursing, which is effectively what is proposed in the Bill, could drive the sport underground. I accept that would be an unintended consequence of Deputy O'Sullivan's Bill but I am aware that has been an issue in both the United Kingdom and in Northern Ireland where bans have been introduced. If that were to happen here, coursing meetings would take

place in unregulated environments with no controls in place. I alluded previously to the dangers of hare lurching, as did other speakers, and we do not wish to see an increase in that type of illegal activity.

As I have indicated, my responsibilities under the Wildlife Acts relate to the conservation of hares and I have no concerns regarding its conservation status, which is classified as being favourable. As regards welfare and as I have pointed out, my Department has, over the years, included conditions on the licences issued to the Irish Coursing Club. I will continue to work with my colleague, the Minister for Agriculture, Food and the Marine, and the Irish Coursing Club to ensure that coursing is undertaken to the highest standards for the benefit of the welfare of both hares and greyhounds. This is a highly regulated industry under licence and without licence, the industry would revert to operating without regulation. At present, we have a controlled environment and I suggest we should not allow it to go into a non-regulated space.

**Deputy Maureen O’Sullivan:** First, I thank all the Deputies who contributed to the debate. While I obviously did not agree with many of the arguments, I respect everybody’s right to express his or her views as we live in a democracy. I am somewhat heartened by the fact that everybody is talking about the welfare of the hares. It is just that Members have different views on what precisely is the welfare of hares.

In 1993, the late Tony Gregory introduced a Private Members’ Bill on wildlife to ban live hare coursing and I am doing the same today. After his death, I sat up there in the Visitors Gallery with families, friends and supporters and listened to quite a number of speeches about Tony, his political career, his integrity, his honesty, his commitment and his passion for justice. There were so many instances in which he was a voice for those who were voiceless. He was passionate about nature and a fervent animal lover, and he abhorred cruelty to animals. In his Bill, he spoke about the “welfare of the vulnerable and defenceless in nature’s creation”. It would be a fitting and lasting tribute to him were Members able to complete what he started in 1993.

It is known that the hare is a timid and delicate creature and it is cruel to treat an animal that is used to the freedom of nature in the way it is treated, with the snatching, the netting and the stressful transportation procedures. Then there is the so-called training of the hares for the better sport, where they are familiarised in the fields in order that when the coursing begins, they will run up the centre of the field. I have absolutely no doubt but that blooding of the greyhound is alive and well in rural Ireland because why would a greyhound run after a hare otherwise? Even though it is muzzled, the greyhounds can maul the hares, strike them and inflict agonising injuries with bones broken and bodies crushed as they are tossed into the air like rag dolls. Therefore, the muzzling does not prevent injuries and after years of such muzzling, the statistics are to hand in this regard. I already have mentioned the stress myopathy and I recently met a former ranger from the National Parks and Wildlife Service who was quite unequivocal in describing this as cruelty to animals.

As for some of the arguments that came up, one was that coursing is part of our traditions. It is neither traditional nor is it Irish. Coursing, as practised by the Irish Coursing Club, was introduced to Ireland by British Army officers at the Curragh in 1813. Another argument is that were live hare coursing to be banned, it would be driven underground and there would be illegal hare coursing. That really is stating that those who are into coursing are the sort of people who are prepared to break the law. As I am against live hare coursing, I am also asked whether I am opposed to horse racing. There is a big difference in that racehorses are not in a

race in which they are being chased, mauled, tossed and terrorised by another animal ten times the size; there simply is no comparison. I am also asked, because I am a Dub, what do I know about rural Ireland. Yes, I am a Dub but I also am Irish and I love my country, both urban and rural. Moreover, with a name like O'Sullivan, I can assure Members of my rural connections. In my case, they are to counties Kerry and Meath and I have a long association with one of our islands, Oileán Chléire in west Cork.

Another argument is that this is an urban-rural divide but this absolutely is not the case because there are extensive objections in rural Ireland to this practice and regrettably and sadly, there are many examples of animal cruelty in urban centres and in Dublin. I simply find the entire practice to be deplorable and archaic. I will repeat Deputy Bríd Smith's comments because I have also been reading about the Irish hare being special and being a subspecies of the mountain hare. It is possibly Ireland's longest established native mammal, even present during the ice age, but at the rate we are going, it will not survive well into this century and will go the way of the corncrake and the curlew. There are considerable doubts about the report mentioned by the Minister, which has been sharply criticised in other quarters to the effect that its conclusions are not trustworthy. The Irish Wildlife Trust drew up a species action plan for the hare in which it stated the populations have undergone a substantial decline in the past 15 to 25 years. There also is the aspect that when hares are taken for coursing, the young hares, the leverets, are left to starve.

The Animal Health and Welfare Bill 2012 states: "A person shall not... do, or fail to do, anything or cause or permit anything to be done to an animal that causes injury (including disfigurement) or unnecessary suffering to, or endanger the health or welfare of, an animal." Are Members suggesting this constitutes necessary suffering? According to the official reports, at 20% of coursing meetings, hares are injured, hares are put down and greyhounds are injured. This is not necessary suffering and I believe it to be against the entire tenor, thrust and ethos of the Act. It is a national embarrassment that we persist in this cruel practice. I understand the numbers at coursing meetings are falling and no reputable company or organisation will sponsor a coursing meeting.

I have been critical of the Minister for Arts, Heritage and the Gaeltacht on the licence issue and for allowing the hare trade, but I acknowledge her significant and laudable role in the numerous commemorative events to celebrate the 1916 Rising. Consequently, I wish to draw her attention to a letter brought to my attention that was written by Margaret Pearse, sister of Pádraig and Willie, in which she condemns hare coursing and states both her brothers would be "foremost in condemning coursing for the sadistic spectacle it is". She wrote they "would have been totally opposed to the inhuman treatment meted out to... innocent little hares at ... coursing". I note Members are conscious that they seek to have fitting tributes to the memories of those who died in 1916.

I also have been struck by the number of male clergy who are frequent attenders at coursing meetings and wonder how they reconcile this with one of the churches most loved saints, namely, St. Francis of Assisi, who is the patron saint of ecologists, a title that honours his boundless love for animals and nature. While I do not wish this to become a sexist issue, I understand the attendance at coursing meetings is predominantly male. Regrettably, the majority of women elected to this House will vote to continue this cruel practice. Perhaps the women in the political parties who share my views and do not like this wanton cruelty to defenceless animals will stand up to their male counterparts. I also know, because they have told me, that there are men in the various political parties who are against the practice of live hare coursing

and they would like to see it banned. However, they will be subject to the Whip. I have asked for a free vote on this matter, part of the new politics, and I continue to live in hope that this time next week, I might get that free vote. I stress that there is an alternative. I believe that the rag coursing in Australia starts in May. Not a single hare will be snatched from its natural home in the countryside to serve as bait. Not a single hare will be obliged to endure the terror of the chase in a wire-enclosed field or endure being mauled, struck or pinned to the ground, as happens here. However, the fun can continue with the rag coursing. Were one to google hare coursing, everything that comes up is negative and were one to google images of hare coursing, one will see scenes of terrible cruelty. I cannot believe the Minister can talk about concerns for the welfare of the hare while statistics, evidence and figures showing the exact opposite, where there is wanton cruelty, is available. I refer to the line from Gandhi to the effect that first they ignore you, then they laugh at you, then they fight you and then you win. Animal welfare people have been ignored, we have been laughed at, we have been fought with but we will win. We may not win next Thursday but we will win at some future date.

Question put.

**An Ceann Comhairle:** In accordance with Standing Order 70(2), the division is postponed until the weekly division time on Thursday, 30 June 2016.

The Dáil adjourned at 9.20 p.m. until 10.30 a.m. on Friday, 24 June 2016.